



ESTATE AGENCY AFFAIRS BOARD OF SOUTH AFRICA

Redressing the Past, Building the Future, and Guiding the Real Estate Industry towards Professionalism.

ANNOUNCEMENT ON THE IMPLEMENTATION BY THE ESTATE AGENCY AFFAIRS BOARD OF A POLICY FOR THE GRANTING OF EDUCATIONAL EXEMPTIONS TO NON-EXECUTIVE DIRECTORS OF ESTATE AGENCY COMPANIES

In accordance with the provisions of the Education Regulations all directors of an estate agency company must be certificated against the NQF Level 5 real estate qualification (National Certificate: Real Estate) and have passed the Professional Designation Examination for principal estate agents (PDE5) to enable such directors to be issued with a valid fidelity fund certificate as required by section 26 of the Estate Agency Affairs Act.

To assist affected estate agency companies it has been decided to allow the non-executive directors of those companies to apply to the EAAB for the grant of an educational exemption against the education requirements for principal estate agents. Non-executive directors may also apply to be exempted from participation in the EAAB's mandatory Continuing Professional Development (CPD) programme.

It is to be emphasised, that any educational exemption thus granted to a non-executive director is non-transferable and that the non-executive concerned shall be obliged immediately to notify the EAAB in writing should there be any change in the circumstances of that director which may have the effect of rendering the person concerned no longer a non-executive director of the estate agency company.

A non-executive director, for the purposes of the implementation of this innovative educational exemption initiative, has been defined as being a member of the board of directors, duly registered as a director of the company concerned by the Companies and Intellectual Property Commission, of an estate agency company who is not strictly engaged in the day-to-day estate agency activities, as defined in section 1(vi) of the Estate Agency Affairs Act, of the company but who may, nevertheless, be involved in the policy-making and planning functions of the organisation so as to ensure compliance with the provisions of the Companies Act and who may, moreover, have been appointed due to, inter alia, knowledge, experience, competency, calibre and other relevant personal qualities.

Non-executive directors seeking to apply for the grant of the relevant educational exemption so as to be able to be issued with a valid principal fidelity fund certificate by the EAAB will be required to follow an established procedure. Such applicants will, in addition, be obliged to pay an assessment fee in a total amount of R2 500 to the EAAB in respect of the consideration of their educational exemption applications.

Further information in this respect may be obtained by all interested parties by emailing exemptions@eaab.org.za

The EAAB trusts the latitude that it is now extending to estate agency companies to enable their non-executive directors fully to comply with the provisions of the Estate Agency Affairs Act and, as such, legally to act as estate agents will facilitate their operations as estate agents and remove a cause of ongoing concern that has been expressed to the EAAB over the years.

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