

# **TIMESHARE**

## **CODE OF CONDUCT**

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Updated Feb 2003

## **1. INTRODUCTION**

This Code is intended to govern business practices within the Timeshare Industry by protecting the interest of both consumers and the Industry and promoting an equitable, negotiated balance between these interests.

The Code is a codification of accepted principles in the Industry and it seeks to provide for the continued self-regulation of the Industry. As such, the Code does not replace whatever rights or remedies a consumer may have by virtue or any agreement, the common law or any Act of Parliament.

The objective of the Code is to maintain an equitable balance between the interests of consumers and those of the Industry, through fostering and maintaining enhanced levels of service, a high standard of business ethics and sound business practices, so as to enhance the positive image and viability of the Industry.

## **2. UNDERLYING PRINCIPLE**

- 2.1 All activities subject to this Code, shall be designed to be honest and fair and to be conducted with integrity, dignity and propriety
- 2.2 This Code involves all forms of contracts, print, oral representations, advertising, sales, re-sales, exchanges, rentals, administration, solicitations and all other Industry related activities.
- 2.3 All activities, conducted by any member, its subsidiaries, servants or employees, shall conform to the provisions of this Code and shall not bring timesharing into disrepute or reduce the confidence of the public in the timesharing Industry as a reputable service to the community.

## **3. TERMS AND DEFINITIONS**

- 3.1 The words and expressions used herein shall have the same meaning as those used in the Property Timesharing Control Act, No 75 of 1983 and or The Share Block Control Act No 59 of 1980 and or The Sectional Titles Act No 66 of 1971 ("The Acts"), unless the context otherwise indicates.
- 2 "Timeshare activity" includes feasibility analysis, planning, financing, site selection, acquisition, design, applications, approvals, site preparation, construction, marketing, sales, re-sales, management, operations advertising and promotional activities and any processes relating to timeshare,

- 3.3 “Advertising Activity” includes the solicitation for the purchase of timesharing interest through any print or electronic media advertising, direct mail activity, sales literature, telemarketing, direct marketing, placards, billboards, outdoor or indoor display media and sales literature whether distributed by hand, by mail, by door-to-door delivery or with personal correspondence, direct or indirect oral representations.
- 4 “Promotional activity” shall mean direct person to person advertising or contact with a view to the promotion of timesharing, whether by telemarketing or direct marketing through personal solicitation on-site or off-site, through any on-site or off-site sales, presentation or any transaction including any personal or electronic communication, audio visual programs, telephone communication, site visit or tour, or other direct selling activity.
- 5 “Property Timesharing Scheme” includes the words: Timeshare, Timesharing Scheme, Vacation Investment, Vacation Portfolio, alternate form of Timeshare, Resort, Development, Club, Points System, Holiday Portfolio, Holiday Investment Scheme and Exchange System.
- 3.6 “Timesharing Interest” inter alia includes the words: Timeshare, Conventional Timeshare, Vacation Investment, Points, Units, Stars, Stamps, Bonus Breaks, Mini-vacs, Weeks, Mid-weeks, Sequences, Intervals, Trading Power, Holiday Credits, Holiday Portfolio. Holiday Pack.
- 3.7 “Levies” inter alia includes the words: Charges, fees, subs, management charges or fees, subscription charges or fees, owners dues, members contributions, membership, membership fees and/or charges, premiums, special levies
- 3.8 “Alienation of a Timesharing interest” includes any activity involving, exchange, on-site or off-site sales presentation, transaction including any personal communication, audio visual program, site visit or tour, transaction, solicitation, exploitation, sales or other transaction, document, description, disclosure, direct mail offer, internet e-mail or e-commerce offer or solicitation, closing or post-sale service.
- 3.9 “Purchaser” means anyone who has acquired a timesharing interest by means of alienation from another person, body or organisation. The seller shall have a corresponding meaning in respect of anyone who alienates a timeshare interest.
- 3.10 “Member” means any person, body or organisation who is active in the alienation of timeshare by means of sales, marketing, exchange, trading in, cession or otherwise, development or managing of timeshare resorts, exchange or dealing with timesharing interests or who is active in any aspect of timeshare.

#### **4. NATIONAL AND LOCAL LAWS AND REGULATIONS**

- 1 The provisions of this Code shall apply except where laws or regulations in the applicable jurisdiction provide otherwise.
- 2 All timeshare activities subject to this Code shall comply with local, Provincial and National (and where applicable international or other non-domestic) laws and regulations.

## **5. STATUTORY INFORMATION FOR TIMESHARE ADVERTISEMENTS**

- 1 All advertisements shall comply with the relevant provisions of the Regulations and or the Acts.
- 5.2 The type and size of the statutory information to be disclosed in terms of any applicable Act or Regulations may not be materially smaller than that of the body copy of the advertisement.

## **6. CONFORMITY TO THE ASA CODE**

- 6.1 All advertisements relating to timeshare must conform to the applicable clauses of the Code of Advertising Practice of the Advertising Standards Authority. However, approval by the ASA of any advertisement does not override anything contained herein.

## **7. INFORMATION, DESCRIPTIONS AND DISCLOSURES**

- 7.1 Information, descriptions and disclosures used in any solicitation, alienation advertising or promotional activity must be accurate and clear.
- 7.2 If written, the information, descriptions, or disclosures must be easily located, conspicuous and readable.
- 3 All members employing personnel must satisfy themselves that such persons acting on their behalf, have access to all the relevant information or documents which must be made available for the benefit of, or inspection by, a prospective purchaser in terms of the applicable Acts / Regulations. All personnel employed by members must understand their obligations in respect of The Acts.
- 4 Members shall be responsible for the actions of their employees / agents.
- 5 Oral sales presentations and descriptions of the timesharing interest to be alienated may not differ in any detail from that described in the sales documentation. If the timesharing interest being offered is variable, limited, partial, or qualified in any way in the contract these aspects must be fully and accurately explained by the sales persons, and reflected in the documentation. If the timesharing interest relates to a Club, Points

scheme, or any other scheme whereby the usage of the timesharing interest is subject to management rules, these aspects must be accurately explained by the sales person.

- 6 The timeshare interest must be accurately presented, without exaggeration. Sales persons may not discourage prospective purchasers from obtaining further information of the particular Property Timesharing Scheme.
- 7 If the timeshare resort is incomplete, a schedule, based on reasonable estimates of completion dates of the relevant facilities, shall be provided to the prospective purchasers.
- 8 Representations may not be made to the effect that there is a limited time for the prospective purchaser to accept the terms of an offer when, in fact, this is not the case.
- 9 The provisions of Clause 15 of this Code shall be fully explained to any prospective purchaser.
- 10 The arrangements made for the provision of a management service must be explained to the prospective purchaser and the current levy must be disclosed.
- 11 Prospective purchasers of timeshare must be afforded sufficient opportunity to read the Agreement of Alienation before signature.
- 12 Purchasers must immediately after signature of sales documentation be provided with a full copy of all such documentation and all other documents which are referred as part of the sales agreement. (See clause 14 below.)

## **8. AVOIDANCE OF FALSE OR DECEPTIVE STATEMENTS**

Statements, presentations, descriptions, literature or documents used in any advertising, promotional or alienation activities:

- 8.1 May not convey false or misleading information about the product, the costs / charges or the exchangeability of the product.
- 8.2 May not omit material information without which it could have a deceptive or misleading effect on the consumer's decision to purchase.
- 8.3 Must be consistent.
- 8.4 Must be easily understandable by consumers.

## **9. CORRESPONDENCE**

- 9.1 All members shall answer written requests from or on behalf the public in a reasonable and prompt manner, but in any event within no more than 4 (four) weeks from receipt thereof.

- 9.2 If it is not possible to provide a full answer to the written request within the 4 (four) week period, a response explaining the situation must nevertheless be made within that time and a final response must be made within a further 4 (four) weeks.

## 10. RESALE AND RENTAL VALUE

An organisation/agent engaged in timeshare resales activity shall:

- 1 Not knowingly convey false, untrue, deceptive or misleading information through oral or written statements, testimonials, photographs, audio visual programming, electronic media or any other means.
- 2 Not knowingly include or exclude information which would cause the statements to be deceptive or misleading, or which would materially and adversely affect the prospective buyers' or sellers' decision making.
- 3 Not knowingly convey false, untrue, deceptive or misleading information to a timeshare owner of the resale market value of a timeshare interest.
- 4 State, in writing, when requested by the seller, the steps that will be taken to promote the sale of the seller's timeshare interest.
- 5 Not collect any advance fee where prohibited by applicable law.
- 6 Maintain records of completed timeshare resale transactions, including, but not limited to, the actual sales price paid.
- 7 Neither state nor imply that the organisation/agent is approved, endorsed or, in any way, affiliated by a Resort, an Exchange Company a Resort Management Company or a Resort's Owners' Association or its Board of Directors, unless such approval, endorsement or affiliation is rendered in writing by the endorsing, approving or affiliating entity.
- 8 Not accept either the use or occupancy rights to a timeshare interest for any purpose without first providing the timeshare owner full written disclosure of all applicable terms and conditions relating to such acceptance of Use or Occupancy Rights from the timeshare owner.
- 9 Trust accounts shall be maintained by any organisation/agent engaged in timeshare resales activity in full accordance with all applicable laws and regulations.
- 10 The sales contracts used by a organisation/agent engaged in timeshare resales activity shall clearly state the first year in which the purchaser will receive the actual Use Rights and occupancy of the unit, as determined by the Resort or the Resort Management, as well as any Exchange Companies.
- 11 The resort and, if applicable, the Management Company shall cooperate with the organisation/agent engaged in timeshare resales activity in providing

its use and occupancy criteria promptly to the organisation/agent requesting the information.

- 12 To facilitate and expedite the negotiation, contracting, closing and funding of timeshare resales, organisation/agents engaged in timeshare resales activity, Resorts, Management Companies, Owners' Associations, Exchange Companies and all other applicable TISA members, shall provide the timeshare purchaser with the relevant information as required by the applicable legislation inter alia but not limited to the current actual levy/maintenance fee and date of the purchaser's liability for the payment of same as well as the date of first occupation by the purchaser; For purposes of this paragraph, a organisation/agent engaged in timeshare resales activity may reasonably rely upon information about the resort provided in writing by the Resort's Management Company, its Owners' Association or its Board of Directors.
- 13 An organisation/agent engaged in timeshare resales or rental activities shall comply with all applicable Estate Agency regulation laws as contained in the Estate Agents Act No 112 of 1976(as amended).
- 14 Timesharing may only be presented in advertising and promotional activities as an investment in affordable holidays and not as a financial investment in terms of rental yield, return on investment or capital gain on resale.
- 15 If claims are made in advertising or promotional activities regarding the potential resale or rental value of the timeshare interest such claims must be presented accurately and clearly and must be based on current factual data.
- 16 Members dealing with the resale of timeshare shall clearly disclose in writing to potential sellers any contractual relationships or personal interests they have relating to the Timeshare they are promoting. They should particularly disclose if they have any economic or ownership interest in the item offered for sale.
- 17 In the case of a resale or rental on behalf of another party, the member shall obtain from such party a mandate in writing, which shall inter alia contain the basis of calculating the commission on the transaction.
- 18 In the event of a member charging a listing or advertising fee in respect of a resale transaction, the member must disclose in writing to the seller the form of advertising and/or manner of promoting such resale.
- 19 All Resale Transactions are subject to the provisions of Clauses 14 and 15 below.

## **11. OFF-SITE PERSONAL CONTACT (OPC)**

- 11.1 Any persons engaged in soliciting visits to a timeshare resort or attendance at a presentation of timesharing interests by direct contact in public places (OPC personnel), must be respectably dressed and identified by a badge

indicating the name of the person, their employer and the timeshare scheme.

- 11.2 OPC personnel must be made aware of this Code of Conduct and may not make any statements or promises or behave in any way contrary to the Code.
- 11.3 No OPC activity, as described in 11.1, shall take place on public beaches, in swimming pool areas or in other areas which are used primarily for relaxation.
- 11.4 OPC personnel must act and/or operate in accordance with the requirements of local authorities.
- 11.5 OPC personnel shall not undertake any activity which constitutes harassment of the public.

## 12. BENEFITS INVOLVING GIFTS AND CERTIFICATES

12.1 Programmes that include the offer or distribution to consumers of gift incentives, which include certificates, coupons, vouchers, cheques, stamps or any other documents representing something of value, visits to a timeshare resort or attendance at any activity involving the alienation or promotion of timesharing interests, must, over and above the relevant statutory requirements, comply with the following requirements:

1. Any restrictions or conditions relating to the granting of the gift, its redemption or use of the certificates must be fully disclosed and precisely described at the time when such gift is offered to the public.
2. The document describing the gift incentive must clearly disclose any expiry date.
3. Lengthy delays, onerous procedures or any other restricting conditions that have the purpose or effect of delaying the granting of the gift incentive or of discouraging its redemption or use may not be imposed.
4. Should the public be required to pay any money in order to make effective use of the gift incentive, certificate or document thus distributed (including for example a 'reservation or administration fee'), such condition must be disclosed at the outset. No consideration or money may be made payable or accepted until the potential purchaser is made aware of all the terms, conditions and obligations upon which receipt of the benefit are contingent.

12.2 Whether or not any payments are involved, all terms, conditions and obligations upon which receipt of the benefits are contingent, must be clearly explained to the recipient and in particular must clearly disclose

- 1 The purpose and approximate duration of the promotional activity.
- 2 Whether participation in a sales presentation relating to a timesharing interest or tour of the timeshare resort is necessary in order to receive the benefit.
- 3 Whether any purchase is necessary in order to receive the benefit.
- 4 Whether any additional costs / payments are necessary in order to make a gift usable.

12.3 Additional or different restrictions or conditions may not be imposed subsequent to the original approach.

### 4 Electronic Media Advertisements

Advertising or promotional activity using electronic media advertisements (i.e. radio, television, internet etc.) need not provide all of the disclosures required by this Code but advertisements and promotional activity must be accurate and consistent.

### **13 GIFT INCENTIVE PROGRAMMES**

- 13.1 Advertising or promotional activities may not state or imply that it is made by or originates from a government or public agency or part of any legal proceedings.
- 13.2 Advertising or promotional activity may further not lead persons to conclude that the material is issued by or on behalf of a recognised mail, delivery or communications service to which the member is not related.
- 13.3 References in advertising or promotional activity to professional persons may not mislead as to their functions. (For example, it is misleading to refer to a notary public for any function other than notarising a statement or signature, to an accountant for other than a statement of financial condition, to an attorney for other than a legal opinion, etc.)
- 13.4 Gifts offered in any such promotional activity must be on display at point of sale where the gift incentive programme is operated and must be readily available for distribution.
- 13.5 The value of a gift may not be inflated by a member. When presented along with price information, that information must reflect the true market value of the item at retail value or be based upon reasonable calculations if the item is not normally available for sale. (As a guideline, the price quoted as the retail market value should not exceed 4 (four) times the actual cost to the developer or marketing company).
- 13.6 The names of people who claim and receive gifts worth more than R500.00, together with a declaration of the total number of gifts claimed during the period, must be displayed by the member for the minimum period of one month at each point of sale at which the gift incentive programme (that is part of the promotional activity) is operated and must be made available to anyone on request during the same period to make manifest to the public what gifts of high value are being distributed.
- 13.7 If the premium or gifts are offered by a member subject to a right to substitute items of equal or greater value because the item offered is not available on the market, disclosure of this fact must be included in the advertising or promotional activity
- 13.8 If the gifts, or their substitutes, cannot be distributed at the time of offer, they must be delivered by the member within 30 days without requiring further cost, time or travel by the recipient of the gift.
- 9 The personnel of any member and its marketing company, sales organisation, promotional company or advertising company involved in conducting any gift incentive programme and their immediate relatives, are precluded from receiving any benefits from the programme.
- 13.10 Members of the public may not be referred to as 'winners' told that they have 'won' an item, or be informed that the item is a, 'prize', 'gift', or is 'free, unless this is factually and undisputedly the case.

- 13.11 Any terms, conditions and obligations upon which the gift is contingent, must be clearly and conspicuously set out by the member so as to leave no reasonable probability that the terms of the offer might be misunderstood.
- 13.12 All gift and incentive programmes must at all times comply with the provisions of The Lotteries Act

#### **14. AGREEMENTS**

- 14.1 Agreements for the alienation of timeshare must contain easily understandable terms and must precisely describe the timesharing interest being alienated.
- 14.2 The Agreement of alienation together with all required documentation must be made available to the purchaser(s) before signing to enable them to peruse the documentation. The prospective purchasers may not be discouraged from seeking professional advice.
- 14.3 In addition to the purchase price, the purchaser's responsibility for any other costs in connection with the transaction must be fully and clearly disclosed in the Agreement.
- 14.4 The payment obligations of the purchaser, in respect of payment date and terms, must be disclosed and fully detailed in the Agreement.
- 5 All alienation Agreements must be accompanied by the relevant Industry "check-list" entitled a "Certificate of Purchase", which explains the essential elements of the alienation agreement. A copy of the certificate of purchase must be handed to the purchaser at time of signature of the Agreement.
- 6 The Certificate of Purchase for sales relating to Conventional Timeshare and for sales relating to Points/Club systems are attached hereto marked Annexure "A" and "B" respectively.
- 7 The attached Certificates of Purchase contain the standard clauses and constitute the minimum requirements to be acknowledged by the purchaser. Members may add additional Clauses to the relevant Certificate but may only amend or alter the standard Clauses with the prior written approval of TISA
- 8 All Alienation Agreements must include all the relevant statutory and or contractual documents, eg The Use and Occupation Agreement, the house rules, disclosure schedules, the Constitution, Scheme Rules, Usage value guide, last financial statements, etc.
- 9 TISA may from time to time prescribe that additional documentation is handed to the purchasers at point of sale to ensure compliance with this Code eg Club or Points stock listings, Certificate of purchase.

**15. REVISION PERIOD**

15.1 Every Agreement which provides for the alienation of a timesharing interest, shall contain the following provisions, without alteration:

- 1 The Purchaser is entitled to terminate this agreement in writing within 5(five) days of signature of the Agreement by the Purchaser, (Saturday, Sunday public holidays and the day of signature are excluded)
- 2 The written notice of termination by the Purchaser must be received by the Seller at its stipulated address within the 5 (five) day period,
- 3 Only notice by way of facsimile, electronic mail, telegram, phonogram or receipted hand delivered letter, received by the Seller within the stipulated period at the sellers stipulated address, shall constitute compliance with Clause 15.1.1
- 4 Upon termination of the Agreement in terms hereof, the Seller shall immediately and in full refund any payments made by the Purchaser.
- 5 The seller shall within 14 days return any Share Certificates, Title Deeds or other documents handed over in terms of this Agreement.

15.2 The Agreement shall clearly disclose the notification address of the Seller, which address shall include the appropriate facsimile, electronic address and telephone number where the notice of termination may be delivered or sent.

3 The revision and/or termination rights conferred in terms of this Clause may not be waived, cancelled or abandoned.

**16. AUDITORS CERTIFICATE - Conventional Timeshare**

16.1 A timeshare resort / company shall be obliged to furnish TISA with a certificate from an Auditor, in such form as the TISA may from time to time require, inter alia verifying that:

- 1 All monies arising from the alienation of timeshare in that timeshare resort have been dealt with in terms of all applicable statutory provisions and Agreement between the Developer, the Scheme, the Seller, the Bondholder and/or the Purchaser.
- 2 In the event that the timeshare resort is based on the Share Blocks Control Act No 59 of 1980, the certificate shall in particular verify that the Developer has complied with Sections 14 and 15 of that Act.

- 3 In respect of other timeshare schemes / company's , that any bond or loans over the timeshare resort have been dealt with in terms of Sections 14 and 15, as if they are loan obligations as referred to in the said sections and are being repaid as stipulated by these sections.
  - 4 The levies due and payable by the developer and the levies payable by any entity liable for payment of 7.5% (seven point 5 percent) or more of the levy income, have been paid in full as at the date of certificate
  - 5 The name of the registered owner or lessor of the property on which the Timesharing Scheme is operated
  - 6 The cash reserves of the scheme as a percentage of the annual levy income.
  - 7 A copy of the last audited financial statements or interim financial statement of the Resort
- 1 The Auditors Certificate shall be furnished within six months of timeshare first being offered for alienation in the timeshare resort and shall thereafter be furnished at six monthly intervals.
  - .3 In the event that the bond over the property or Developers loans have been fully discharged and the developer holds less than 7.5% (seven point five percent) of the timesharing interests in the timeshare resort, the Developer shall, after the Auditors have filed a report to this effect, no longer be obliged to furnish such an Auditors Certificate, whilst these reported conditions remain.
- 16.4 An Auditor shall mean an Auditor as defined in the Regulations to the Sectional Titles Act No. 95 of 1986.

## **17. AUDITORS CERTIFICATE – Points or Club Timeshare Schemes**

- 1 A Developer / Directors / Trustees or Management Association of a Points or Club based Timeshare Scheme shall be obliged to furnish TISA with a certificate from an Auditor, in such form as TISA may from time to time require, inter alia verifying:
  - 1 That all monies arising from the alienation of timeshare in that timeshare scheme have been dealt with in terms of all applicable statutory provisions and any agreement between the Developer, the Scheme, the Seller, the Bondholder and/or the Purchaser.
  - 2 That the levies due and payable by the developer to the scheme and the levies payable by the Scheme have been paid in full as at the date of certificate.

- 3 The Auditors Certificate shall be furnished within six months of timeshare first being offered for alienation in the Points/Club scheme and shall thereafter be furnished at six monthly intervals.
  - 4 The name of the registered owner(s) or lessee of the various properties forming part of the Points/Club timesharing scheme.
  - 5 The allocation and distribution of Points/Units/trading power to the stock registered or held by the scheme and the comparable value or allocation held by the participants to the scheme.
- 2 An Auditor shall mean an Auditor as defined in the regulations to the Sectional Titles Act No.95 of 1986.

## **18. TELEPHONE COMMUNICATIONS**

### **18.1 Prompt Disclosure:**

All telephonic communications with prospective purchasers, relating to the alienation of Timeshare, should disclose promptly the name of the company and that the purpose of the contact has to do with the selling of timeshare interests.

### **18.2 Terms:**

All offers should be clear and complete so that the recipient of the call will know the exact nature of what is being offered, the commitment involved and any terms or conditions.

### **3 Reasonable Hours:**

All such telephonic communications shall be made during reasonable hours but in any event no earlier than 08H00 and no later than 21H00.

### **18.4 Removal:**

Members must remove the name and details of any person from their telephone lists when requested to do so.

### **18.5 Restricted Contacts:**

Members must avoid calling telephone subscribers who have unlisted or unpublished telephone numbers unless a prior relationship exists.

### **6 Automatic Dialling Equipment:**

No member may use automatic dialling equipment unless the equipment releases the line immediately when the called party disconnects.

## 19. EXCHANGE PROGRAMS

- 1 Exchange Programs, Reciprocal Use Programs and all other programs in which other location Use Rights or privileges of any kind are offered as a secondary benefit to the consumer in a solicitation or the sale of a timeshare interest, must be represented accurately and clearly.
- 2 The party representing the exchange company may not represent opportunities to the consumer as being greater than is probable for the Timesharing interest being offered.
- 3 The Seller must provide the consumer with information on the program prior to the execution of a contract for the sale of a timesharing interest, which information must include :
  - 1 The name and address of the exchange company;
  - 2 A statement that the consumer's contract with the exchange company or organisation is a contract separate and distinct from the consumer's contract with the Seller of the timesharing interest;
  - 3 A statement as to whether the consumer's participation in the program is voluntary or mandatory;
  - 4 An accurate description of the procedure to qualify for and to effect exchanges, reciprocal use, or similar rights or privileges;

19.3.5 A description of limitations, restrictions or priorities used in the operation of the exchange program, including limitations based upon season, unit size, or level of occupancy and, in the event that limitations, restrictions, or priorities are not uniformly applied by the program, a clear description of the manner in which they are applied;

19.3.6 Whether exchanges, reciprocal use or similar rights or privileges are arranged on a space-available basis and whether any guarantees of fulfilment of specific requests are made by the program;

  - 7 The fees, range of fees or fees for various levels of participation and exchange by consumers in the exchange program and;
  - 8 Whether and under what circumstances a consumer, in dealing with a timesharing exchange program, may lose the use and occupancy of a properly applied for timesharing exchange without being provided with substitute accommodation
- 3 The above provisions in this section shall apply only to initial offers or contracts and not to renewals offered by the exchange company.

## 20. ADMINISTRATION

The Code will be administered by TISA.

TISA will provide for dispute resolution between consumers and the Industry.

Any purchaser of timeshare who has a complaint may write to TISA directly.

TISA may resolve the dispute through conciliation, mediation or arbitration.

In the event of a TISA member contravening the provisions of the code then the disciplinary body of TISA may apply punitive or compensatory measures against the member.

TISA will refer information regarding non-compliance with statutory provisions to the appropriate authorities', and applicable unresolved consumer issues to the Consumer Affairs Committee

TISA's address is:

TISA  
P O Box 2823  
Durbanville  
7551

Email: [tisa@tisa.co.za](mailto:tisa@tisa.co.za)  
Tele No: +27(0)21 914 9693  
Fax No: +27(0)21 914 5202



CONSULTANT \_\_\_\_\_

AGENT'S/BROKER'S ADDRESS \_\_\_\_\_

AGENT'S/BROKER'S FAX NO. \_\_\_\_\_

AGENT'S/BROKER'S EMAIL ADDRESS \_\_\_\_\_

SELLER'S ADDRESS \_\_\_\_ - \_\_\_\_\_ FAX # \_\_\_\_\_ TEL # \_\_\_\_\_

ANNEXURE B

CERTIFICATE OF PURCHASE - CLUBS AND POINTS SCHEMES

(delete options and/or insert correct descriptions where applicable)
(Point, Units and/or Stars are referred to as PTS in this document)

This is to certify that I, \_\_\_\_\_, by my signature hereof, confirm that I understand the essential aspects of this timeshare purchase and that all critical aspects of this purchase have been adequately explained to me.

I hereby endorse my understanding and acceptance of the following:-

- 1. I have entered into an Agreement to Purchase \_\_\_\_\_ (PTS) and I have applied for membership of \_\_\_\_\_ (Association/Club).
2. The purchase price of the \_\_\_\_\_ (PTS) includes/excludes membership/exchange/admin. fees.
3. The \_\_\_\_\_ (PTS) entitle me to an annual allocation of .....usage (PTS).
4. These usage (PTS) can be exchanged in terms of the Scheme Rules for the right to use the accommodation which forms part of the scheme, as reflected in the Scheme Stock Tables which I have perused.
5. The right to use the accommodation is subject to availability, payment of the relevant annual fees and subject to the number of usage (PTS) I have available.
6. I accept that there is no guarantee that I will be able to holiday every year in peak season at the resort of my choice.
7. I can save \_\_\_\_\_ of my annual unused (PTS) each year OR I can carry forward my unused (PTS) for a period of \_\_\_\_\_ years .
8. I can use my (PTS) for full weeks, mid-weeks and weekend reservations, subject to the condition that mid-weeks and weekends may only be taken in low demand periods, as reflected on the (PTS) guide which I have perused.
9. I acknowledge that levies are due and payable annually and currently are R\_\_\_\_\_ per annum.
10. I understand that:
(i) Levies are designed to cover annual operating costs.
(ii) Levies are subject to escalation.
(iii) Levies are determined by the Board of Directors/Trustees, in terms of the provisions of the Use Agreements/Scheme Rules and The Act.
(iv) I understand that the developer may not make a profit out of levies.
11. I have seen and signed the Offer to Purchase and any verbal representation or undertakings made are contained therein.
12. I understand that:
(i) My monthly installment of R\_\_\_\_\_ will be deducted from my account over a period of \_\_\_\_\_ months.
(ii) A once-off Club entrance fee of R\_\_\_\_\_ is charged on this account and will be deducted with the first installment, should I not already have paid this amount.
(iii) My annual Membership and Reservation fees are payable within 30 days of receipt of the account, where after the fees will be paid annually in advance.
(iv) An Exchange affiliation fee of R\_\_\_\_\_ is due and payable, in lieu of exchange membership.
13. The Purchaser is entitled to terminate this agreement in writing within 5(five) days of signature of the Agreement by the Purchaser, (Saturday, Sunday public holidays and the day of signature are excluded)
14. The written notice of termination by the Purchaser must be received by the Seller at its stipulated address within the 5 (five) day period, Only notice by way of facsimile, electronic mail, telegram, phonogram or receipted hand delivered letter, received by the Seller within the stipulated period at the sellers stipulated address, shall constitute compliance with Clause 12.
15. My membership of the Exchange Organisation is renewable annually at my cost and discretion.
16. My purchase of \_\_\_\_\_(PTS) is an investment in future holidays and I understand and agree that I am not primarily purchasing it for rental yield, return on investment or capital gain on resale.
17. I confirm that I have entered into this Agreement of my own free will and that I am able to meet the financial commitments as set out therein.
18. I am responsible for all traveling costs and all other direct costs including food, entertainment, etc. relating to the use of my timeshare.

Vertical column of 18 empty rectangular boxes corresponding to the numbered list items.

SIGNED AT \_\_\_\_\_ THIS DAY OF \_\_\_\_\_

PURCHASER \_\_\_\_\_ SPOUSE \_\_\_\_\_

CONSULTANT \_\_\_\_\_

AGENT'S/BROKER'S ADDRESS \_\_\_\_\_

AGENT'S/BROKER'S FAX NO. \_\_\_\_\_

AGENT'S/BROKER'S EMAIL ADDRESS \_\_\_\_\_

SELLER'S ADDRESS \_\_\_\_\_ FAX # \_\_\_\_\_ TEL # \_\_\_\_\_

**ANNEXURE “C”**  
**MEMBERS’ CODE OF CONDUCT**

For the purposes of this clause:-

TISA shall mean the Timeshare Institute of Southern Africa.

TISA members shall mean members of TISA and their employees/agents and/or franchises.

1. TISA membership is conditional on the member complying with the provisions of the Associations Articles of Association, the conduct rules, their corporate legal obligations, payment of fees and/or fines and full compliance with the spirit of the Code of Conduct.
2. TISA members shall not disparage one another in their advertising, sales or promotional activities or, in any way, attempt to bring one another or the Industry into disrepute.
3. In the event that a dispute arises between TISA members regarding a matter (inter-alia the employment or termination of services of an agent) and such matter cannot be resolved amicably between the parties, as a result of TISA’s mediation, and the dispute between the members is of a legal nature, TISA will withdraw from its mediation role relating to such matters.
4. TISA members agree not to take up their legal right to call for or to actively or passively attempt to procure the Share Register or Owners list of any other member or organisation. TISA members agree not to use a Share Register or Owners list of any other member for commercial purposes unless they have been granted the right to do so in writing by such person or persons authorised to grant such right.
5. A TISA member shall only be entitled to use the TISA logo and trademark in such a form as TISA from time to time determines and, on suspension or termination of membership, will immediately cease to use the logo and trademark and return all TISA literature to the Secretariat within 7 days of such termination.
6. TISA will furnish a limited validity Membership Certificate to members in good standing and reserves the right to reclaim such Certificate, should the member’s membership rights be suspended or terminated.
7. An up-to-date copy of the abridged version of the Code of Conduct, in the format prescribed by TISA, from time to time, must be displayed in a prominent position at all sales and office premises of TISA members. The document will invite members of the public who have any complaint regarding an alleged breach of the Code, to write to TISA.
8. TISA members should conduct their business so as to avoid controversies and conflict with fellow TISA members and TISA members agree that they will not conduct business with non TISA affiliated members in the normal course and scope of their core business.
9. TISA may refer disciplinary issues relating to the provisions of the Code of Conduct to the Standards Council, who will deal with these issues as outlined in the Articles of Association.

10. The TISA Executive may, from time to time, prescribe cautionary, punitive and/or compensatory measures and guidelines in respect of transgressions of the Code.

11. Disciplinary procedures relating to the breach of the Code of Conduct:

In the event of a member being found guilty of a material breach of the Code, the Standards Council Committee may impose any one or more of these disciplinary measures:

1 Caution the member

2 Fine the member;

11.2.1 up to R250 if the contravention is perpetrated by an OPC

2 up to R5 000 if the contravention is perpetrated by an Agent

3 up to R10 000 if the member is a Broker

4 up to R20 000 if the member falls into any other membership category

2 Order the member to cancel the purchaser's Agreement with or without a compensatory award.

3 Order the member to pay the aggrieved party a compensatory amount or award benefits.

4 Other relief not of a monetary value, as the Council might find appropriate.

5 The Standards Council may furthermore propose to the Executive of TISA that the member's membership be terminated. Such a suggestion must be tabled before EXCO, at the first EXCO meeting thereafter.