

## THE A-Z OF LEVY COLLECTIONS

In terms of the Sectional Titles Act, in order to ensure the financial sustainability of a Body Corporate, legal action may be instituted against levy defaulters to recover amounts outstanding to the Body Corporate.

The legal steps that may be taken are as follows:

1. A **letter of demand** is dispatched to the owner.
2. If the owner does not respond within ten days, the next step is to issue a **summons**.
3. In most cases the summons is not defended by the owner and **default judgment** is applied for and granted by the Court. The owner is then listed with Credit Bureaus.
4. A **warrant of execution** is issued and dispatched to the Sheriff enabling him to make an attachment of the owner's movable property.
5. Once the sheriff makes an attachment, the movable property is removed and sold at a **Sheriff's sale** to recoup the outstanding levies.
6. Should the owner not be residing at the unit and the whereabouts of the owner be unknown, **tracing agents** are appointed to locate the owner's whereabouts.
7. Should tracing agents be unsuccessful or movable property be insufficient to cover the outstanding levies, a **S66 Application** is made to court to attach the unit and sell the unit at a Sheriff's Auction to recover the outstanding levies.
8. The **unit is then sold at a Sheriff's Auction** and on transfer of the unit to the purchaser, payment of the outstanding levies in full is made by the purchaser to the Body Corporate.
9. In some cases the summons may be defended. Such cases must be referred to **arbitration** in terms of Management Rule 71.

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