

P.O. BOX 5341

HELDERBERG

7135

Attention : Mr. Mick Webb

June 11 1992

CODESA
P.O. Box 307
ISANDO
1600



Dear Mr. Webb,

I refer to your letter dated 1/4/92 regarding my submission to Codesa WG1 - this was "A Democratic and Non-Political Manifesto for the New South Africa.

In this manifesto, I gave a brief outline (Para 7) of the concept of a Homeowners Close Corporation.

I am now sending you a comprehensive brochure, including the 2 most important documents in the whole concept - the Founding Statement and the Amended Founding Statement.

In view of the fact that South Africa is having great difficulty in persuading overseas investors to invest money in this country (Exhibit "D" - letter to the State President ,Mr.F.W. de Klerk) clearly sets out how through nominees, money can pour into this country, and the ripple effect will do much to boost the economy and create many job opportunities.

Estate Agents through their overseas connections can make a great contribution to making this dream a wonderful reality.

South African Embassies overseas can also play a part in promoting this concept.

Yours sincerely

G.R.L.ROBERTS

1. Confidential Report on the concept of the
Homeowners Close Corporation + Annexures.

2. Home Ownership in the New South Africa

NOT FOR PUBLICATION

CONFIDENTIAL REPORT ON THE CONCEPT OF THE
HOMEOWNERS CLOSE CORPORATION

by

G.R.L. ROBERTS.

I refer to the 4 undermentioned documents, which form part of this whole report.

- 1). Home Ownership in the New South Africa.
- 2). Promulgation of the New Homeowners Close Corporation Act.
- 3). Suggested Founding Statement styled HCC1.
(similar to the CK1 of an ordinary Close Corporation).
- 4). Suggested Amended Founding Statement styled HCC2.
(similar to the CK2 of an ordinary Close Corporation).

I also refer to the annexures relating to this Confidential Report :-

- A). Letter addressed to the State Presaident, Mr. F.W. de Klerk dated 19 November 1990 marked "EXHIBIT A".
- B). Letter received from Department of Planning, Provincial Affairs and National Housing dated 13 March 1991 marked "EXHIBIT B".
- C). Letter addressed to Department of Planning, Provincial Affairs and National Housing dated 24 March 1991 marked "EXHIBIT C".
- D). Letter addressed to the State President, Mr. F. W. de Klerk dated 10 May 1991 marked "EXHIBIT D".
- E). Letter received from Department of Finance dated 12 August 1991 marked "EXHIBIT E".

Let us now deal with these letters :-

EXHIBIT A.

There is not much that can be added at this stage. Mr. de Klerk passed the letter to the Department of Planning, Provincial Affairs and National Housing for their attention.

EXHIBIT B AND C.

These can be taken together.

If you refer to Para N of "Home Ownership in the New South Africa", you will see that I have stressed that a uniform tariff of fees payable to the Accounting Officers of Homeowners Close Corporations should be agreed upon and as a form of service to the community, the fees agreed upon should be nominal.

You will note that I also recommended that Estate Agents should reduce their fees in respect of properties sold through a Homeowners Close Corporation.

The statement made by the Department of Planning, Provincial Affairs and National Housing that Accounting Officers will charge exorbitant fees falls away.

I would suggest the following fees :-

ACCOUNTING OFFICERS.

- 1). Fees for lodging the HCC1 - R100. With a R100 Revenue Stamp payable to the State, the total cost to the man aspiring to own his own home will be only R200.
- 2). Fees for lodging the HCC2 - R70. With the R30 Revenue Stamp the total cost to the homeowner will be R100.
- 3). Annual fees, which are more in the nature of a retainer can be R25.
- 4). Fees for professional services and advice re a Homeowners Close Corporation - R50 per hour.

ESTATE AGENTS.

- 1). Suggested rate of commission for sales through a HCC - 4%.
- 2). Where a member of a HCC resides overseas, he can arrange with an Estate Agent to keep an eye on the property, see that the lawn is mown, windows repaired etc.

I must admit that I cannot follow the argument put forward by the Dept. that the HCC will not give the same surety of ownership as provided by the deeds registry system.

They talk about the co-operation agreement between members. They have lost sight of the fact that the members of a HCC will most of the time be members of the same family.

A HCC like an ordinary Close Corporation need only have 1 member, so what is the problem ?

EXHIBITS B AND C (Continued).

After all, there are many properties bought through ordinary Close Corporations and I have not heard of problems.

In any case, every HCC must have an Accounting Officer, who at all times will act with the utmost good faith to the members with all the required skill and care.

EXHIBITS D AND E.

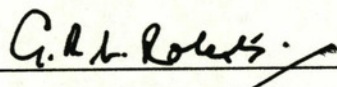
South Africa is not getting the overseas investments that she would like to have. Here is a golden opportunity to get "Hot Money" into this country and take over the mantle of secret banking from the Swiss.

Whereever the money comes from is not our problem - we want to put it to good use for all our citizens. More homes and more jobs will be result.

The letter from the Department of Finance dated 12 August 1991 referring to Exchange Control Regulation 14 (1) (b) has been dealt with under Para J on Page 3 of "HOME OWNERSHIP IN THE NEW SOUTH AFRICA" and it is only necessary to insert a clause - "A resident member of a Homeowners Close Corporation may act as a nominee for a non-resident member of the same Homeowners Close Corporation."

It must be noted that an Accounting Officer may be a member of the same HCC.

South Africa can earn billions and billions of foreign exchange Estate Agents can go overseas and promote Homeowners Close Corporations to the great benefit of the whole community.



G.R.L. ROBERTS.

P.O. Box 5341
HELDERBERG
7135 Cape.

George Roberts
64 Schoongezicht
Scholtz Road
SOMERSET WEST 7130

19 November 1990

The State President
Mr F W De Klerk
PRETORIA

Your Excellency

I am taking the liberty of submitting to you a new concept, which I have devised for all South Africans to have a chance of fulfilling the dream of possessing your own home.

In these troubled times, I feel that if we can give the poorer people some real hope for the future, South Africa can become an example to the world. There are so many unemployed with no hope for the future. Much can be done to restore pride in themselves, by giving them work, which is helping their fellowman. They can be given crash courses and on the spot training by being taught basic building skills - making cement blocks, plastering, brick laying etc.

In the Homeowners Close Corporation, the accounting officer plays an extremely important part. He can guide and counsel the prospective buyer on the many aspects of owning your own home.

With his commercial knowledge, he can guide him on raising bonds, making sure he realises the importance of keeping up his monthly payments. I understand that Building Societies and Banks are having problems with people who lose their jobs, cannot meet their bond repayments, and when the house is repossessed, vandalise the property. This is where the Accounting Officer can assist and try and make a plan to avoid this.

There is one important spin-off from this concept of the Homeowners Close Corporation which for obvious reasons I would not like publicised.

For example people in the U.K. buy property in Europe/South Africa as a holiday home. With the current rate of exchange being so favourable for them, they would form small syndicates and buy holiday homes in South Africa through the Homeowners Close Corporation and a lot of foreign exchange would be earned in South Africa. I do hope that you will give serious consideration to this plan.

If you are ever in the Cape Town area, I would be very honoured to meet you. I would be only too pleased to discuss this with the boffins in the National Party. I would ask you to accept my apology for the poor quality of the production of the Homeowners Close Corporation.

I am 73 years of age and have produced it on a battered portable typewriter. Moving away from the Homeowners Close Corporation concept, I enclose a copy of a letter which was published in the Sunday Times of 18 November 1990 on page 20. I and many other South Africans would be delighted if you could persuade your Minister of Finance, Mr Barend du Plessis to change the tax year. It will not cost the country one cent. With more and more blacks and coloureds coming into the tax net, it will indeed make sense.

May God continue to guide you on the path to the new South Africa.

Yours very sincerely

George Roberts
GEORGE ROBERTS



10 DOWNING STREET
LONDON SW1A 2AA

6th December 1990

Dear Mr Roberts,

The Prime Minister has asked me to thank you for your letter of 8th November, which you addressed to his predecessor.

Mr Major was very grateful for your ideas on improving the home-buying process, which he has noted with care.

With best wishes,

JOHN GARDNER
Political Office

G Roberts Esq

SUNDAY TIMES

NOVEMBER 18 1990 page 20.

EXHIBIT A

Change the tax year

FINANCE Minister Barend du Plessis says he wants to simplify the tax system.

If he is sincere, will he please get the wheels in motion to change the tax year to a calendar year?

What is the logic of referring to the tax year ended February 28 1991 as the tax year 1991 when the income earned in 10 months of it is earned from March 1 1990 to December 31 1990 and only the income earned in the final two months is earned in 1991?

At least 17 countries use the calendar year as the tax year for individuals. Two of them, the US and Germany, are the most economically powerful nations in the world.

Having a calendar year as the tax year for individuals has made life far less complicated for their taxpayers.

It is simplicity itself to alter the tax year to a calendar year.

We could end the tax year, as usual, on February 28 1991. The period March 1 1991 to December 31 1991 we could call Transition Year 1991. As this covers a period of 10 months' income, we could reduce the tax rebates by one sixth.

Tax year 1992 could then correctly be called that, because it would cover the 12-month period of 1992.

This will end the confusion of the poor taxpayer, his lot in life is already complicated enough and anything to ease the burden would be much appreciated. — GEORGE ROBERTS, Somerset West.

EXHIBIT A

Departement van Beplanning, Provinsiale Sake en Nasionale Behuising

Department of Planning, Provincial Affairs and National Housing

Privaatsak X644 Pretoria 0001



Private Bag X644 Pretoria 0001

Reference : 1/14/1
D8/4/3-P7-426H

Mr G Roberts
64 Schoongezicht
Scholtz Road
SOMERSET WEST
7130

Dear Mr Roberts

HOME OWNERSHIP IN THE NEW SOUTH AFRICA

Your representations of 19 November 1990 was referred to the Working Group : Financial matters of the South African Housing Advisory Council for consideration. The Working Group is of the opinion that the operational cost of a close corporation which requires an accounting officer, of necessity implies a recurring cost which may, over a period of years, be high. It will within a few years, if not immediately, wipe out the deemed cost advantage of not having to process a deed for registration in respect of which a once-off cost would be incurred. A once-off conveyancing fee is replaced by recurring accountants' fees in terms of your proposals.

It was also pointed out that the deeds registry system in the RSA is one of the finest systems of its kind in the world resulting in the fact that few ownership disputes reach the Courts. In a close corporation, ownership security basically rests on the registration of membership with the Registrar of Close Corporations as well as on the co-operation agreement between members. Should the present structure of close corporations eventually be adapted to provide the same surety of ownership as that provided by the deeds registry system, it will most probably be at the same cost as that required in respect of title registration.


The Working Group has stressed the fact that issues such as transfer duties, conveyancing fees and delays in title registration are subject to ongoing investigation by interested parties in the property disciplines. An in depth investigation regarding the simplification and rationalisation of deeds registration is in fact at present being carried out.

It was also pointed out that the proposal for tax deductions in respect of bond interest will not benefit the appropriate target group and that the relative advantage for the poor, unemployed and pensioners, i.e the group where the greatest need exists, will be negligible. Furthermore, Government is at present moving in the direction of a once-off capital subsidy which may replace other forms of Government assistance in this regard.

From the above it is clear that the proposals are not seen as the most appropriate instrument to address the cost of ownership registration and the time delays often experienced.

Thank you once again for the interest which you are taking in the daunting problems of housing.

Kind regards


DIRECTOR GENERAL
DATE : 13-3-91

DIRECTOR GENERAL
Department of Planning, Provincial
Affairs and National Housing
Private Bag X644
0001 PRETORIA

March 24 1991

Dear Sir,
HOME OWNERSHIP IN THE NEW SOUTH AFRICA

I thank you for your letter dated March 13 1991.

I am sorry that I did not have a chance to talk to the working Group as there are certain points that I would respectfully bring to your attention.

- 1). The operational cost of a close corporation which requires an Accounting Officer does not necessarily imply a recurring cost which may over a period of years be high.
If, for example, a property has been bought for cash and there is no work required of the Accounting Officer, then only a very nominal charge of say R10 or R20 would be levied.
When there is a change of members then fees would be levied commensurate with the work and the scale laid down by the Institute. The fees could never be high, unless something very complicated might arise.
- 2). I agree that the deeds registry system in the RSA is one of the finest systems of its kind in the world.
The idea of the Homeowners Close Corporation is not to replace the present system, but to be additional to the current Close Corporation system with certain very minor changes.
All I am asking is that Government reduce the transfer duty on the initial purchase of a residential property to a flat 2% instead of the present one-off 5% as applicable to Companies and Close Corporations. The reason is that the Homeowners Close Corporation is very akin to a private residential sale, because it does not do business and like a private individual should not have to render a yearly tax return or have an accounting year.
- 3). People are still at liberty to buy their properties under the present system, but I must point out certain advantages of the Close Corporation concept in respect of private residences.

I recently bought a property through a Close Corporation, in which there are overseas members. The time between the date of the Deed of Sale and transfer coming through was over 6 months (the delays were caused by the lawyers).

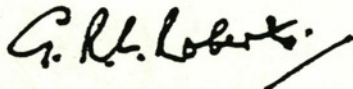
The comment by the overseas investors was "thank goodness there will be no delay if and when we sell the property - it only involves a C27 " In my original submission, I did not point out one very important aspect of a Homeowners Close Corporation.

South Africa can earn billions and billions of foreign currency. Overseas investors can have nominees as members of the Homeowners Close Corporation.

They can pour money into the country, without anti- South Africa groups knowing where the money was coming from.

I trust that you will find these points of interest and you will now see the many advantages.

Yours sincerely



G.R.L. ROBERTS A.C.I.S.

EXHIBIT D

George Roberts
64 Schoongezicht
Scholtz Road
SOMERSET WEST 7130
Ph : (024) 516396

10 May 1991

Your Ref : I13 (05366)

His Excellency
The State President
Mr F W De Klerk
Union Buildings
0002 PRETORIA

Your Excellency

HOME OWNERSHIP IN THE NEW SOUTH AFRICA

With reference to your letter dated 26 November 1990 you advised that the matter fell under the jurisdiction of the Minister of Planning, Provincial Affairs and of National Housing and that you would refer the matter to him. Indeed I did receive a letter dated 13 March 1991 and replied to the Minister on 24 March 1991, but heard nothing since. Copies of these letters are attached. I enclose a copy of an article that appeared in the Sunday Times of 5 May 1991.

May I humbly suggest that South Africa take over the mantle of "secret banking" by letting "hot money" from U.S.A., U.K. or wherever be utilised to acquire an interest in a Homeowners Close Corporation.

South Africa can easily earn billions and billions in much needed foreign exchange. People overseas or here can be members of an ordinary Close Corporation without their names appearing in the CK1 or CK2, because they can use the names of nominees. Let me clarify this by my own personal experience.

When Close Corporations first came into being in 1985, there were 3 of us who bought a golf club, let me use the names

Mr A	70%	interest
Mr B	20%	"
Mr C (myself)	10%	"
	<u>100%</u>	"

There was a court case pending against Mr A and the attorney advised us to let the CK1 show the list of members as follows :-

Mr B	90%
Mr C	10%
	<u>100%</u>

The attorney said that all that appeared in the Minute Book was a statement that attach this interest. All that appeared in the Minute Book was a statement that Mr B was acting as the nominee for Mr A, who was the beneficial owner of 70% and that Mr B. was the beneficial owner of 20% . As the minute book of a close corporation is not open for inspection to a member of the public, all is well. When the court case was withdrawn, we merely submitted a CK2 showing the following interest:-

Mr A	70%
Mr B	20%
Mr C	10%
	<u>100%</u>

Apart from the earning of billions of foreign exchange by overseas tourists; these people will be only too happy to come to their holiday homes with friends and earn us even more foreign exchange.

There are 3 other important points that I would respectfully bring to your attention.

- A. The Homeowners Close Corporation concept can be actively sold by members of South African Embassies to encourage potential immigrants from Europe, America, ect.
- B. Because of the favourable exchange rates for overseas tourists, they can be encouraged to form syndicates to buy holiday homes which they can share amongst themselves - a further boost for South Africa's foreign reserves. Who knows, some of them may become permanent residents.
- C. Estate Agents with overseas connections would have no difficulty in selling residences through a Homeowners Close Corporation.

I would earnestly beg Your Excellency to have another good look at this concept.

May God continue to guide you in the wonderful way you are leading us to the New South Africa. If I can be of service to you, I would be honoured if called upon.

Yours very sincerely

George Roberts

GEORGE ROBERTS

EXHIBIT D

THE ARGUS
26.06.91

NATIONAL

Swiss end secret banking

SUNDAY TIMES
FOREIGN DESK

SWITZERLAND is to abolish its legendary secret bank accounts, which allow customers to deposit money without disclosing their identity.

The Swiss government has come under increasing pressure to change its banking secrecy code to offer more help in international money-laundering investigations.

The accounts — called "Form B" — have preserved anonymity by allowing clients to conduct all transactions through a lawyer, notary or trust administrator, who merely had to state that the accounts were not crooked.

The accounts will be abolished in July and Swiss banks will have to establish all clients' identities by the end of September 1992.

SUNDAY TIMES MAY 5 1991

Lifting of Group Areas Act leaves an anomaly

The Argus
Correspondent

JOHANNESBURG. — Home ownership in the new South Africa looks set to be just as anomalous as it was when the Group Areas Act was alive and well.

The old Act has left behind a legacy of closed corporations (CCs) which were registered by blacks seeking to provide a "white front" when buying a home in a white area.

Now, with group areas legislation dead and buried, there are hundreds of private homes registered as companies in Pretoria's deeds office.

And it seems many homes owned by blacks in white areas will remain that way.

The reason is that it is far cheaper to continue having a compulsory annual audit on a CC than to pay the cost of transferring a home from a CC into the owner's name.

"It makes sense just to keep the house under a CC," said a Johannesburg attorney. "Not only does the owner escape transfer fees, a home under a CC is cheaper to sell. There are less duties."

As the token white directors in CCs are no longer needed, there has no doubt been a lot of reshuffling of CC directors recently — leaving the real homeowner legally in control. The colour of a CC is determined by the colour of the majority directors, not by shareholding.

However, for some, nothing will do but to have the house registered under their own name.

"I want to put my house in my own name, but I refuse to pay thousands of rands in transfer fees. The reason I formed a CC was because of the Group Areas Act and now I have to pay more transfer fees to get the house under my name," said Mr Ervan Livingstone, a resident in Mayfair.

Considering that transferral on a house worth R100 000 costs about R4 000, it is no wonder that many blacks are opting simply to buy out the nominal shares of their white CC directors at the cost of R10 for legal services.

DEPARTEMENT van FINANSIES DEPARTMENT of FINANCE



Finansiële Beplanning • Financial Planning

PRIVAATSAK • PRIVATE BAG X115 • PRETORIA • 0001 • TELEX

• FAX NO. 219-580
• FAX NR.

EXHIBIT E

Mr G R L Roberts
64 Schoongezicht
Scholtz Road
SOMERSET WEST
7130

• TEL. 315-5699

• UITBR.
EXT.

• NAVRAE ENQUIRIES D J v Rensburg

• VERW.
REF.

• DATUM DATE 1991-08-12

Dear Mr Roberts

HOME OWNERSHIP IN THE NEW SOUTH AFRICA

By direction of Mr B J du Plessis, Minister of Finance I wish to thank you for the set of documents which was submitted by Mr Van Rooyen on your behalf. However, I wish to advise that the scheme of arrangements contemplated is in direct conflict with the provisions of Exchange Control Regulation 14(1)(b) and is therefore not acceptable to the exchange control authorities.

In the circumstances I regret that we are unable to assist you in this matter.

Yours sincerely

DEPUTY DIRECTOR-GENERAL: FINANCIAL PLANNING

Exchange Control Regulation 14 (1)(b) states that a person may not act as a Nominee for a non-resident or appoint a non-resident as a nominee in respect of any dealings in securities.

HOME OWNERSHIP IN THE NEW SOUTH AFRICA

John Major - Prime Minister of Britain is on record stating 2 very important Conservative principles, which must be adopted by the South African Government as soon as possible:-

- 1). To keep taxes low - leaving people as much as possible of their own money to spend.
- 2). To extend the Right to Own - to give more people the chance of owning their own homes, savings, and pensions.

In South Africa, principle No2. cannot be brought about, until some drastic and necessary changes are made to principle No1. Income Tax MUST be dramatically reduced.

Income Tax is a tax on Income.

Value Added Tax is a tax on Expenditure.

By reducing Income Tax, you give more people more disposable income and the chance to save towards a home.

The shortfall in revenue to the State is more than made up by increasing the rate for VAT to 12 1/2 % (I have chosen this figure because the VAT fraction becomes 1/9 i.e. to ascertain the amount of VAT in the final selling price you merely divide by 9.

As VAT is a tax on expenditure and people must buy food, but not necessarily luxury items - basic foods, medical fees and power supplied to private residents MUST BE ZERO-RATED.

Principle 2 has become very meaningful in Britain, because Transfer Duty has been abolished on all house purchases under 250000.

We all know that the FAMILY UNIT is the greatest stabilising force in the world, and it is our bounden duty to do something about it.

EVERYBODY should have the chance to own a home.

Not only does it give one pride of possession, but, by bringing up children in a loving and caring environment, we are producing good citizens for future generations.

Many would love to own a home, but crippling interest charges, transfer duties and legal fees make home owning a pipe dream.

The simple answer is the HOMEOWNERS CLOSE CORPORATION.

The proposed HOMEOWNERS CLOSE CORPORATION (hereafter referred to as HCC) is akin to an ordinary Close Corporation, but there are some important and fundamental differences:-

PARA A.

It is still a body corporate and it has a separate legal entity.

PARA B.

The HCC per se, will not carry on a business, but the member/s of the HCC may in their own personal rights, carry on certain businesses from home and be taxed personally. Examples are dress making, typing, bookkeeping, computer operating etc.

PARA C.

In view of this fact, it is suggested that the number of members in a HCC should be restricted to 6 natural persons, as opposed to the 10 allowed in an ordinary Close Corporation. The reason for this is that the members of a family may wish to make up the members of their HCC as follows :- Husband, Wife, Father, Mother and 2 children. This stresses the importance of the Family Unit.

PARA D.

The HCC will not have an accounting year.

PARA E.

The HCC will not have to submit tax returns to the Receiver of Revenue.

PARA F.

The owner of a private residence does not have to keep books and the same will apply to a HCC.

PARA G.

It is recommended that a Minute Book be kept, especially where there is more than 1 member, for the purpose of recording any special rights that have been agreed among members. The Minute Book can be retained at the office of the Accounting Officer.

PARA H.

As is the case in an ordinary Close Corporation, only NATURAL persons can be members of a HCC.

PARA I.

A married woman, whether subject to the marital power or not, will require No representation or assistance to act as a member.

PARA J.

All the members of a HCC do not have to be residents of the Republic of South Africa, but one member must be a resident, and a non-resident member can appoint a resident-member as a nominee to look after his interests in the HCC.

Exchange Control Regulation 14 (1) (b) states that a person may not act as a nominee for a non-resident or appoint a non-resident as a nominee in respect of any dealings in securities.

This can be amended by inserting a clause - " A resident member of a HCC may act as a nominee for a non-resident member of the same HCC." There will not be any abuse of this clause, because every HCC must have an Accounting Officer, who must be a member of a professional body, which has a very Standard of Conduct and Ethics.

The object of inserting this important Clause is to encourage overseas investors to invest in HCCs, thereby bringing into the country valuable foreign exchange. These overseas investors can have holidays in South Africa, thereby bringing more foreign exchange into the country. Who knows ? - they may want to become permanent residents.

PARA K.

Every HCC must have an Accounting Officer. He must be a member of :-

- 1). The S.A. Institute of Chartered Accountants.
- 2). S.A. Institute of Chartered Secretaries & Administrators.
- 3). Institute of Cost & Management Accountants.

The Accounting Officer in a HCC will play a very important role. Because of their skills, they can advise members and they can protect them from entering any scheme that might cause them to lose their most important asset - their home.

PARA L.

In view of the fact that an HCC will only apply to PRIVATE RESIDENCES, it is suggested that the current transfer duty payable should be abolished in respect of purchases below R250000. The conveyancing fee payable in respect of transferring a private residence to a HCC should be fixed at an all-inclusive figure of R500.

It is perfectly logical that there should be no transfer duty payable on the transfer of a house.

After all, what is a house ? it is an ASSET.

What is a motor car ? It is an ASSET.

If I sell my house privately to Mr. X for say R180000, I pay no transfer duty and no VAT. - there are no extra charges.

If I sell a painting privately for R500000, I can put the whole amount in my back pocket.

At this moment in time, if I buy a house for R150000, I would have to pay R5500 transfer duty - because of changes in the recent budget the amount payable has been increased.

A man buying the most important asset in his life - a home, is being nailed for transfer duty, but if he goes out and buys a motor car or a yacht privately, he pays no transfer duty or VAT.

I just cannot fathom the logic of what the Government is trying to do in respect of housing - do they not want to give people a chance to look to a bright and happy future with their family ?

PARA M.

Because of the desirability of earning foreign exchange by getting overseas investors to invest in HCCs, it is recommended that all the appropriate Acts of Parliament, the necessary Forms and all correspondence etc. should be conducted in ENGLISH only. There are several reasons for this, the main one being that many overseas people can speak and understand English.

It is a costly and time consuming exercise to produce everything in 2 languages, printing costs are doubled, translator's fees have to be paid and many overseas investors complain about receiving documents with Afrikaans translations, because they still link Afrikaans with apartheid. Stockbrokers have said that many overseas investors have sold their South African holdings for this very reason.

PARA N.

It is recommended that a small committee be formed for an early drafting of the HOMEOWNERS CLOSE CORPORATION ACT.

The committee should consist of members of :-

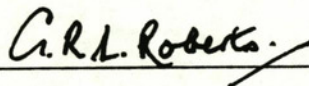
- 1). S.A. Institute of Chartered Accountants.
- 2). S.A. Institute of Chartered Secretaries and Administrators.
- 3). Institute of Cost & Management Accountants.
- 4). Estate Agents Board.
- 5). The appropriate Government Legal Drafting Department.

As the author of the concept of the Homeowners Close Corporation, and as a Chartered Secretary and a Registered Estate Agent, I would be honoured and willing to serve on this committee.

A uniform Tariff of charges should be agreed upon, and as a form of service to the community and to encourage the concept of the Family Unit, the fees agreed upon, should be nominal in respect of Accounting Officers.

Likewise, the Estate Agents Board should contribute to the service of the community by agreeing on a special rate for commission payable on sales through a HCC.

This will be to their advantage, because sales through a HCC only involves submission of a HCC2, and this can be completed within a few days -it will no longer be necessary to wait months and months, as is sometimes the case of registration through the Deeds Office.



G.R.L. ROBERTS

P.O. BOX 5341,
HELDERBERG
7135.

JUNE 1992.

TOWARDS 2000

A MESSAGE FROM THE PRIME MINISTER : THE HON JOHN MAJOR MP

CONSERVATIVE PRINCIPLES ARE CLEAR - they point the way ahead. It is difficult to know what principles - if any - guide our political opponents. They know that to flaunt Socialism would make them unelectable, their one-time skulk among the wreckage of their political failures. But if they are no longer avowed Socialists, what are they? Devoid of vision, replete with expediency, riddled with past prejudices, they can only offer a return to the past that did not work.

Through the 90's, Conservative Government will draw on, and be sustained by, our principles to ensure that Britain enters the next millennium strong, confident, generous and free. So long as I am Prime Minister, the administrations I lead will have these priorities:

- To defend the peace; to protect personal security, at home and abroad. We will use our influence and prestige to raise the effectiveness of the United Nations in preventing conflict. We will fight terrorism at home and abroad and will defend the citizen against lawlessness, violence and disorder.
- To be at the heart of the debate about the economic and political future of Europe.
- To drive down inflation. I intend us to have a better record on inflation in the 1990's than in either the 1970's or the 1980's.
- * • To keep taxes low, leaving people as much as possible of their own money to spend.
- To promote enterprise by companies large and small, and to help create more jobs.
- To carry through our Citizen's Charter and provide high standards in public services.
- To enhance the opportunity of society by raising the quality of our education and training.
- To take privatisation further and bring private business skills to the aid of the public sector.
- * • To extend the Right to Own - to give more people the chance of owning their own homes, savings and pensions.
- To improve our environment and play a full part in negotiating international agreements on the world's ecology.

Above all I want to ensure that everyone is given the chance to play a full part in shaping a Britain noted throughout the world for its stability, prosperity and harmony.

RUGBY LEAGUE TAKES OFF

Rugby League is being pioneered in South Africa by BCASA member Mr Tony Barker and Wigan-born secretary, David Southern. A totally non-racial body, the South African Rugby Football League has over the past couple of years moved the game into the township with development programmes in place in the Western Cape and Mamelodi in the Transvaal.

The planned programme for Rugby League in South Africa will follow along the lines of night cricket, and is called "Full Colour Action Rugby". Played at night during the summer months, the League body will be amateur in the hope of attracting Union players to stay fit and active whilst enhancing tackling and handling skills. Reward for the hard work and many long hours has followed swiftly for the SARFL with international recognition by the world body and an invitation to compete in an international competition in Australia this year.

Odd though it may seem, the first official rugby international tour by South Africa will be the League code. We wish them luck and much success!!!

THE JAPANESE BACK BRITAIN

Japanese companies have had to choose where to invest in Europe. In 1989, Japanese companies put 38% of their European Community investment into Britain, leaving the rest to be shared between the 11 other Community members. This trend is set to carry on into the 1990's with the stability and prosperity made possible by 12 years of Conservative Government.

Recent projects have included the big Toyota plant in Derbyshire, the Honda plant in Swindon, Fujitsu in County Durham and Nissan in Tyne and Wear - which is now to export cars to Japan!!!

At the same time, the Americans have put 41% of their EC investment into Britain. All in all, Britain has in recent years received six times as much investment from abroad as Germany, and three times as much as France. A major success for the Conservative Government and the UK!

Contact numbers for Conservatives Abroad, South Africa:

	Tel	Fax
National Administrator	Heather Anderson (011) 468-1106	(011) 468-1107
Transvaal Branch	Heather Anderson (011) 468-1106	(011) 468-1107
Natal Branch	Val Hummerstone (031) 32-7700	(031) 32-4834
Natal Midlands Branch	John King (031) 7-8673	(0331) 7-8445
Cape Branch	Eric Ward (024) 516429	(024) 51 7708
National Admin. office address	P.O. Box 41544, Craighall, 2024	

1. Promulgation of the New Homeowners Close Corporation Act
2. Suggested Founding Statement styled HCC1
3. Suggested Amended Founding Act styled HCC2

PROMULGATION OF THE NEW HOMEOWNERS CLOSE CORPORATION ACT.PARA 1.

There will have to be 4 Registration offices for Homeowners Close Corporations.

There are 4 Deeds Offices in South Africa and it is only logical that the Registration Offices for HCCs should be situated in the same cities.

The following numbers should be allocated :-

		NUMBER
TRANSVAAL	PRETORIA	1
FREE STATE	BLOEMFONTEIN	2
NATAL	PIETERMARITZBURG	3
CAPE PROVINCE	CAPETOWN	4

PARA 2

On incorporation, each Homeowners Close Corporation can be numbered as follows :-

HCC1992/12345/4

A. B. C.

A = Year of Incorporation.

B = Running sequence of numbers starting from 00001 each year.

C = Place of Incorporation.

In the above example, C = Cape Province.

PARA 3.

Only 2 documents are required :-

A) Founding Statement styled HCC1.

B). Amended Founding Statement styled HCC2.

PARA 4.

Application for reservation of Name - Form CK7 as used in the case of an ordinary Close Corporation can be dispensed with.

The name of the Homeowners Close Corporation MUST be the residential address of the property.

PARA 4 (Continued).

There can be no chance of a Close Corporation or a Limited Liability Company having the same name as a Homeowners Close Corporation.

For example, let us say that a controlling member has an ordinary Close Corporation with a Registered Name of, say, 1234 Main Street, Pofadder c.c. and he wants to transfer this private residence to a HCC with the name of 1234 Main Street, Pofadder HCC. then the following procedure can be adopted.

We are dealing with 2 separate legal entities. 5 % transfer duty has already been paid by the ordinary Close Corporation, so there will no transfer duty payable by the HCC.

Conveyancing fees will have to be paid to transfer the property to 1234 Main Street Pofadder HCC.

A CK2 must be submitted to the Registrar of Close Corporations advising him of the change of name.

When this has been registered, the conveyancing attorney will submit a copy of the CK2 to the Deeds Office and the property can then be transferred into the name of the HCC

To make sure that there is no HCC with an identical name of a Close Corporation or a Limited Liability Company, the Registrar of Homeowners Close Corporations will certify on the HCC1 to this effect.

PARA 5.

MANAGING MEMBER OF THE HCC.

This has been introduced into the HCC. This is the member, who can be contacted by members of the public.

He can call a meeting of his fellow members to deal with matters that require ratification by all the members.

PARA 6.

There are no statutory requirements for HCCs to hold Annual Meetings, but a member may call a Meeting.

A resolution in writing signed by all the members will be as valid and effective as if it was passed at a meeting.

For safe keeping, it is suggested that the Minute Book should be held at the office of the Accounting Officer.

PARA 7.

In order to encourage Home Ownership, and the importance of the Family Unit, the Government should grant a tax reduction in respect of the interest paid on Home Bonds. There should be a limit on the amount of the Bond, on which tax relief is to granted, to a figure of R100000.

This tax deduction shall be restricted to :-

- 1). Natural persons owning private residences.
- 2). The member of the Homeowners Close Corporation who has a 51% or more interest in a HCC.
- 3). If a member of a HCC has a 51% or more interest in more than one HCC, he cannot claim a tax deduction for each HCC. He is restricted to choosing the deduction in one HCC.

FOUNDING STATEMENT

Before filling in the form, first see notes on page 2.

REGISTRATION NUMBER OF CORPORATION

Date of Receipt

Full Name of Corporation

Full description of Residential Property
(as shown in the Title Deeds)

Address of Registered Office (Not Post Office Box)
(This should be the residential address of the Corporation
or the Office Address of the Accounting Officer)

Name and Postal Address of the Managing Member
of the Corporation

Name and Postal Address of the Accounting Officer

Full Name of recognised Profession of Accounting Officer

NOTES.

Note 1.

Form HCC1 must be written in block capitals or be typewritten, lithographed or printed in legible characters with deep permanent black ink, and lodged in triplicate.

Note 2.

Where a person signs on behalf of a member, Power of Attorney must be attached.

Note 3.

Minor children and other persons under legal disability must be assisted by their parents, guardians or representatives as the case may be, and the capacity must be stated.

Note 4.

A married woman, whether subject to the marital power or not, will require NO representation or assistance to act as a member.

Note 5.

Particulars to be furnished under the heading "Members".

A). Identity Number. If no identity document has been issued, state date of birth.

B) The first members name on page 4 shall be that of the Managing Member.

SUMMARY OF MEMBERS

SIZE OF INTEREST

1. _____
(Managing Member)
2. _____
3. _____
4. _____
5. _____
6. _____

100 %

NAME OF CORPORATION

REGISTRATION NUMBER

APPOINTMENT OF ACCOUNTING OFFICER

Every Homeowners Close Corporation must appoint an Accounting Officer and in terms of the Homeowners Close Corporation Act 19xx, no person qualifies for appointment as an Accounting Officer, unless he is a member of a recognised profession which

- * as a condition for membership, requires its members to pass examinations in accounting and related subjects.
- * has the disciplinary powers to exclude from membership, those persons found guilty of negligence in the performance of their duties, which is discreditable to their profession.

In terms of the Homeowners Close Corporation Act 19xx, members of the following professions are qualified to perform the duties of an Accounting Officer :-

- 1), The S.A. Institute Institute of Chartered Accountants.
- 2). S.A. Institite of Chartered Secretaries & Administrators.
- 3). Institute of Cost & Management Accountants.

CONSENT TO ACT AS ACCOUNTING OFFICER

I, _____ (full name)
hereby consent to my appointment as Accounting Officer of the above named Homeowners Close Corporation.

I certify that I am a member of

I shall act with the utmost good faith to the members with all the required skill and care.

Signature _____

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

=====

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

=====

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

=====

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

NAME OF CORPORATION

REGISTRATION NUMBER

R100

Affix Revenue Stamp or
impress revenue franking
machine impression here

FOR OFFICE USE

Founding Statement

Date Received

Date Registered

REGISTRAR OF HOMEOWNERS CLOSE CORPORATIONS

Date :-

Data Processing.

Classification

Recorded

Initials and date

CERTIFICATE OF INCORPORATION

This is to certify that the Founding Statement (HCC1) of

Signed at _____

REGISTRAR OF HOMEOWNERS CLOSE CORPORATIONS

AMENDED FOUNDING STATEMENT

Before filling in form, first see notes on page 2

REGISTRATION NUMBER OF CORPORATION

Date of receipt

Full Name of Corporation

Previous Name of Corporation

Full description of Residential Property
(as shown in the Title Deeds)

Address of Registered Office (Not Post Office Box)
(This should be the residential address of the Corporation
or the Office Address of the Accounting Officer)

Name and Postal Address of the Managing Member
of the Corporation

Name and Postal Address of the Accounting Officer

Full Name of recognised Profession of Accounting Officer

NOTES.

Note 1.

Form HCC2 must be written in block capitals or be typewritten, lithographed or printed in legible characters with deep permanent black ink, and lodged in triplicate.

Note 2.

Where a person signs on behalf of a member, Power of Attorney must be attached.

Note 3.

Minor children and other persons under legal disability must be assisted by their parents, guardians or representatives as the case may be, and the capacity must be stated.

Note 4.

A married woman, whether subject to the marital power or not, will require NO representation or assistance to act as a member.

Note 5.

Particulars to be furnished under the heading "Members".

A). Identity Number. If no identity document has been issued, state date of birth.

B) The first members name on page 4 shall be that of the Managing Member.

SUMMARY OF MEMBERS

SIZE OF INTEREST

1. _____
(Managing Member)
2. _____
3. _____
4. _____
5. _____
6. _____

100 %

NAME OF CORPORATION

REGISTRATION NUMBER _____

CONSENT TO ACT AS ACCOUNTING OFFICER

1). I, _____ hereby consent to
continue as Accounting Officer of the above-named
Corporation.

Signature _____

2). I, _____ hereby tender
my resignation as Accounting Officer of the above-named
Corporation.

(Delete whichever is not applicable)

In the case of a new Appointment.

CONSENT TO ACT AS ACCOUNTING OFFICER

I, _____ hereby consent
to my appointment as Accounting Officer of the above-named
Corporation.

I certify that I am a member of

I shall act with the utmost good faith to the members with all
the required skill and care.

Signature _____

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

=====

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

=====

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

=====

Full Names and Surname

Year Month Day

Identity Number

or Date of Birth

Size of Interest

Residential Address

Postal Address

Signature of Member or Representative

NAME OF CORPORATION

REGISTRATION NUMBER

MEMBERS WHO RESIGN

Full name and Surname of Member

Signature

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

Resignations take effect on the date of registration of the
Amended Founding Statement.

=====

R30

Affix Revenue Stamp or
impress Revenue franking
machine impression here

FOR OFFICE USE

Amended Founding Statement

Date Received _____

Date Registered _____

REGISTRAR OF HOMEOWNERS CLOSE CORPORATIONS

Date :-

Data Processing.

Classification _____ Recorded _____

Initials and date _____