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THE Second Schedule of the Strata Management Act 2013 (SMA 2013) governs meeting procedures and related matters. It regulates general meetings, management committee meetings, the election and tenure of committee members as well as the circumstances leading to vacancies and their replacements. Additionally, it outlines the conduct of management committee meetings, covering aspects such as issuing notices, passing resolutions and communicating decisions to purchasers and proprietors.

The Second Schedule is particularly relevant to strata owners, as it governs attendance at annual general meetings (AGMs), voting rights and eligibility for nomination as committee members. Any additional by-laws for a strata development scheme must also be introduced through a general meeting. In essence, it plays a crucial role in the daily operations of a strata property, influencing both the conduct of purchasers and the responsibilities of the Joint Management Body (JMB) or Management Corporation (MC). As such, it serves as the primary reference document for guidance.

The Second Schedule primarily addresses the affairs at general meetings and affairs at management committee meetings. It also covers voting rights and eligibility for nomination as a committee member.

Given its procedural focus and widespread application across strata owners from diverse backgrounds—including those in both low-cost and high-end strata schemes—we are considering making the schedule more prescriptive by incorporating illustrative examples alongside the text to enhance clarity and practical understanding.

Proposed enhancements

To ensure compliance and accountability, we reaffirm that an AGM must be held each calendar year, with no more than 15 months between meetings. The penal provision for non-compliance, currently found in Paragraph 34(2) of the Strata Management (Maintenance and Management) Regulations (SMR) 2015, will be incorporated into the parent Act for greater legal enforceability.

Additionally, we propose extending the notice period for convening a general meeting to 21 days. This aligns with industry practices, as most JMBs and MCs purchase additional insurance riders under Section 97 of the SMA 2013, which mandates a special resolution requiring a minimum notice period of 21 days.

Furthermore, we are considering allowing all parcel owners to directly vote for office bearers, in addition to committee members. This would enable proprietors to select key office bearers from the floor, broadening participation and fostering greater inclusivity in the decision-making process.

AGM chairperson

We propose introducing express provisions granting the chairperson limited powers to

adjourn meetings under specific circumstances. Additionally, we are exploring empowering the chairperson with the authority to make preliminary rulings on procedural matters during meetings, ensuring smoother proceedings and reducing potential disruptions.

The management committee plays a crucial role in maintaining the overall functionality of a strata development. To reinforce its responsibilities, we emphasise that its core functions include:

1. Maintaining, repairing, renewing and upgrading common facilities and common property.
2. Managing and securing operators for common utilities and amenities for the convenience of proprietors and occupants.
3. Renewing and upgrading common property to enhance the market value of parcels.
4. Establishing and maintaining proper procurement procedures and tender processes.
5. Implementing an effective credit control system for collecting maintenance charges, sinking fund contributions, and other lawful fees.
6. Enforcing by-laws and additional by-laws as stipulated under the Act.
7. Ensuring the strata roll is promptly updated with any changes or dealings notified by proprietors.

Roles of office bearers

To enhance governance transparency, we propose formally outlining the statutory duties of each office bearer within the management committee.

- (a) Chairperson
- Heads the management committee and MC.

- Calls and presides over management committee meetings and, if elected, the MC's general meetings.

- Makes preliminary rulings on procedural matters during meetings.

(b) Secretary

- Prepares and ensures minutes of management committee and corporation meetings are tabled at general meetings, displayed on the notice board, and lodged with the Commissioner of Buildings (COB).

- Maintains the strata roll and keeps an updated register of parcel owners.

- Facilitates document inspections on behalf of the MC.

- Handles administrative and secretarial duties related to the corporation's functions.

(c) Treasurer

- Manages procurement procedures and ensures transparent tender processes.

- Oversees bookkeeping and maintains accurate financial records.

- Prepares financial statements and ensures timely annual audits.

Term limits and representation

To promote leadership renewal and prevent long-term monopolisation, we propose standardising term limits as follows:

- Committee members: Limited to three terms.

- Office bearers: Limited to two terms.

A term may not always mean full service, as criteria for completion will be defined later to prevent strategic resignations before general meetings.

However, if nominations are insufficient, a candidate may be re-elected through a special reso-

lution.

Additionally, in mixed-use strata developments, we are considering mandating a minimum representation for each component like residential, commercial or retail to ensure fair and balanced decision-making.

Hybrid and virtual meetings

In alignment with modern governance practices, we propose allowing hybrid and fully virtual meetings. The following conditions will apply:

- Quorum requirements will include both physical and online attendees.

- Proposals and seconders may participate in person or via virtual platforms.

- Meeting notices must specify the physical location (if any) and the online link for hybrid or virtual meetings.

To further streamline governance, we propose permitting:

- Electronic submission of proxy forms, private motions, and requisitions to convene general meetings with the JMB, MC or developer.

- Requisitions for motions to be included in the agenda must be submitted at least 14 days in advance, except for special resolutions, which require 21 days' notice.

Methods of voting

The existing methods of voting will remain unchanged:

1. Show of Hands: Each hand raised corresponds to one parcel owned.

2. Poll Vote: Votes are counted based on share units assigned to each parcel.

A person requesting a poll vote may do so for specific resolutions. However, the demand for a poll must be made before the resolution is tabled and voted on. In the absence of such a request, the resolution will be determined by a show of hands.

To improve transparency and efficiency, we are also exploring the creation of additional statutory forms, including:

- Company Representative Form
- Nomination Form
- Requisition for Private Motion Form

Proxy vs company representative

To clarify representation rights, we propose the following refinements:

- The rights of proxies will be clearly defined, particularly in cases involving sole proprietors and co-proprietors.

- Parcels owned by companies will only be represented by their officially designated company representatives.

- We will remove the option for immediate family members to represent proprietors of multiple parcels, as verifying such relationships is often impractical.

These proposed changes aim to streamline meeting procedures, enhance transparency, and promote broader participation in strata management decisions.

If you have any specific subject matter you feel strongly about which requires amendment, kindly email info@cheehoe.com or izzah@kpkt.gov.my.

Enhancing meeting procedures

