



## Guide to Notifying the Executive Director SECTION 40, *REAL ESTATE ACT* RULES

This Guide will help industry professionals meet their notification obligations under section 40 of the Rules. It does not cover name change notification requirements or additional issues that only apply to appraisers.

### Who must notify?

The notification requirements apply to all industry members, including brokerages, brokers, associate brokers, associates, appraisers and candidates. It also includes individuals who are licensed but not currently registered with a brokerage.

### You must notify the executive director when:

1. A professional body disciplines you

This includes discipline by

- a industry association (real estate board, association, mortgage association, or appraiser association)
- discipline by any professional, occupational or regulatory body unrelated to the business of an industry professional (including discipline by professional governing bodies like APEGA, the Law Society of Alberta, the Alberta Securities Commission, and real estate regulators in other jurisdictions).

2. A court makes a judgement against you in relation to the provision of services or sales of goods to consumers
3. A court makes a judgement against your business where you were a partner, director, or officer within the last three years.
4. You or your business goes bankrupt, including bankruptcy proceedings for any of the processes under the *Bankruptcy Act* of Canada, and any businesses where you were a partner, director, or officer within the last three years.

5. Criminal Code proceedings are commenced against you
6. you are convicted under any law of any country, province, or state, excluding traffic offences where the result is fines or demerit points.

### **Notification requirements:**

1. You must notify immediately after the event takes place
2. You must notify through your myRECA account using the Notify the Executive Director button from your My Account tab. Fill in the required fields, complete the declaration page, and click 'Submit'.
3. You must submit additional information through your myRECA account. Follow the instructions after submitting your notification.
4. Your broker will receive a copy of your notification

If unsure if you need to notify the executive director, you should contact RECA immediately or provide notification anyways (there is no cost). Do not delay. If you do not immediately notify the executive director, it is a breach of the Rules.

### **What happens next?**

The executive director will review the information to determine whether your actions constitute possible conduct deserving of sanction, may place the public at risk, or may bring the industry into disrepute. The executive director may close the file and take no action or open a professional conduct review

**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.

40(2) In addition to providing a notice in writing, the industry member must provide particulars and any additional information or documentation requested by the executive director.

40(3) In the case of an associate broker or associate, a copy of the notice provided to the executive director must be provided by the associate broker or associate to the broker.