

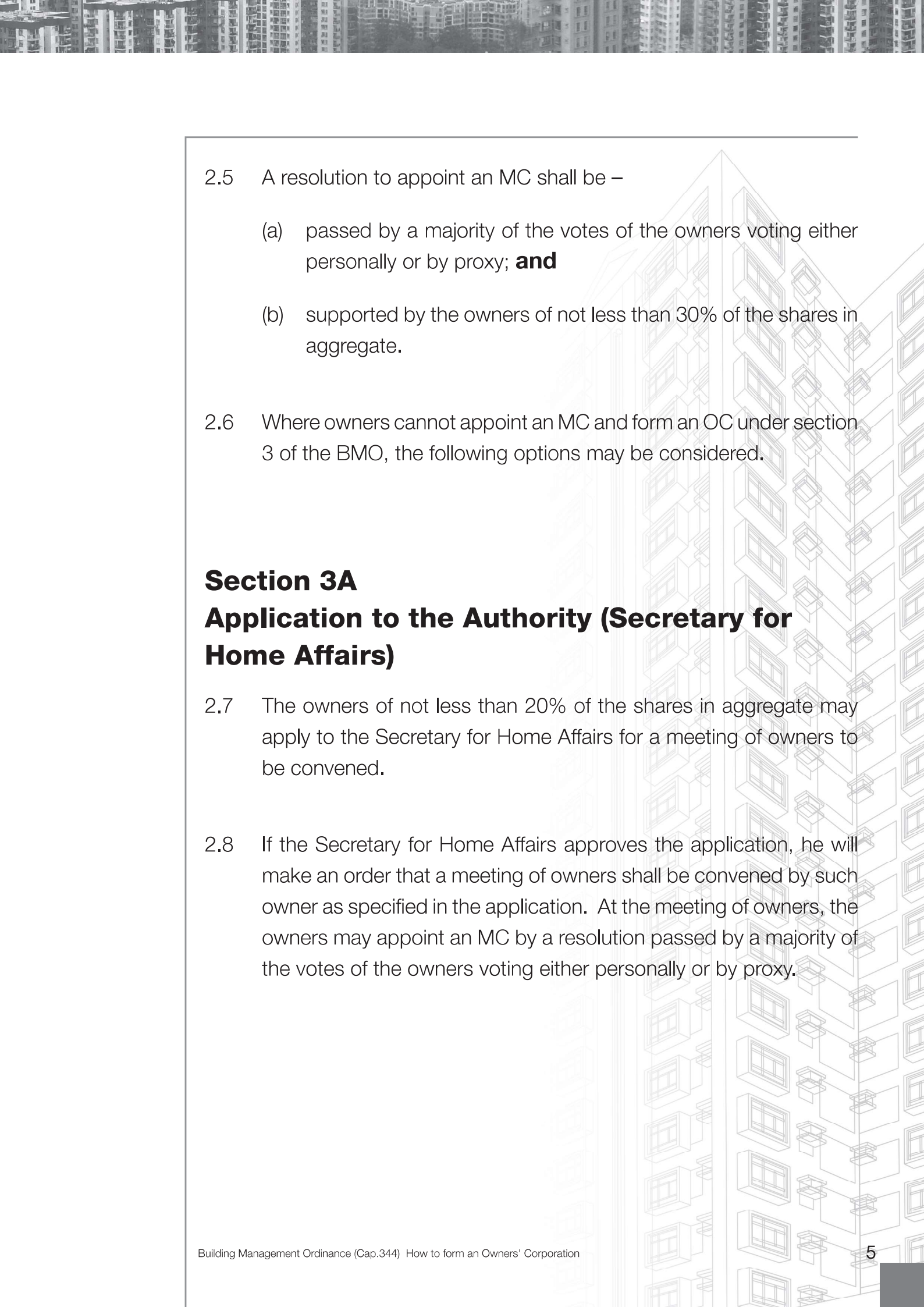
# Chapter 2

## Formation of an Owners' Corporation

- 2.1 Owners may, in accordance with section 3, 3A or 4 of the BMO, convene a meeting of owners to appoint an MC and form an OC.
- 2.2 For the appointment of an MC and the formation of an OC, owners should follow the requirements set out in the BMO, instead of the DMC of the building. However, they still have to refer to the DMC to ascertain the owners' votes at a meeting of owners. Unless the DMC otherwise provides, an owner shall have one vote in respect of each share he owns. A vote may be cast either personally or by proxy.

### Section 3

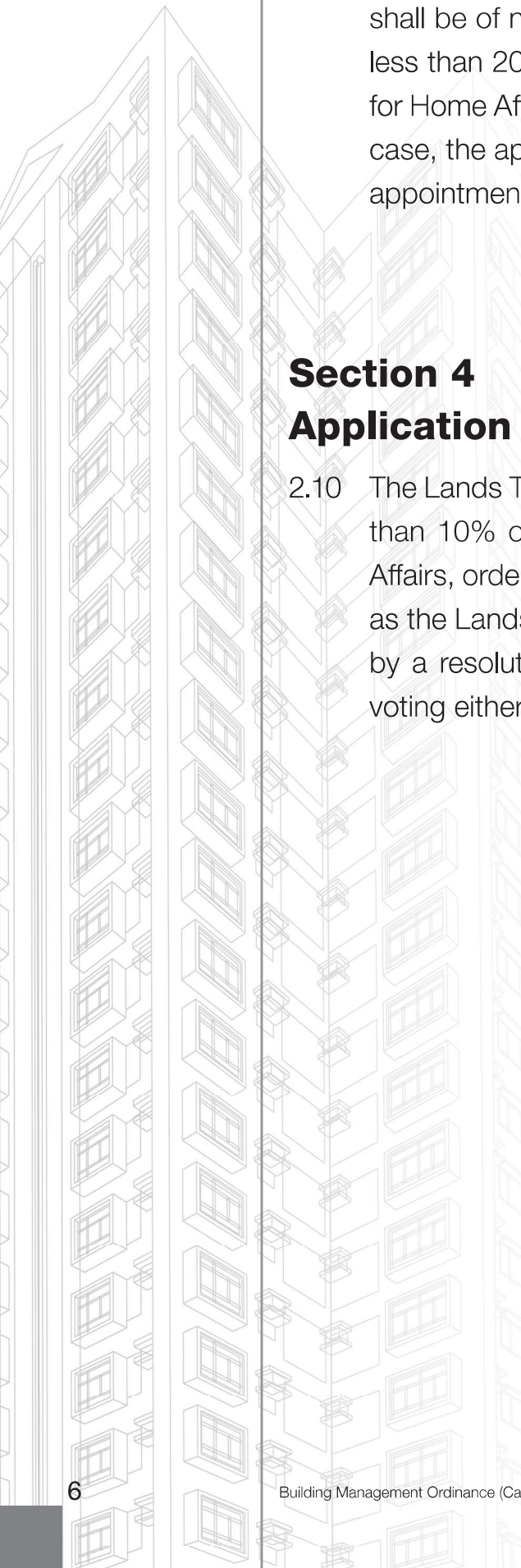

- 2.3 In most circumstances, owners would appoint an MC and form an OC under section 3 of the BMO. The Government also encourages owners to invoke section 3 of the BMO as this will enlist more support from owners which is conducive to the smooth operation of the OC and effective building management thereafter.
- 2.4 According to section 3 of the BMO, a meeting of owners may be convened by –
- (a) any person managing the building in accordance with the DMC (DMC manager); or
  - (b) any person authorized to convene such a meeting by the DMC (person authorized by the DMC); or
  - (c) an owner appointed by the owners of not less than 5% of the shares in aggregate.

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- 2.5 A resolution to appoint an MC shall be –
- (a) passed by a majority of the votes of the owners voting either personally or by proxy; **and**
  - (b) supported by the owners of not less than 30% of the shares in aggregate.
- 2.6 Where owners cannot appoint an MC and form an OC under section 3 of the BMO, the following options may be considered.

### **Section 3A**

## **Application to the Authority (Secretary for Home Affairs)**

- 2.7 The owners of not less than 20% of the shares in aggregate may apply to the Secretary for Home Affairs for a meeting of owners to be convened.
- 2.8 If the Secretary for Home Affairs approves the application, he will make an order that a meeting of owners shall be convened by such owner as specified in the application. At the meeting of owners, the owners may appoint an MC by a resolution passed by a majority of the votes of the owners voting either personally or by proxy.



2.9 An order of the Secretary for Home Affairs made under section 3A shall be of no effect if a notice of objection from the owners of not less than 20% of the shares in aggregate is given to the Secretary for Home Affairs at least 7 days before the date of meeting. In such case, the applicants shall not convene a meeting of owners for the appointment of an MC and the formation of an OC under the order.

## **Section 4**

### **Application to the Lands Tribunal**

2.10 The Lands Tribunal may, upon application by the owners of not less than 10% of the shares in aggregate or the Secretary for Home Affairs, order that a meeting of owners be convened by such owner as the Lands Tribunal may direct. The owners may appoint an MC by a resolution passed by a majority of the votes of the owners voting either personally or by proxy.