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BOTSWANA'S PROPERTY & INFRASTRUCTURE FORUM

REAL ESTATE KEY REGULATIONS, CHALLENGES AND POSSIBLE SOLUTIONS: LEGISLATION UPDATE BY REAC 02 MARCH 2022 | 14h00 (CAT)



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Presentation at the Botswana Property Investment Forum (BotsReal) 2022
March 02 2022

PRESENTED BY:

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CHAIRMAN - Real Estate Advisory Council (REAC)

Real Estate Advisory Council

- The Real Estate Advisory Council is a regulatory body under Ministry of Land Management Water and Sanitation Services mandated to regulate the activities of real estate professionals.
- The four categories of registration regulated by the Council are as per Section 20 of the REP Act 2003 are:

Estate Agency, Property Management, Property Valuations and Auctioneering.

- REAC was established in terms of the Real Estate Professionals Act, 2003 in order to provide for the regulation of activities and conduct of the real estate profession in Botswana and other matters incidental thereto.
- REAC has been identified as a **Supervisory Authority as per Section 44 of the Financial Intelligence Act 2019**, to;
- Regulate and specified parties (Real Estate Professionals) for compliance with the Financial Intelligence Act 2019 including on-site examinations.

LEGISLATION UPDATE

- The Botswana Parliament has recently passed some amendments to the REP Act aimed at dealing with increasing possibilities of money laundering within the real estate industry.
- The Council is in the process of motivating/ initiating amendments to the whole REP Act to address current issues.

MILESTONES

2019 REAC was able to conduct **AML/CFT Sectoral Risk Assessment** and the findings resulted in the following;

- Develop and implement the **Risk-Based AML/CFT Supervision Manual** and monitoring programs
- **Ongoing training of Staff in AML/ CFTP supervision** to keep up to date with current money laundering trends and the continuous implementation of the Risk Based Supervision for inspections and other obligations.
- **Increased Stakeholder Engagements** to collectively address the loopholes in the processes relating to issues of mutual interest and gaps in the legislation (eg. tax evasion, illegal practitioners, Anti Money Laundering)

CHALLENGES AND POSSIBLE SOLUTIONS

Illegal Practice (Fly-by-nights)

- A combination of increasing unemployment, increased use of social media, coupled with rural urban migration for better opportunities influences the rise in illegal real estate consultancy practice, especially Estate Agency.
- Through this illegal practice, people continue to be swindled off their hard-earned money.
- Increased engagement with stakeholders such as Police, Law Society of Botswana, BURS, Land Boards, and the Deeds Registry for each to play their part in curbing this challenge.
- There has been breakthrough in the prosecution of such cases and more are still pending before the courts of law.

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Money Laundering threats

- Increased sophistication in Money Laundering trends and threats of terrorist financing which increases the costs of managing the sector.

Unemployment

- Like any other country, Botswana faces high unemployed rates that pose a future security threat to the country.
- REAC is working with the Government and other stakeholders to open up employment opportunity with the industry.

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Delays in commencement of the related legislature

- Implementation of the Amended Tribal Land Act- This will unify both the state land and tribal land delivery processes to better streamline management and control of the real estate sector.

• THANK YOU!!!!!!!!!!!!