



MANAGING AGENTS AND THE PROPERTY PRACTITIONER'S ACT

The Property Practitioner's Act 22 of 2019 ("the Act"), which came into operation on 1 February 2022 has a direct impact on Managing Agents and the manner in which they conduct their business.

A Managing Agent falls within the ambit of the definition of a Property Practitioner and is defined, in terms of Section 2 of the Act, as any person, who for remuneration, manages a property on behalf of another.

Chapter 8 of the Act sets out a code of conduct and a list of duties which Managing Agents, as a Property Practitioner, are required to comply with, within a sectional title scheme. Any Managing Agent or a trustee of the Body Corporate or other person, who may exercise "executive control" in the sectional title scheme is considered to be a Managing Agent and therefore a Property Practitioner and must comply with the provisions of the Act.

In terms of the Act, Managing Agents will now need to obtain a fidelity fund certificate. The Act sets out the requirements for a Property Practitioner to obtain a fidelity fund certificate. These requirements include the attendance and completion of a practical training course relevant to the industry. The certificate must be renewed annually. Without a fidelity fund certificate, a Managing Agent is not authorised to carry out its duties and is not entitled to remuneration for services rendered.

A Managing Agent is required in terms of the Act to hold a Trust account and keep proper financial records.

Furthermore, the Act provides guidelines for parties, which now fall within the definition of a Property Practitioner in terms of the Act, to submit a written application to the Property Practitioners Regulatory Authority for exemption from compliance with the Act. Supporting documents and arguments must be submitted to the Authority for consideration to enable them to reach a decision on the exemption application.

If you require any further information or assistance with the Property Practitioners Act, please contact our office.



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