



Ms Thato Ramaili
Chief Executive Officer
63 Wierda Road
Wierda Valley, Sandton
20 June 2024

TO: PROPERTY PRACTITIONERS

ALL INDUSTRIES

Dear Property Practitioners,

SUBJECT: IMPORTANT UPDATE REGARDING FIDELITY FUND CERTIFICATE RENEWAL AND HISTORICAL PENALTIES

In accordance with Regulation 15.4 of the Property Practitioners Act, it is mandatory for property practitioners intending to cease operations to formally notify the Property Practitioners Regulatory Authority (PPRA) of their decision not to renew their Fidelity Fund Certificates (FFCs) in writing.

Regulation 15.4 states:

"Every property practitioner to whom a fidelity fund certificate or registration certificate, as the case may be, has already been issued in respect of a specific calendar year, shall, unless he/she has ceased or will cease before the end of that year to operate as a property practitioner and has advised the Authority of such fact in writing, by not later than 31 October of that year, apply to the Authority for the issue to him/her of a fidelity fund certificate." This remains mandatory.

Failure to adhere to this regulation has historically resulted in penalties being levied by the PPRA against property practitioners who re-register after a period of absence from the industry without proper notification as prescribed by the Act. The legislation was applied strictly irrespective of whether the practitioner operated within the industry during the period of absence.

However, after deliberation with stakeholders, the PPRA has decided to cease the imposition of such penalties, if the practitioner was not at any time during the non-renewal of the FFC, operating within the regulated sector. This policy change is effective from 20 June 2024.

Property practitioners who wish to re-register and apply for an FFC after a period of absence from the sector must complete the attached affidavit affirming their non-engagement in property practitioner activities during their leave of absence from the industry and provide supporting documentation to the satisfaction of the PPRA. The legislated penalties will be payable by practitioners who continued to operate during the period without renewing their FFC.

It's crucial to note that all property practitioners who fail to renew their FFCs by the specified deadline of 31 October of the relevant year, while still actively practicing, will still face penalties as outlined in the regulations.

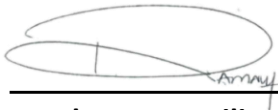
We confirm that this will operate going forward as from the date of implementation hereof and will not operate retrospectively.

The decision is currently in line with the mandate of the PPRA. It is reviewable if and the PPRA reserves the right to revisit this decision, in line with applicable legislation, should it become necessary.

We trust that this clarification will help streamline the renewal process and ensure compliance with regulatory requirements.

Thank you for your attention to this matter.

Kind regards,



Ms Thato Ramaili
Chief Executive Officer
Property Practitioners Regulatory Authority