



The Property Practitioners Regulatory Authority is delighted to share with all stakeholders its draft guidelines which incorporate the Incubation for Small Micro Medium Enterprise processes within the **Property Practitioners Regulatory Authority** Transformation department for your review, comments and questions.

The objectives for the external stakeholders' consultations include to: –

- (i) Ensure that the Transformation Departments processes reflects the views and feedback of all relevant industry players;
- (ii) Obtain the buy-in on the development of internal policies and procedures of the Authority regarding Small Micro Medium Enterprise and ensure that the Authority's policies and procedures reflect best practices.
- (iii) Identify opportunities for enhanced collaboration and further engagements on the guidelines.

The feedback received from key stakeholders would benefit the Authority in finalizing the guidelines, enhance dialogue and inform internal policy and processes within the Transformation Department.

We would be honoured by your participation in this key stakeholders' guidelines consultation.

All organisations/ stakeholders can provide feedback directly to: **incubationsmmes@eaab.org.za**.

The Authority welcomes your input and is looking forward to receiving your comments. Please note that the final date for submission of comments is **8th March 2022**.

For more information, visit the www.eaab.org.za.



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1. INTRODUCTION

In alignment with the Property Practitioners Act chapter 4 section 20, (3)(d) which states that The Authority must from time to time introduce measures to be implemented, which may include incubation and capacity building programmes to redress the imbalances of the past.

Therefore, the incubation programme will provide budding entrepreneurs with physical space, infrastructure and shared services, access to specialised knowledge, market linkages, training in the use of new technologies and access to finance; and permit experienced property practitioners with three or more years of experience to develop own business.

Property Practitioners Regulatory Authority is committed in the implementation of Government Policy framework that seeks to empower Small, Medium and Micro Enterprises (SMMEs) in the Property Sector.

Small Micro Medium Enterprise, also referred to as small business, play an important role in an economy. They can be key drivers of economic growth, innovation and job creation and the Property Practitioners Act (PPA) in the Transformation Departments aims to do that in the new Act to assist black property practitioners to have the opportunity to grow in the sector of property and also create job opportunities in the market. It also aims at creating a demand for the products and services provided by the Small Micro Medium Enterprise and reducing regulatory constraints.

2. DEFINITIONS

The definitions below are relevant to these guidelines, for a detailed list of definitions please refer to the Property Practitioners Act 22/2019.

2.1 **“Authority”** –means the Property Practitioners Regulatory Authority



- 2.2 **SMME's** means a separate and distinct business entity, together with its branches or subsidiaries ,if any including co-operative enterprises, managed by one owner or more predominantly carried on in any sector or subsector of the economy mentioned classified as micro, small medium enterprise
- 2.3 **Consortia** An association or a combination, as of businesses, financial institutions, or investors, for the purpose of engaging in a joint venture.
- 2.4 **Entrepreneurial** characterized by the taking of financial risks in the hope of profit; enterprising
- 2.5 **Incubation** maintaining something at the most favourable for its development

3. ABBREVIATIONS

EAA Act	The Estate Agency Affairs Act 112/1976
PPA	Property Practitioners Act 22/2019
PPRA	Property Practitioners Regulatory Authority
SCM	Supply Chain Management
SMMEs	Small, Medium and Micro Enterprises
TBA	To be Advised

4. OBJECTIVES

- 4.1. Guide the PPRA on the funding criteria for SMME development
- 4.2. Promote increased participation and opportunities for SMMEs in the PPRA procurement processes



- 4.3. Identify and assess minor contract opportunities within the province for the development and support of SMMEs.
- 4.4. Identify opportunities where minor contracts may be awarded to SMMEs.
- 4.5. Identify and align minor contracts with the development and support programmes for SMMEs in the municipality.
- 4.6. Promote partnerships between the municipality and the private sector in respect of the development and support to SMMEs.
- 4.7. Promote skills transfer, training, and accessibility to the processes of procurement through the implementation of SMME development and support programme of the municipality; and
- 4.8. Promote monitoring and evaluation of the identification and development of SMMEs.

5. PANEL SELECTION

- 5.1. A selection panel should be established to conduct the selection process (that is the shortlisting and the interview of potential candidates).
- 5.2. The selection panel should constitute of at least five (5) panel members and shall be constituted by the executive manager or manager duly appointed to be responsible for Transformation Unit, SCM member, Human Resource administrator or officer of the Human Resource department and any additional members duly appointed by



the CEO for this purpose

- 5.3. The panel should where possible be representative in terms of Race, Gender and Disability.
- 5.4. Each member of selection panel should complete and sign a declaration interest form before commencement of selection process where a potential conflict of interest may exist and the affected panel member should withdraw from the selection process.

6. COMPLIANCE CRITERIA

- 6.1 PPRA Compliant
- 6.2 Broad-Based Black Economic Empowerment Compliant
- 6.3 Companies registered with commissions for intellectual property commissions (CIPC)
- 6.4 SARS –Valid Tax Clearance Certificate

7. IMPLEMENTATION TABLE

STRATEGIC ACTIVITY	STRATEGIC OUTPUT/OUTCOME	ACCOUNTABLE INSTITUTION/ PERSON	TARGET DATE
Conceptualization of the incubation programme	Draft incubation programme framework	PPRA	First draft presented 17 Dec 2021
Consultation on the incubation programme with stakeholders	Approval of incubation programme by consulted stakeholders	PPRA	Feb 2022
Implementation of the incubation programme	Selected SMMEs	PPRA	Ongoing



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Regular monitoring of the programme	Quarterly performance reporting	PPRA	Quarterly
Conduct a research and identify systemic and other challenges faced by black participants in the Property sector	Identified challenges and barriers	PPRA	On going
Conduct an internal workshop to brainstorm and recommend solutions for identified barriers to transformation and incorporate into transformation strategy and programmes	Draw up solutions for identified barriers to transformation	PPRA	Ongoing
Incorporate research findings and requirements set out in the Property Practitioners Regulatory Authority in advancing the interests of black persons wishing to participate in the SMMEs programme	Use research findings	PPRA	Ongoing
Set-out guidelines for the implementation of the incubation programme	Set of guidelines	PPRA	TBA
Set-out the qualifying criteria for participation in the incubation programme	Qualifying criteria	PPRA	Still drafting
Obtain Board approval of the incubation programme	Board approval	PPRA	TBA
Establish Panel responsible for the implementation of the programme	Panel	PPRA	TBA



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8. GENERAL CONDITIONS FOR SMMEs

- 8.1 The applicants must be South African citizens.
- 8.2 Applicants must be knowledgeable with Property Practitioners Act no 19 of 2019, property sector, finance, legal and the marketing sphere.
- 8.3 Applicants must meet the definition of previously disadvantaged individuals (PDI) as per constitutional obligation of the state. Section 217 of the Constitution of the Republic of South Africa (ACT 108/96)
- 8.4 Only legal persons and consortia may submit an application.
- 8.5 No employees of PPRA, Department of Human Settlement or any other entity falling under the department, shall apply directly or indirectly for being an SMME.
- 8.6 No other public servant who is employed by the government of RSA shall apply.
- 8.7 This SMMEs Programme will be in form of a Loan and Grant
- 8.8 The application will be reviewed annually.

9. TIMELINES

- 9.1 The turnaround time for the SMME's process will be between 30-60 days, during that time the panel involved will be evaluating all the submitted documentation.
- 9.2 Feedback to the applicant will be provided within 60 days of receipt of application.



9.3 Applications will be open on the fourth quarter of the financial year.

9.4 The successful candidates will commence the programme in the following financial year.

10. EVALUATION CRITERIA

The below is followed when selecting the applications of the SMMEs programme:

10.1 An internal panel consisting of Licensing Department, Risk, SCM; Education and Training and Transformation Department will be appointed to make assessments on the application of the individual

10.2 Management competency with business background and entrepreneurial and Leadership skills.

10.3 Panel experience in business leadership and/or development; Comprehensive project proposal;

10.4 Availability of funding and commitment from partners to fund the project

11. MONITORING AND EVALUATION

11.1 Track record in successfully mentoring and coaching SMMEs;

11.2 Monitoring and evaluation will be undertaken by the appointed panel.



11.3 All approved applicants will be monitored to assess whether the SMMs are achieving the strategic objectives of the incentive and its intended outcomes.

11.4 A monthly and quarterly report(s) will be compiled and submitted to the committee.

12. REPORTING

12.1 The executive committees will submit monthly and quarterly report to the Office of the CEO discussing the status of the appointed enterprises.

12.2 A detailed report with demographics and graphs has to be submitted to the Office of the CEO.

13. LEGAL FRAMEWORK/PARAMETRES

The policy is guided by the following legislations:

13.1 Broad-Based Black Economic Empowerment Act No 53 of 2003 of the Employment Equity Act No 55 of 1998.

13.2 Preferential Procurement Policy Framework Act No 5 of 2000

13.3 National Small Business Act 102 of 1996;

13.4 Skills Development Act 97 of 1998;



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