

# Regulatory & Compliance Considerations

Questions to verify before proceeding with any technology investment

## KEY FINDING:

InvestRand is a property sourcing marketplace with full ownership transfer — NOT fractional investment.

This changes the regulatory analysis. Different from EasyProperties (fractional SPV model) or Crowdprop (crowdfunding).

## PPRA / Property Practitioners

### The Question

Is the 5% "sourcing fee" actually commission on property sales?

### Requirements

- Property Practitioners Act 22 of 2019
- Fidelity Fund Certificate (FFC) required
- "Spotter's fee" exception is narrow

### To Verify

- Is InvestRand PPRA-registered?
- Is Ezra (ex-estate agent) registered?
- Are sourcing agents registered?

## FSCA / Financial Services

### The Question

Is InvestRand providing financial advice?

### Requirements

- FAIS Act - FSP license required
- Category I for non-discretionary advice
- EasyProperties has FSP 22588

### Platform Activities

- Calculates ROI, bond repayments
- Presents investment projections
- Connects with financing options

## Other Compliance

### FICA

Property transactions > R25000 require FICA compliance (KYC/AML)

### POPIA

Personal data handling  
Privacy policy review needed

### CISCA (Not Applicable)

Full ownership model = no pooled funds  
Different from fractional platforms

### Alternative: Stokvel Model

Exempt from Banks Act, FAIS, NCA  
Register with NASASA if > R100k

## Competitor Structures

### EasyProperties (Purple Group)

SPV structure, fractional shares | FSP License 22588  
No minimum investment | 5-7 year period

### Crowdprop

Property crowdfunding | R10,000 minimum  
5% capital raise + 5% management fee

### InvestRand (Different Model)

Full ownership transfer | 5% sourcing fee  
Target: First-time investors | Median age: 33

## RECOMMENDATION:

Verify regulatory position with compliance attorney before any technology investment decision.