



ESTATE AGENCY AFFAIRS BOARD
OF SOUTH AFRICA

04 December 2014

DISQUALIFICATION OF ESTATE AGENTS RELATING TO FIDELITY FUND CERTIFICATES DUE TO NON-COMPLIANCE WITH AUDIT REPORTS SUBMISSION REQUIREMENTS

The Estate Agency Affairs Board (EAAB) would like to thank all estate agency firms who complied with section 29(b), section 32(3)(b) and section 32(4) of the Estate Agency Affairs Act (the Act) by causing an audit of the trust account and the business and submitting the audit reports within the prescribed timeframe of four months after the financial year end.

Following the finalisation of the internal processing of the audit reports emailed, posted or submitted to the EAAB, all estate agency firms who do not have an audit report for one or more financial years on our system have been disqualified in terms of section 27(aA)(i) of the Act.

The principals of these disqualified estate agency firms have been notified, through email, of the disqualification and the process to be followed in order to regularise their registration status with EAAB.

However, the EAAB does not have email addresses of the principals of some of the disqualified estate agency firms and these principals have therefore not received the notifications of the disqualifications. These principals should contact our Call Centre on **087 285 3222** with their email addresses and the notifications will be forwarded to them.

All 2014 and 2015 Fidelity Fund Certificates in the possession of the disqualified estate agency firms are no longer of any force and effect, and are hereby withdrawn in terms of section 16(4) of the Act.

The disqualification of the estate agency firms and the withdrawal of Fidelity Fund Certificates apply, not only to the estate agency firms, but also to all estate agents, whether principal or non-principal, within the service of that disqualified firm.

The EAAB endeavours to expedite the regularisation of the registration status of the disqualified estate agents firms and in this regard, the following process will apply, depending on the category the estate agency firm falls into (A, B or C).

The regularisation processes for each of these categories (A, B or C) are detailed hereunder:

A. For those firms who never submitted the relevant audit reports to the EAAB previously, the following will apply:

1. If the audit report(s) for the financial year(s) indicated in the disqualification notification was/(were) not submitted to the EAAB previously, request your auditor to register on MyEAAB Auditors Portal via <http://www.eaab.org.za/myaudit> and upload the audit report(s) and the audited financial statements for the relevant financial years, online via this website link. (Refer to this link http://www.eaab.org.za/audit_compliance for benefits of online audit report submissions.)
2. Email an affidavit by the principal, signed and stamped by a Commissioner of Oaths, to section27applications@eaab.org.za
 - a. Detailing the history and experience within the estate agency industry;
 - b. Reasons for non-compliance with the provisions of the Act; and
 - c. Reasons why it is considered to be in the best interest of justice to be issued with a Fidelity Fund Certificate.
3. On receipt of the uploaded audit reports and audited financial statements and the emailed affidavits, the matter will be considered internally and:
 - a. For those estate agency firms:
 - i. whose audit reports, audited financial statements and affidavits meet the conditions and criteria set by the EAAB board;
 - ii. who admit guilt; and
 - iii. and do not object to the payment of a penalty;

A penalty will be levied for the non-compliance with the audit report submission requirement and the disqualification removed on payment of the penalty.

- b. For those estate agency firms who do not fall in category 3(a) above, a charge letter will be issued by EAAB's Legal Department and the disqualification will be removed subject to the outcome of the disciplinary committee proceedings and the section 27 application processes.

B. For those firms who submitted, outside the prescribed timeframe of four months after financial year-end, the relevant audit reports to the EAAB previously, the following will apply:

4. If the audit report(s) for the financial year(s) indicated in the disqualification notice, was/(were) submitted outside the prescribed timeframe of four months after the financial year-end to the Estate Agency Affairs Board previously, please email the audit report(s), audited financial statements and proof of original submission to section27applications@eaab.org.za

5. Email an affidavit by the principal, signed and stamped by a Commissioner of Oaths, to section27applications@eaab.org.za
 - a. Detailing the history and experience within the estate agency industry;
 - b. Reasons for non-compliance with the provisions of the Act; and
 - c. Reasons why it is considered to be in the best interest of justice to be issued with a Fidelity Fund Certificate.
6. On receipt of the audit report(s), audited financial statements, the proof of original submission and the affidavit, the process in indicated in 3(a) and 3(b) will be followed.
- C. **For those firms who submitted, within the prescribed timeframe of four months after financial year-end, the relevant audit reports to the EAAB previously, the following will apply:**
 7. If the audit report(s) for the financial year(s) indicated in the disqualification notice, was/(were) indeed submitted within the prescribed timeframe of four months after the financial year-end to the Estate Agency Affairs Board previously, please email the audit report(s) and proof of original submission to audit@eaab.org.za
 8. On receipt of the audit reports and the proof of original submission, the matter will be considered internally and the disqualification removed.

All further queries from disqualified estate agency firms should be directed to the EAAB's Section 27 Department using the following contact details:

Email:		section27applications@eaab.org.za	
Telephone:	087	285	3222
Fax Number:	086 610 5524		

All queries from disqualified estate agency firms who require their disqualification notifications emailed to them should be directed to our Call Centre at 087 285 3222.

The EAAB reserves the right, at its sole discretion and in addition to any administrative penalty having been levied, to institute formal processes relating to any non-compliance with the provisions of the Act.

**ISSUED BY:
AUDIT COMPLIANCE DEPARTMENT
ESTATE AGENCY AFFAIRS BOARD**