



SAPOA LEGAL AFFAIRS

SAPOA's EXEMPTION APPLICATION TO THE PPRA ON ASSET MANAGERS

As was previously communicated to members, during August 2024 SAPOA made an application to the Property Practitioners Regulatory Authority ("the PPRA") for asset managers to be exempted from the provisions of the Property Practitioners Act, 22 of 2019 ("the Act"), in the event that it is found that the Act is indeed of application to asset managers. PPRA provided SAPOA with the outcome of the Exemption Application on 8 January 2025, in essence agreeing that asset managers who do not perform any of the duties as set out in the Act fall outside the ambit of the Act, and accordingly do not have to comply with its provisions.

The definition of a property practitioner contained in section 1 of the Act includes "any person who for remuneration manages a property on behalf of another". (own emphasis added) This led to much uncertainty, as "manage" is a very wide term encompassing a wide array of activities. After much discussion SAPOA resolved to apply for exemption on behalf of asset managers, without thereby admitting that asset managers indeed fall within the ambit of the Act.

In its Exemption Application, SAPOA set out the general duties of asset managers as opposed to property managers, highlighting the fact that in essence, asset management focuses on the financial aspects of a property rather than on the physical aspects thereof. It was furthermore pointed out that asset management services are rendered to the property owner, with no asset management service usually being rendered to a tenant of a commercial property. As a result, it was emphasised that, in SAPOA's view, asset managers do not fall within the definition of a property practitioner as contained in the Act, and as such, do have to comply with its provisions. In order to avoid uncertainty, however, the exemption application was brought.

Following further questions raised by the PPRA, it was indicated that asset managers do not normally perform the other activities as set out in the definition of a property practitioner.

The PPRA, in their outcome notification, agreed with the views expressed by SAPOA, indicating that asset managers who do not perform any of the other activities contained in the definition of a property practitioner therefore fall outside the ambit of the Act, and accordingly do not require any exemption. The PPRA furthermore pointed out that, insofar as any asset manager may perform activities falling within the rest of the definition of a property practitioner, such asset manager will have to comply with the provisions of the Act.

SOUTH AFRICAN PROPERTY OWNERS ASSOCIATION NPC t/a SAPOA – REG NO 1966/008959/08

Board of Directors | Mothibeli (President), S Brown (President Elect), J van Niekerk (Immediate Past President), N Gopal (Chief Executive Officer), M Kekana, A König, L Razack, N Radebe, S Nosarka

National Councillors: I Mothibeli (President), N Gopal (Chief Executive Officer), F Haffeejee, P Levett, W Lord, Z Marinakos, S Berowsky, T Myers, PC Potgieter, B Mncube, M Clampett, R Edelson, P Altenroxel, B Khumalo, F Smith, K Roman

South Africa – WeWork Offices • The Link • 173 Oxford Road • Rosebank • Johannesburg

PO Box 78544 • Sandton • 2146 • Tel: +27 11 883 0679 • Email: reception@sapoa.org.za • Website: www.sapoa.org.za



As a result, members now have certainty that those asset managers who do not perform any of the other activities of a property practitioner set out in the Act fall outside the ambit of the Act, and accordingly do not have to comply with its provisions.