

Section 40(1) of the *Real Estate Act* Rules requires an industry member to **immediately** notify the Executive Director in writing when the name of the industry member changes and/or when issues related to the industry member's licensing suitability arise. "Industry member" means any person who holds an authorization as a real estate broker, a real estate appraiser or a mortgage broker, or as any category or class of real estate broker, real estate appraiser or mortgage broker, issued by the Council. Though a brokerage is considered to be a person under the Act, a change to the brokerage name would be reported through the "[Notice of Brokerage Amendment\(s\) form](#)" rather than through a section 40(1) notification.

Section 40(1) of the *Real Estate Act* Rules states:

An industry member must immediately notify, in writing, the Executive Director when:

- (a) the name of the industry member changes;
- (b) the industry member is disciplined by any real estate board, real estate association, mortgage broker association, appraiser association, or any professional, occupational or regulatory body;
- (c) the industry member has any judgment(s) rendered against the industry member in relation to the provision of services or sale of goods to consumers;
- (d) any business the industry member owns or has participated in as a partner, director or officer in the past three years, has any judgment(s) rendered against the business;
- (e) the industry member is the subject of any bankruptcy proceedings;
- (f) any business the industry member owns or has participated in as a partner, director or officer in the past three years, is the subject of any bankruptcy or receivership proceedings ;
- (g) proceedings pursuant to the Criminal Code are commenced against the industry member; or
- (h) the industry member is convicted of any criminal offence or any other offence under any law of any country, province or state, excluding provincial or municipal highway traffic offences resulting in only monetary fines and/or demerit points.

Following is a guide to providing notification pursuant to s.40(1) of the *Real Estate Act Rules*.

NAME OF INDUSTRY MEMBER

If an industry member's name has changed or will be changing, RECA requires:

- A completed original [Notification Pursuant to s.40 of the Real Estate Act Rules](#) form; and,
- A copy of government issued identification showing the new name.

SUITABILITY CONCERNS

When an industry member experiences an event that falls under the suitability sections of section 40(1) of the Rules [section 40(1)(b) through 40(1)(h)], RECA requires:

- A completed original [Notification Pursuant to s.40\(1\) of the Real Estate Act Rules](#)
- An original sworn statement in the industry member's own words describing in detail the circumstances that led to the occurrence of the event(s).
- Supporting documentation, as follows:
 - for discipline, a copy of the discipline.
 - for personal or business judgment, a copy of the judgment.
 - for personal bankruptcy, a copy of the complete Summary Administration.
 - for business bankruptcy or receivership, a copy of the complete Summary Administration or Receivership Order.
 - for proceedings pursuant to the Criminal Code, a copy of the police report(s) and criminal charge(s).
 - for criminal conviction, a copy of the conviction and sentencing report.

Please note, if you are, for whatever reason, unable to provide the completed original [Notification Pursuant to s.40\(1\) of the Real Estate Act Rules](#), original sworn statement in your own words and/or supporting documentation to RECA immediately, you must still proceed with providing notification to the Executive Director by email to info@reca.ca immediately, after which you will be contacted for further information. Failure to provide notice in writing **immediately** may result in an Administrative Penalty.