

An overview of the
Previously Disadvantaged Individual's (PDI's)
Resolution of the
Estate Agency Affairs Board

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**ESTATE AGENCY AFFAIRS BOARD
OF SOUTH AFRICA**

HISTORICAL POSITION

- The Estate Agency profession is untransformed and is not representative of South Africans;
- The EAA Act 112/1976, as apartheid-era legislation, fails to cater for transformation in an unequal profession or to take into account the imperatives of a constitutional democracy;
- Section 27 of the Act can be used to **facilitate transformation** of the sector through **granting exemption** from requirements of the Act, where it is in the interests of justice to do so.

It is “...in the interests of justice...”

- To effect a transformed estate agency profession without delay;
- To exercise such discretion as is necessary to give effect to **Constitution imperatives**, until new empowering legislation is passed;
- To give effect to the **transformation mandate**;
- To effect change in opportunities available and open doors to **Previously Disadvantaged Individuals** which are currently limited in a privileged white profession;
- To allow otherwise **discriminatory processes** in order to **reverse the injustices of the past**;

PDI RESOLUTION IS APPLICABLE TO:



Principal estate agent

Non-principal estate agent

Intern estate agent

SECTION 27 DISQUALIFIES AGENTS FROM RECEIVING A FIDELITY FUND CERTIFICATE, IF THE ESTATE AGENT:

- Has been dismissed from a position of trust for misconduct;
- Has been convicted of an offence of which dishonesty is an element;
- Is an unrehabilitated insolvent unless the trustee submits the required recommendation;
- Is of unsound mind;
- Has had an FFC withdrawn by a Disciplinary Committee;
- Does not comply with education requirements;
- Is late with audit reports / financial statements;
- Has caused the Fidelity Fund to pay a claim;
- (Or is a principal /director of a firm which is so disqualified).

Section 27 Proviso

Section 27 Proviso allows agents who would otherwise not be permitted to obtain FFC's, to be issued with FFC's, if:

- It is in the interests of justice;
- Estate agents comply with certain conditions to enable them to become compliant;

The **Board has resolved to assist estate agents** to make use of this provision **through administrative processes** which will **remove barriers to compliance for PDI agents.**

TRANSFORMATION INITIATIVES

CPD BOARD RESOLUTION FOR PDI ESTATE AGENTS

- Previously disadvantaged individuals **may apply to the EAAB** for a special dispensation to be **exempt/ partially exempt** from CPD requirements;
- The process has been published to stakeholders and is available on application via the Online Query Management System available on the EAAB's website www.eaab.org.za;
- A special pro forma affidavit was prepared to assist applicants;
- Assistance with submission through the Section 27 Manager; debra.vial@eaab.org.za

BOARD RESOLUTION FOR PREVIOUSLY DISADVANTAGED ESTATE AGENTS

- **PDI estate agents are assisted**, as defined in the Broad Based Black Economic Empowerment Act, 53/2003.
- In terms of the section 27 proviso, **PDI estate agents who do not otherwise qualify, may apply to be issued with a FFC** on terms and conditions allowed by the board.

PARTICULARS OF THE RESOLUTION

In terms of the resolution

- i. PDI agents will be able to apply to be **exempted** from the **submission of audit reports**;
- ii. PDI agents will be able to apply to be **exempted** from **full or part payment of registration and renewal fees / levies**;
- iii. PDI agents will be able to apply to be **exempted from Education requirements**;

All the above, is subject to the board being satisfied, that it is in the interests of justice that an exemption be granted on such conditions as it deems fit.

CONDITIONS FOR APPLICATION

- **The applicant is a Previously Disadvantaged Individual (PDI);**
- A **compliant s27 application** has been submitted to the disqualifications department;
- The application **includes an affidavit** setting out the circumstances which warrant the issue of an FFC;
- All **supporting documents** on which the applicant relies, has also been submitted.

AUDIT EXEMPTION CONDITIONS

The estate agent **must have submitted 12 months bank statements** for his trust and business accounts for the year in question, showing turnover and interest earned.

EDUCATION EXEMPTION CONDITIONS

- An **extension of time may be granted** for the estate agent to comply with the specific education requirements which are required in terms of the FFC to be issued;
- An **exemption from examination fees** for board exams may be granted;
- **CPD special dispensations** may be granted.

REGISTRATION AND RENEWAL PAYMENT EXEMPTION CONDITIONS

An applicant may be **granted an extension** for, or **exemption from, payment of registration and renewal fees** as required in the regulations, for such period as may be necessary to allow him / her to be issued with a FFC.

GENERAL CONDITIONS

The following general conditions will apply to all applications:

- Consideration shall be given to **economic, social, geographic or financial constraints impacting** on the estate agent;
- The **annual turnover** of the agent's enterprise, where applicable, shall be less than R5 million per annum;
- Historical **educational disadvantages** shall be taken into account;
- Serious **health constraints**, where verified, shall be taken into account;
- Other relevant factors which may be applicable to the particular agent, shall be considered.

FFC'S RENDERED INVALID

- If a FFC is issued to an estate agent under the resolution, and the estate agent **fails to comply** with the conditions of such issue (eg. *Does not submit bank statements, or does not obtain the required qualification in the extension period*);
- The FFC automatically becomes invalid and of no force and effect.

IMPLEMENTATION

- The board resolution was passed on
- The implementation process has begun and inputs are invited in order to ensure that the EAAB is able to meet the needs of estate agents and implement the transformation process in an orderly and speedy manner;
- Estate agents will be advised in full of the process to be followed and the implementation date of this exciting new chapter in our transformation journey;

THANK YOU

