

# Chapter 5 Management Committee

## Powers and duties of an MC

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Day-to-day business of an OC is mostly handled by an MC. Subject to the BMO, the powers and duties conferred or imposed by the BMO on the OC shall be exercised and performed on behalf of the OC by the MC.

In addition to the above, the BMO has conferred or imposed certain powers and duties on the MC. These include –

- convening the annual general meetings of the OC at specified time;
- organizing meetings of the MC regularly;
- preparing financial statements of the OC, which together with the accountant's report (if auditing is required under the BMO) shall be laid before the OC at the annual general meetings of the OC;
- preparing budgets of the OC, determining the amount to be contributed by the owners to the general fund and the contingency fund, and certifying matters relating to payment of contributions;
- permitting the persons designated under the BMO to inspect –
  - ◆ the books of account;
  - ◆ all bills, invoices, vouchers, receipts and other documents referred to in the books or records of account and other records;
  - ◆ the policy of insurance and any receipt for the premium in respect of that policy;

**Section 29**

**Para 1(1) of Sch. 3**

**Para 7 of Sch. 2**

**Section 27(1)**

**Sections 21(1) and 26  
and Sch. 5**

**Section 27(2)**

**Para 1A of Sch. 6**

**Section 28**

- maintaining the following documents –
  - ◆ all bills, invoices, vouchers, receipts and other documents referred to in the books or records of account and other records;
  - ◆ the tender documents, copies of contracts, accounts and invoices and other documents relating to the procurement of supplies, goods and services;
  - ◆ the certified minutes of meetings of the MC and general meetings of the OC;
  - ◆ the instruments for the appointment of proxies to attend a general meeting of the OC;
- displaying the following documents in a prominent place in the building –
  - ◆ a copy of the certificate of registration of the OC and a notice of registered office of the OC;
  - ◆ a notice containing the particulars of the legal proceedings to which the OC is a party.
  - ◆ a notice of insurance containing the particulars of the policy.

**Section 27(1) and  
para 1 of Sch. 6**

**Section 20A(4)**

**Para 10A of Sch. 2 and  
para 6A of Sch. 3**

**Para 4(6) of Sch. 3**

**Section 11(1)**

**Section 26A**

**Schedule, Cap.344B**

## **Powers and duties of the MC chairman, vice-chairman, secretary and treasurer**

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The BMO also specifies the powers and duties of the MC chairman, vice-chairman, secretary and treasurer.

## MC chairman

- convene and preside at meetings of the MC;
- preside at general meetings of the OC;
- convene and hold a general meeting of the OC at the request of not less than 5% of the owners;
- convene a general meeting of the OC for the purposes of filling the vacancies in the MC if the number of vacancies is more than 50% of the number of MC members;
- determine the validity of the instruments for the appointment of proxies to attend a general meeting of the OC;
- If the office of the secretary is vacant,
  - ◆ receive written notice of resignation delivered by MC members;
  - ◆ receive from any outgoing MC member any books or records of account, papers, documents and other records of the OC together with any movable property that belongs to the OC.

**Para 8 of Sch. 2**

**Para 3(1) of Sch. 3**

**Para 1(2) of Sch. 3**

**Para 6A of Sch. 2**

**Para 4(5)(b) of Sch. 3**

**Para 4(2)(d) of Sch. 2**

**Para 5A of Sch. 2**

## MC vice-chairman (if any)

- in the absence of the MC chairman,
  - ◆ convene and preside at meetings of the MC;
  - ◆ preside at general meetings of the OC.

**Para 8 of Sch. 2**

**Para 3(1) of Sch. 3**

## MC secretary

- give notice of meetings of the MC and general meetings of the OC and display such notice in a prominent place in the building. **Para 8(2) of Sch. 2 and para 2 of Sch. 3**
- keep minutes of meetings of the MC and general meetings of the OC and display the certified minutes in a prominent place in the building. **Para 10 of Sch. 2 and para 6 of Sch. 3**
- supply copies of certified minutes of meetings of the MC and general meetings of the OC to persons designated under the BMO upon payment of a reasonable copying charge. **Para 10A of Sch. 2 and para 6A of Sch. 3**
- convene and hold a meeting of the MC at the request of 2 MC members. **Para 8(1)(b) of Sch. 2**
- lodge the declaration from an MC member with the Land Registry after receiving the declaration. **Para 4(6) of Sch. 2**
- Where an instrument for the appointment of a proxy for a general meeting of the OC is received, **Para 4(5)(a) of Sch. 3**
  - ◆ acknowledge receipt of the instrument;
  - ◆ display information of the owners' flats with instruments of proxy lodged in a prominent place in the place of the meeting.
- receive written notice of resignation delivered by MC members. **Para 4(2)(d) of Sch. 2**
- receive from any outgoing MC member any books or records of account, papers, documents and other records of the OC together with any movable property belonging to the OC that are in his custody. **Para 5A of Sch. 2**

- give notice to the Land Registry of any change in respect of the particulars (such as the name and address of MC members, name and address of the insurance company) entered in the register.
- maintain a register of owners and update the register from time to time.

**Section 12(3) and  
Section 28(6A)**

**Section 38**

## **MC treasurer**

- prepare a summary of the income and expenditure of the OC and display a copy of the summary in a prominent place in the building.
- supply the following to persons designated under the BMO upon payment of a reasonable copying charge –
  - ◆ copies of the budget of the OC;
  - ◆ copies of the financial statements of the OC;
  - ◆ copies of the accountant's report if the financial statements of the OC are required to be audited by an accountant under the BMO;
  - ◆ copies of the summary of the income and expenditure of the OC;
  - ◆ copies of the policy of insurance and any receipt for the premium in respect of that policy.

**Para 2 of Sch. 6**

**Para 4 of Sch. 5**

**Para 3 of Sch. 6**

**Section 28**

## Protection of MC members

If MC members act in good faith and in a reasonable manner, they shall not be personally liable for –

- any act done or default made by the OC in the exercise of its powers or the performance of its duties; or
- any act done or default made on behalf of the OC in the exercise of its powers or the performance of its duties.

It should be noted that this protection provision shall not in any way affect the liability of the OC for that act or default.

**Section 29A(1)**

**Section 29A(2)**



### Quiz

**Under what circumstances is this protection provision for MC members applicable?**

**Q: If an MC member has committed a default in the exercise of the powers conferred on him or in the performance of the duties imposed on him by the BMO, can he invoke this protection provision?**

**For example, if the MC chairman fails to convene a general meeting of the OC pursuant to the BMO after receiving the request of not less than 5% of the owners, can this protection provision be invoked?**

**A: This protection provision cannot be invoked in this case. It only applies to circumstances where an MC member **exercises or performs the powers and duties on behalf of the OC**. To convene a general meeting of the OC at the request of not less than 5% of the owners is a **personal duty** imposed by the BMO on the MC chairman, not the OC. **Under such circumstances, this provision is not applicable.****

**Para 1(2) of Sch. 3**

## Allowances for the MC chairman, vice-chairman, secretary and treasurer

The OC may, by resolution passed at a general meeting of the OC, approve the payment of allowances to the MC chairman, vice-chairman (if any), secretary and treasurer and determine the amount of such allowances, which in aggregate shall not exceed the maximum per month for each person as set out below –

No. of flats in a building	Maximum per month for each person
Not more than 50	\$600
More than 50 but not more than 100	\$900
More than 100	\$1,200

**Section 18(2)(aa) and Sch. 4**

