



PPA INSPECTIONS GUIDELINES

To: ALL STAKEHOLDERS

The Guidance Note on the application of Section 65 of the Property Practitioners Act ,2019 (PPA).

1. Purpose

The Property Practitioners Regulatory Authority (PPRA) is delighted to share with all stakeholders the inspections guideline.

The objective of the guideline includes: –

- i. To communicate with property practitioners regarding provisions of the PP Act where non-compliances were identified by PPRA inspectors based on the inspections conducted;
- ii. To outlines some of the pertinent aspects of inspections in relation to PP Act;
- iii. To assist Property Practitioners to ensure compliance with Section 65 of the PP Act;

2. Background

The inspections department mandate includes amongst others; to give effect to Sections 24 and 25 of the PP Act.

There are two types of inspections conducted by inspectors; i.e. On-inspections conducted at the business premises of property practitioners and off- site inspections conducted by way of; desktop assessment, evaluation of information, investigations, including virtual inspections

This guideline focuses on the application of Section 65 which provides as follows;

65(1) A franchisee property practitioner may not carry on business under the name of a franchisee unless a franchisee property practitioner is the holder of a fidelity fund certificate.

65(2) A franchisee property practitioner must disclose clearly and unambiguously in all his, her or its written communication, advertising and marketing materials that he, she or its operates in terms of a franchise agreement as well as the name of the franchisor

65(3) The Authority may withdraw the fidelity fund certificate of a franchisee property practitioners who carries on business in contravention of subsection(1) or (2)

Section 65 of the PP Act requires Property Practitioner to clearly state his/her/its name as a franchisee and the name of the franchisor in his/her / its communication and marketing material.

Below is an illustration of the above provision by way of an example;

ALLISON PROPERTIES CC t/a ABC SOUTH AFRC. A franchise of (insert name of franchisor)
Registered with the PPRA
CIPC REG number 2020/012345/01
Vat number 00000000
Holder of a principal FFC number 20231234567
Directors (insert names of directors)

The intention of the above provision is to safeguard the protection of the consumer by ensuring amongst others;

- The consumer knows who they are transacting with in a property transaction.
- The provision seeks to remove any ambiguity with regards to who is dealing with a consumer.
- There is no misrepresentation on the part of the property practitioners, or an incorrect impression is created that the advertisement was placed by someone other than property practitioner.
- The consumer must at all times be aware that they are dealing with a franchisor or franchisee as the case may be.

Failure to comply with Section 65(1) and Section 65(2) referred to above carries a fine to a maximum of R25 000 and R1 500 respectively including withdrawal of the Fidelity Fund Certificate.

COMMUNICATION CHANNEL

Any enquiry relating to the above guidance note may be submitted to

reviewcompliance@theppra.org.za or contact Call Centre: 087 285 3222

ISSUED BY

PROPERTY PRACTITIONERS' REGULATORY AUTHORITY

DATE: 30 March 2023