



## RERA BULLETIN 2

### DEVELOPER RESPONSIBILITIES IN SETTING UP THE OWNERS ASSOCIATION

- 1. An owners' association is created on registration of first sale** – under Article 62D of Law 27 of 2017, the owners' association is automatically created upon the registration of the first sale by the developer, registered by SLRB in the Land Register following the issue of title deeds.
- 2. Developer's responsibility before the issue of title deeds** – it is important that the developer prepare Joint Property By-laws for the development and provide them to RERA before title deeds are issued by SLRB. This will permit SLRB to record the Joint Property by-laws on the title deeds.
  - *In the case of an off-plan sale project* – the developer will lodge these with the application for a development license under Articles 19 and 20 of Law 27.
  - *Where the development is not an off-plan sales project* – the developer should provide these to RERA at the time of completion of the Cadastral Survey of Flats.

The content of the by-laws is fully described in the Guide for Owners Associations and Joint Properties on the RERA website ([www.rera.gov.bh](http://www.rera.gov.bh)) and simple formats/ templates are available.

Critical requirements for the by-laws are:

- a list of units, areas, unit entitlements and allocated car bays;
  - a statement of how the building will be managed in the first two years – the relationship between the developer and owners' association;
  - proposed actions against non-paying owners;
  - the powers delegated to the Board.
- 3. Developer's role before the first General Assembly** – obligations are set out in Articles 9-16 of Resolution 7 and described in the Guide. The obligations include preparing the draft budget and proposing a service charge – Article 9 of Resolution 7 requires the developer to draft a budget for the owners' association so that it may be considered by the owners' association at the first General Assembly.
  - 4. Calling the First General Assembly** – Article 9A of Resolution 7 requires the developer to call the first General Assembly within 3 months of the date of registration of the first transfer after title deeds issue. Articles 45 - 54 of Resolution 7 set out procedures for calling the meeting, including the notice of meeting, agenda, proxy forms and voting papers. You will find templates in the Guide, including notices, a Record of Participation in the Meeting (Form 11) and Minutes of Meeting (Form 19).



The first meeting is very important and RERA will require evidence that correct procedures have been followed in relation to giving notice to all owners, validating proxies, etc. Further detail is set out in the Guide.

- 5. Handing over information at the first General Assembly** – Article 10 of Resolution 7 lists documents the developer should hand over at the first General Assembly, including a list of assets of the owners association, a full accounting for paid service charges, warranties and service records for equipment, building plans, service contracts and a full list of owners and their contact addresses.

Please review the Law, Resolution and Guide for more information on the developer's ongoing participation in the operations of the owners association, particularly in the first two-year period after handover.

*For any enquiries relating to this Bulletin or owners association issues, please contact [oa@rera.gov.bh](mailto:oa@rera.gov.bh)*