

## **COMMITTEE REPORT**

**(Negotiating mandate stage)** Report of the Standing Committee on Economic Opportunities, Tourism and Agriculture on the Property Practitioners Bill [B 21B - 2018] (NCOP) (S76), dated 18 March 2019, as follows:

The Standing Committee on Economic Opportunities, Tourism and Agriculture, having considered the subject of the Property Practitioners Bill [B 21B - 2018](NCOP)(S76) referred to it in terms of Standing Rule 220, confers on the Western Cape's delegation in the NCOP the authority to support the Bill with the following amendments:

### **1. Substantive issues in respect of this Bill:**

- 1.1 Clause 22 establishes the Property Sector Research Centre, but does not indicate where, or as what the Centre is established. If it is intended for the Centre to be a component of the Authority, this should be stated. For example, “The Authority must establish the Property Sector Research Centre”.
- 1.2 It seems as though clause 50(a)(i) should read, “is not a South African citizen or does not lawfully reside in the Republic...” Alternatively, the wording in clause 8(a) can be used. It cannot be that one is a citizen, and yet does not lawfully reside in the Republic. The requirement appears to be that a person must either be a South African citizen, or, if not, must lawfully reside in the Republic.
- 1.3 Clause 7(7) must be redrafted to properly express its intention. It is probably intended to read, “Upon completion of a member of the Board’s term of office, the member will be eligible for reappointment, but—“.

### **2. Technical drafting issues in respect of this Bill:**

- 2.1 Delete “the” before the expression, “historically disadvantaged” in the fifth paragraph of the preamble.
- 2.2 On page 6, by the definition of “Board”, it should be “Board of the Authority”. This change must also be made to the heading of Chapter 2.
- 2.3 On page 6, in line 29, to omit “program” and to substitute “programme”.
- 2.4 On page 8, in line 53, to omit “Property Practitioners” and substitute “property practitioners” (lower case).
- 2.5 On page 10, in line 16, omit “the” before the word “consumers”.
- 2.6 On page 10, in line 40, omit “Sufficient” and substitute “sufficient” (lower case).
- 2.7 On page 10, in line 44, omit “the” before the word “consumer”.
- 2.8 On page 15, in line 22, to omit “property related” and to substitute “property-related” (add hyphen).
- 2.9 Section 21(3) should have semi-colons and not periods in the paragraphing.
- 2.10 On page 16, in line 1, “a special dispensation”.
- 2.11 On page 22, in line 19, “All” should be lower case.

2.12 On page 23, in line 15, “The” should be lower case.

### **3. Comments submitted by the Real Estate Business of South Africa**

The Standing Committee on Economic Opportunities, Tourism and Agriculture further recommends that the Bill should include all the amendments proposed by the Real Estate Business of South Africa (REBOSA) in its submission, specifically proposals for the definition of “property practitioner”. Please refer to the attached Annexure ‘A’.

### **4. Achieving Transformational Objectives in the Property Sector**

- 4.1 There is a general concern that what is required for lawful participation in the industry might be too onerous, especially for new entrants to the property market, which new entrants are central to achieving transformational objectives.
- 4.2 The time and cost involved to obtain BEE certificates, the low threshold before a practitioner will be exempted from having to audit records, and the general requirement that practitioners must sustain trust accounts are areas of concern.

These provisions may amount to red-tape that is likely to frustrate practitioners wishing to enter the industry.

It is proposed that a turnover ‘cap’ for compliance to the BEE certification requirement and for exemption from the requirement for the auditing of auditing records be significantly increased, and that practitioners be required only to sustain trust accounts if they intend to receive money in trust.

- 4.3 The Department should ensure that the Bill is aligned with the Property Sector Transformation Charter.



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**MR T SIMMERS, MPP**

**CHAIRPERSON: STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE**