

Rules

The Rules, 2.1 – 40 inclusive, come into force on July 1, 2006
and the remainder of the Rules come into effect on October 1, 2006
These revised Rules are current as of December 1, 2021

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(1) In these Rules,

- (a) “agent” means a licensee who is expressly or implicitly authorized to act for or represent another person;
- (b) repealed(November 2020) Resolution 2020-11
- (c) “automated banking machine,” “automated teller,” “ABM” or similar references refers to automated machines used by banks and other financial institutions to facilitate banking activities by their customers;
- (d) “bank account” means money maintained in a bank, loan corporation, credit union or treasury branch;
- (e) “bank reconciliation” means a schedule drawn as of a specific date to identify the differences, if any, between a brokerage’s records and the bank, trust corporation, loan corporation, credit union or treasury branch statements;
- (f) “buyer” means a person acquiring or attempting to acquire an interest in real estate by purchase;
- (g) “client” means a person who has entered into a service agreement with a licensee in accordance with these rules, whether or not that service agreement is in writing;
- (g.01) “commercial real estate” means real estate used or intended to be used to generate income and includes real estate used for retail, office, industrial, investment, institutional purposes and residential real estate comprising of more than four residential premises.”
- (g.02) “confidential information” includes any information concerning the client including the client’s financial or personal situation, the client’s real estate and the transaction involving the client;
- (h) “conflict of interest” means a real or apparent incompatibility between an licensee’s interests and the interests of the client or potential client;
- (i) “customer” means a person who has contacted, but not engaged or employed, a licensee to provide services;
- (i.1) “designated agency” means a relationship in which one or more licensees, licensed with the same brokerage, are designated in writing by the brokerage to act as sole agents for a buyer or a seller;
- (i.2) “designated agent” means an individual licensee who is designated in writing by a brokerage to serve as a sole agent for a buyer or a seller in a trade in real estate;
- (i.3) “designated brokerage agreement” means a written service agreement between a brokerage and a buyer or a seller which sets out the terms and conditions under which one or more different individual licensees registered with the brokerage are designated as the sole agent of the seller or of the buyer, respectively;
- (j) “discipline” includes a warning, reprimand, penalty, fine, educational requirement, suspension or cancellation, resignation, withdrawal, agreement, order, or an award of costs, arising from a disciplinary matter;
- (k) “dual agency” means a situation in which a licensee or brokerage represents both seller and buyer in a transaction;
- (l) “electronic” includes created, recorded, transmitted or stored in digital form or in any other tangible form by electronic, magnetic or optical means or by any other means that have similar capabilities for creation, recording, transmission or storage;

- (m) “exclusive buyer brokerage agreement” means a written service agreement between a brokerage and a buyer under which the buyer grants the brokerage exclusive authority to act as agent for the buyer and the exclusive right to locate for the buyer an interest in real estate and by which the buyer may agree to compensate the brokerage on any purchase effected by the brokerage, another brokerage or the buyer;
- (n) “exclusive seller brokerage agreement” means a written service agreement between a brokerage and a seller under which the seller grants the brokerage exclusive authority to act as agent for the seller and the exclusive right to offer for sale the seller’s interest in real estate and by which the seller agrees to compensate the brokerage on any sale effected by the brokerage, another brokerage or the seller;
- (n.1) “facilitation services” means services by which the interests of the buyer and seller are met in an even handed, objective and impartial manner without providing confidential advice, advocating on behalf of either the buyer or seller, or using discretion or judgment that benefits the buyer or seller to the prejudice of the other, and will include:
 - (i) assist the buyer and the seller in negotiating a mutually acceptable agreement;
 - (ii) providing real estate statistics and information on property including comparable property information available through listing services or other local databases;
 - (iii) providing standard form agreements of purchase and sale, lease and other relevant documents;
 - (iv) preparing all necessary documents in accordance with the instructions of the client(s);
 - (v) providing the names of real estate appraisers, mortgage brokers, surveyors, building inspectors, lenders, insurance agents, architects, engineers and the like, but will not recommend any particular professional to the client(s);
 - (vi) presenting in a timely manner, all offers and counter-offers to and from the client(s) regardless of whether the property is already the subject of a contract;
 - (vii) conveying to the client(s) in a timely manner all information that either wishes to have communicated to the other;
 - (viii) keeping the client(s) informed regarding the progress of the transaction; and
 - (ix) complying with the provisions of the *Real Estate Act* and its regulations and the rules and bylaws of the Real Estate Council of Alberta
- (o) "incentive" means anything that is advertised, communicated or offered by a brokerage to the public or a person for the purpose of attracting business to the brokerage and includes a promise, good, service, game of chance, contest, or anything else of value;
- (p) "individual" means a natural person;
- (q) "inducement" means anything that is offered or provided by a brokerage to a person who is, or could be, a party to a real estate, mortgage, or property management, or condominium management service transaction and is intended to either assist, persuade or cause that person to enter into a

- particular real estate, mortgage or property management, or condominium management service transaction;
- (r) repealed.....(November 2020) Resolution 2020-11
 - (s) "lease" includes a residential tenancy agreement under the *Residential Tenancies Act*;
 - (s.1) "licensee" means any person who holds a licence issued under these Rules;
 - (t) "material latent defect" means a defect that cannot be discerned through a reasonable inspection of the property and:
 - (i) includes a defect that renders the real estate:
 - (A) dangerous or potentially dangerous to the occupants,
 - (B) unfit for habitation, or
 - (C) unfit for the purpose for which a party is acquiring it if the licensee has become or been made aware of this purpose; and
 - (ii) may include:
 - (A) a defect that would involve great expense to remedy;
 - (B) a circumstance that affects the real estate in respect of which a local government or other local authority has given a notice to the client or the licensee, indicating that the circumstance must or should be remedied; or
 - (C) a lack of appropriate municipal building and other permits respecting the real estate
 - (u) "money received in trust," "money held in trust" and other similar references to trust money received or held by a licensee include money that:
 - (i) is paid to the licensee by a party to a trade, dealing, property management service or condominium management service, and
 - (ii) is paid on the express or implied agreement or condition that it will be used for a specific purpose or returned to the party in accordance with the agreement or condition.
 - (v) "party" means a person who is a legal party to a transaction;
 - (w) "property management" includes:
 - (i) leasing, negotiating, approving or offering to lease, negotiate or approve a lease or rental of real estate;
 - (ii) collecting or offering or attempting to collect money payable for the use of real estate or contributions for the control, management or administration of real estate;
 - (iii) holding money received in connection with a lease or rental of real estate;
 - (iv) advertising, negotiating, or any other act, directly or indirectly for the purpose of furthering an activity described in sub-clauses (i) to (iii); and
 - (v) providing a condominium management service.
 - (x) "pooled disbursement trust account" means a bank account maintained by a brokerage to facilitate payment of disbursements on behalf of more than one client;

- (y) “pooled trust account” means a bank account maintained by a brokerage to deposit, hold and disburse money received on behalf of more than one client or several accounts for the same client;
 - (z) “purchase” includes an exchange, option, lease or other acquisition of an interest in real estate;
 - (aa) “records” includes:
 - (i) accounts, books, returns, statements, reports, financial documents or other memoranda of financial or non-financial information, whether in writing or in electronic form or represented or reproduced by other means; and
 - (ii) the results of the recording of details of electronic data processing systems and programs to illustrate what the systems and programs do and how they operate.
 - (bb) “referral” means the act of recommending or directing a person for service, assistance, or business to another person or business;
 - (bb.1) “residential real estate” means real estate used for residential purposes, or intended to be used for residential purposes, comprising of or to be comprised of not more than four residential premises.”
 - (bb.2) “rural real estate” means real estate that has as its primary purpose farming, but does not include:
 - (i) minerals in, on or under the real estate; or
 - (ii) real estate used primarily for extracting, processing, storing or transporting minerals.
 - (cc) “sale” includes an exchange, option, lease, or other disposition of an interest in real estate;
 - (dd) “seller” means a person disposing or attempting to dispose of an interest in real estate by sale;
 - (ee) “sole agency” means a relationship in which a licensee acts as the agent of only one party in a trade, deal, property management service, or condominium management service;
 - (ff) “supporting documentation” means any document the brokerage created, caused to be created or was received by the brokerage in relation to a trade in real estate, mortgage dealing, property management service, or condominium management service;
 - (gg) “terminate” means to come to an end through an application process or a deeming provision in these Rules; and
 - (gg.1) “transaction brokerage” means a relationship in which a brokerage or licensee provides facilitation services to the buyer and the seller in the same trade;
 - (gg.2) “transaction brokerage agreement” means a written service agreement between a brokerage and the buyer and the seller in a trade which sets out the terms and conditions under which the brokerage will provide facilitation services to the seller and the buyer in the same trade;
 - (gg.3) “transaction facilitator” is a licensee who has been engaged under a transaction brokerage agreement to provide facilitation services to the buyer and the seller in the same trade;
 - (hh) “trust ledger” means a record of the money held in trust for a client.
- (2) Terms defined in the Act have the same meaning when they are used in these Rules, unless otherwise set out in these Rules.

(3) In these Rules, words importing male persons include female persons.

**PART 1
 LICENCES**

Division 1 – Classes of Licences

Classes of real estate brokers

- 2 (1) For the purposes of the Act, Bylaws and Rules there shall be the following classes of real estate brokers:
- (a) brokerage;
 - (b) broker; and
 - (c) associate broker; and
 - (d) associate.
- (2) A real estate brokerage is a person who:
- (a) is licensed by the relevant Industry Council(s) as a brokerage; and
 - (b) employs or has associated with it a licensed and registered real estate broker.
- (3) A real estate broker is an individual who:
- (a) holds the qualifications of a real estate broker;
 - (b) is licensed as a real estate broker by the relevant Industry Council(s);
 - (c) is employed by or associated with a licensed real estate brokerage in Alberta; and
 - (d) is registered with and approved to operate a real estate brokerage and trade in real estate on behalf of that brokerage.
- (4) A real estate associate broker is an individual who:
- (a) holds the qualifications of a real estate broker;
 - (b) is licensed as a real estate associate broker by the relevant Industry Council(s);
 - (c) is employed by or associated with a licensed real estate brokerage in Alberta; and
 - (d) is registered with and approved to trade in real estate on behalf of that brokerage.
- (5) A real estate associate is an individual who:
- (a) holds the qualifications of a real estate associate;
 - (b) is licensed as a real estate associate by the relevant Industry Council(s);
 - (c) is employed by or associated with a licensed real estate brokerage in Alberta; and
 - (d) is registered with and approved to trade in real estate on behalf of that brokerage.

Temporary Condominium Manager Licence

2.1 Repealed.....(November 2020) Resolution 2020-11

Classes of mortgage brokers

- 3 (1) For the purposes of the Act, Bylaws and Rules there shall be the following classes of mortgage brokers:
- (a) brokerage;
 - (b) broker; and

- (c) associate.
- (2) A mortgage brokerage is a person who:
 - (a) is licensed by the Mortgage Broker Industry Council as a mortgage brokerage; and
 - (b) employs or has associated with it a licensed and registered mortgage broker.
- (3) A mortgage broker is an individual who:
 - (a) holds the qualifications of a mortgage broker;
 - (b) is licensed as a mortgage broker by the Mortgage Broker Industry Council;
 - (c) is employed by or associated with a licensed mortgage brokerage in Alberta; and
 - (d) is registered with and authorized to operate a mortgage brokerage, and deal in mortgages on behalf of that brokerage.
- (4) A mortgage associate is an individual who:
 - (a) holds the qualifications of a mortgage associate;
 - (b) is licensed as a mortgage associate by the Mortgage Broker Industry Council;
 - (c) is employed by or associated with a licensed mortgage brokerage in Alberta; and
 - (d) is registered with and approved to deal in mortgages on behalf of that brokerage.

Classes of real estate appraisers

4 Repealed..... (November 2020) Resolution 2020-11

Classes of property managers

- 4.1** (1) For the purposes of the Act, Bylaws and Rules there shall be the following classes of property managers:
- (a) brokerage;
 - (b) broker;
 - (c) associate broker; and
 - (d) associate.
- (2) A property management brokerage is a person who:
- (a) is licensed by the relevant Industry Council(s) as a brokerage; and
 - (b) employs or has associated with it a licensed and registered property manager broker.
- (3) A property manager broker is an individual who:
- (a) holds the qualifications of a property manager broker;
 - (b) is licensed as a property manager broker by the relevant Industry Council(s);
 - (c) is employed by or associated with a licensed property management brokerage in Alberta; and
 - (d) is registered with and approved to operate a property management brokerage and engage in property management on behalf of that brokerage.
- (4) A property manager associate broker is an individual who:
- (a) holds the qualifications of a property manager broker;

- (b) is licensed as a property manager broker by the relevant Industry Council(s);
 - (c) is employed by or associated with a licensed property management brokerage in Alberta; and
 - (d) is registered with and approved to engage in property management on behalf of that brokerage.
- (5) A property manager associate is an individual who:
- (a) holds the qualifications of a property manager associate;
 - (b) is licensed as a property manager associate by the relevant Industry Council(s);
 - (c) is employed by or associated with a licensed property management brokerage in Alberta; and
 - (d) is registered with and approved to engage in property management on behalf of that brokerage.

Classes of
condominium
managers

- 4.2 (1) For the purposes of the Act, Bylaws and Rules there shall be the following classes of condominium managers:
- (a) brokerage;
 - (b) broker;
 - (c) associate broker; and
 - (d) associate.
- (2) A condominium manager brokerage is a person who:
- (a) is licensed by the relevant Industry Council as a condominium manager brokerage; and
 - (b) employs or has associated with it a licensed and registered condominium manager broker.
- (3) A condominium manager broker is an individual who:
- (a) holds the qualifications of a condominium manager broker;
 - (b) is licensed as a condominium manager broker by the relevant Industry Council;
 - (c) is employed by or associated with a licensed condominium manager brokerage in Alberta; and
 - (d) is registered with and approved to operate a condominium manager brokerage and provides condominium management services on behalf of that brokerage.
- (4) A condominium manager associate broker is an individual who:
- (a) holds the qualifications of a condominium manager broker;
 - (b) is licensed as a condominium manager associate broker by the relevant Industry Council;
 - (c) is employed by or associated with a licensed condominium manager brokerage in Alberta; and
 - (d) is registered with and approved to provide condominium management services on behalf of that brokerage.
- (5) A condominium manager associate is an individual who:
- (a) holds the qualifications of a condominium manager associate;

- (b) is licensed as a condominium manager associate by the relevant Industry Council;
- (c) is employed by or associated with a licensed condominium manager brokerage in Alberta; and
- (d) is registered with and approved to provide condominium management services on behalf of that brokerage.

Division 2 – Licence Required

- | | | |
|--|---|--|
| Real estate brokerage licence | 5 | <p>A real estate brokerage licence issued by the relevant Industry Council under these Rules:</p> <ul style="list-style-type: none"> (a) is the licence required under the Act in order for a real estate brokerage to trade in real estate or hold itself out as a real estate brokerage; (b) expires on September 30 following its issuance unless it is terminated, suspended or cancelled prior to that date; and (c) may be renewed by the brokerage by submitting a completed renewal application to the registrar in a form prescribed by the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year. |
| Real estate broker, associate broker and associate licence | 6 | <p>(1) A real estate broker licence issued by the relevant Industry Council under these Rules when registered with a brokerage constitutes the licence required under the Act for a real estate broker to operate a real estate brokerage and trade in real estate on behalf of a brokerage.</p> <p>(2) A real estate associate broker or associate licence issued by the relevant Industry Council under these Rules when registered to a brokerage constitutes the licence required under the Act for a real estate associate broker or associate to trade in real estate on behalf of a brokerage.</p> <p>(3) A real estate broker, associate broker or associate may renew his licence by submitting a completed application to the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year.</p> <p>(4) An individual must not trade in real estate or in any way hold himself out as a real estate broker, associate broker or associate until such time as the individual has been issued a licence by the relevant Industry Council and they are registered to a brokerage.</p> |
| Mortgage brokerage licence | 7 | <p>A mortgage brokerage licence issued by the Mortgage Broker Industry Council under these Rules:</p> <ul style="list-style-type: none"> (a) is the licence required under the Act in order for a mortgage brokerage to deal in mortgages or hold itself out as a mortgage brokerage; (b) expires on September 30 following its issuance unless it is terminated, suspended or cancelled prior to that date; and (c) may be renewed by the brokerage by submitting a completed renewal application to the registrar in a form prescribed by the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year. |
| Mortgage broker and associate licence | 8 | <p>(1) A mortgage broker licence issued by the Mortgage Broker Industry Council under these Rules constitute the licence required under the Act for a mortgage</p> |

broker to operate a mortgage brokerage and deal in mortgages on behalf of a brokerage.

(2) A mortgage associate licence issued by the Mortgage Broker Industry Council under these Rules constitute the licence required under the Act for a mortgage associate to deal in mortgages on behalf of a brokerage.

(3) A mortgage broker or associate may renew his licence by submitting a completed application to the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year.

(4) An individual must not deal in mortgages or in any way hold himself out as a mortgage broker or associate until such time as the individual has been issued a licence by the Mortgage Broker Industry Council.

Appraiser and candidate authorization

9 Repealed.....(November 2020) Resolution 2020-11

Property management brokerage licence

9.1 A property management brokerage licence issued by the relevant Industry Council under these Rules:

- (a) is the licence required under the Act in order for a property management brokerage to engage in property management or hold itself out as a property management brokerage;
- (b) expires on September 30 following its issuance unless it is terminated, suspended or cancelled prior to that date; and
- (c) may be renewed by the brokerage by submitting a completed renewal application to the registrar in a form prescribed by the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year.

Property manager broker and associate licence

9.2 (1) A property manager broker licence issued by the relevant Industry Council under these Rules is the licence required under the Act in order for an individual to operate a property management brokerage and engage in property management on behalf of the brokerage.

(2) A property manager associate broker or associate licence issued by the relevant Industry Council under these Rules constitutes the licence required under the Act for a property manager associate to engage in property management on behalf of the brokerage.

(3) A property manager broker, associate broker, or associate licence issued by the relevant Industry Council expires on September 30 following its issuance unless it is renewed by submitting a completed renewal application to the registrar in a form prescribed by the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year.

(4) An individual must not engage in property management or in any way hold himself out as a property manager until such time as the individual has been issued a licence by the relevant Industry Council.

Condominium manager brokerage licence

9.3 A condominium manager brokerage licence issued by the relevant Industry Council under these Rules:

- (a) is the licence required under the Act in order for a condominium manager brokerage to provide condominium management services or hold itself out as a condominium manager brokerage;

- (b) expires on September 30 following its issuance unless it is terminated, suspended or cancelled prior to that date; and
- (c) may be renewed by the brokerage by submitting a completed renewal application to the registrar in a form prescribed by the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current s year.

Condominium
manager broker,
associate broker
and associate
licence

- 9.4 (1) A condominium manager broker licence issued by the relevant Industry Council under these Rules constitutes the licence required under the Act for a condominium manager broker to operate a condominium manager brokerage and provide condominium management services on behalf of a brokerage.
- (2) A condominium manager associate broker or associate licence issued by the relevant Industry Council under these Rules constitutes the licence required under the Act for a condominium manager associate broker or associate to provide condominium management services on behalf of a brokerage.
- (3) A condominium manager broker, associate broker, or associate may renew his licence by submitting a completed application to the registrar, together with any fees, premiums or levies established by the Board, by September 30 of the current licensing year.
- (4) An individual must not provide condominium management services or in any way hold himself out as a condominium manager broker, associate broker or associate until such time as the individual has been issued a licence by the relevant Industry Council.

Termination of
licence

- 10 (1) The licence of any licensee is deemed to be terminated when the person is:
- (a) no longer eligible to be licensed; or
 - (b) fails to renew his licence before October 1 of each year.
- (2) The licence of a real estate broker, associate broker or associate is deemed to be terminated if he fails to maintain registration with a brokerage.
- (3) The licence of a mortgage broker or associate is deemed to be terminated if he fails to maintain registration with a brokerage.
- (4) The license of a property manager broker or associate is deemed to be terminated if he fails to maintain registration with a brokerage.
- (5) The licence of a condominium manager broker, associate broker, or associate is deemed to be terminated if he fails to maintain registration with a brokerage.

Withdrawal from
the industry

- 11 A person withdraws from the industry when:
- (a) a licence is deemed to be terminated in accordance with these Rules;
 - (b) a licence is voluntarily terminated by the person, in a manner and form prescribed by the registrar; or
 - (c) an application for withdrawal pursuant to section 54 of the Act is approved by the relevant Industry Council.

Lifetime licensing
prohibition

- 12 An application by an licensee to withdraw from the industry pursuant to section 54 of the Act approved by the relevant Industry Council is a lifetime licensing prohibition for that licensee.

Division 3 – Licence Eligibility

Registered
business office

- 13 (1) A person is not eligible to be licensed as a real estate brokerage, mortgage brokerage, property management brokerage, or condominium manager brokerage, unless the person maintains a registered business office in Alberta or the City of Lloydminster acceptable to the registrar and in accordance with these Rules and the current address of the business office is provided to the registrar.
- (2) The requirement to maintain a registered business office means all of the following conditions have been met:
- (a) the office is a location from which the person conducts business;
 - (b) the person has access to and control over the use of the office premises;
 - (c) the office is the location where the records required to be maintained by the person in accordance with the Act and these Rules are kept or made available for the purposes of a review; and
 - (d) the office location complies with the requirements of the municipality where it is located.
- (3) The registered business office shall be the address of service for the real estate brokerage, mortgage brokerage, property management brokerage, or condominium manager brokerage, and all licensees registered with the brokerage for the purposes of the Act and these Rules.
- (4) A real estate brokerage, mortgage brokerage, property management brokerage and condominium manager brokerage may maintain more than one office in Alberta if:
- (a) the brokerage designates one office as the registered business office;
 - (b) the broker manages the registered business office; and
 - (c) each additional office is managed by the broker or his authorized delegate.

Ineligibility for
licence

- 14 (1) A person is not eligible to be licensed in any class of licence if the person:
- (a) has not met the requirements of the Act, these Rules or the Bylaws;
 - (b) has not met the educational requirements or other requirements, if any, prescribed, adopted or approved by the relevant Industry Council for that category of licence;
 - (c) has not passed the examination prescribed, adopted or approved by the relevant Industry Council for that class of licence, or been exempted from the examination by the registrar;
 - (d) has not submitted a completed application to the registrar in the prescribed form together with the required documentation;
 - (e) has not submitted the required application fees, levies or premiums;
 - (f) has not provided any additional information required by the registrar for licensing purposes within the time prescribed;
 - (g) is someone in respect of whom a payment out of the Real Estate Assurance Fund has been made under the Act and the amount has not been repaid;
 - (h) has failed to pay, or make satisfactory arrangements to pay with the registrar, any outstanding penalties, fines, or costs imposed pursuant to the Act, Rules or Bylaws;
 - (i) contravened or has failed to comply with any terms or conditions imposed by a hearing panel, appeal panel or the court;

- (j) contravened or has failed to comply with any licence terms, conditions or restrictions previously imposed by the registrar;
- (k) has made an application to withdraw from the industry pursuant to the Act and the application was approved;
- (l) is not at least 18 years of age;
- (m) is licensed as a broker and is subject to bankruptcy; or
- (n) has failed to obtain appropriate insurance as required by the Act, Regulations, Rules or Bylaws.

(2) A person whose licence has been suspended or cancelled in one class is not eligible to be licensed in any other class until the suspension or cancellation period has expired.

(3) When a person’s licence has been cancelled under the Act and that person applies for a new licence, that person is not eligible to be issued a new licence until 36 months have elapsed from the date of the cancellation, or such lesser or greater time as may be determined by a hearing or appeal panel or the court.

(4) Repealed.....(November 2020) Resolution 2020-11

Bankruptcy

- 15 The bankruptcy of a person does not relieve the person from the requirements of section 14.

Division 4 – Licence Requirements for Individuals

Education,
 examination and
 other requirements

- 16 (1) An individual who intends to apply for a licence must first meet the educational requirements or other requirements, if any, prescribed, adopted or approved by the relevant Industry Council for that class of licence.
- (2) An individual who has met the educational, examination or other requirements prescribed, approved or adopted by the relevant Industry Council for any class of licence, may then apply to the registrar for that class of licence in a form prescribed by the registrar.
- (3) The registrar may grant an exemption from any or all of the educational, examination or other requirements prescribed, approved or adopted by the relevant Industry Council for real estate brokers, mortgage brokers, property managers or condominium managers referred to in (1) above to an applicant who satisfies the registrar that the applicant has satisfactory experience and knowledge of current real estate broker, mortgage broker, property management or condominium management services in Alberta, as the case may be.
- (4) An individual is exempt from the education, examination, or other requirements prescribed, approved, or adopted by the relevant Industry Council to become a new licensee, in the sector they were licensed within the last 36 months, unless otherwise ordered to by a Hearing or Appeal Panel.
- (5) Notwithstanding (4) above, a licensee must meet all education requirements prescribed, approved, or adopted by the applicable Industry Council that are required to renew a licence, prior to applying to renew a licence in the sector they were licensed within the last 36 months.

Education Code of
 Conduct

- 16.1 (1) When fulfilling the requirements under section 16 of the Rules, an individual who intends to apply for a licence must comply with the Education Code of conduct for Learners at Schedule 3 of these Rules, as well as the Education Code of Conduct Compliance Process and Remedies at Schedule 4 of these Rules.

- Real estate broker, mortgage broker, and property manager examination requirements 17 An individual who intends to apply for a real estate broker, mortgage broker, property manager or condominium manager licence must first write the licensing examinations prescribed, adopted or approved by the relevant Industry Council for that class of licence and pass those examinations with a grade that is satisfactory to the relevant Industry Council.
- Appraiser and candidate examination requirements 18 Repealed.....(November 2020) Resolution 2020-11
- Suitability review 19 The registrar may, at the request of an individual and upon payment of a fee:

 - (a) conduct a review of the individual’s suitability for licensing;
 - (b) request information from that individual in the form and manner prescribed by the registrar; and
 - (c) provide that individual with a written response regarding his suitability for licensing.
- Licence application 20 (1) The application for a licence must be accompanied by the following:

 - (a) the fee established by the Board;
 - (b) an affidavit in a form prescribed by the registrar;
 - (c) proof of identity of the applicant in a form and manner prescribed by the registrar;
 - (d) a current and original certified criminal record check in the legal name of the applicant in a form and manner prescribed by the registrar;
 - (e) for real estate brokers and property managers, the applicable Real Estate Insurance Exchange (REIX) premium;
 - (f) for real estate brokers, mortgage brokers, and property managers, the applicable Real Estate Assurance Fund levy as established by the Board; and
 - (g) repealed.....(November 2020) Resolution 2020-11
 - (h) for condominium manager brokerages, brokers, associate brokers and associates, proof of errors and omissions insurance in accordance with s.118.2 of the Rules.

(2) In addition to the information required in (1) above, the registrar may require the individual applying for the licence to:

 - (a) supply further information within a time prescribed by the registrar; and
 - (b) verify by affidavit or otherwise any information then or previously submitted.

(3) Repealed.....(November 2020) Resolution 2020-11
- Notice of changes to information in support of licence application 21 A broker, associate broker, or associate as the case may be, must immediately notify the registrar in writing of any changes in the information provided to the registrar in support of the licence application that occur during the application process or after the licence is issued.
- Licence terms, conditions and restrictions 22 The registrar may, on or subsequent to issuing a licence, make it subject to any terms, conditions or restrictions with respect to trading in real estate, dealing in mortgages, engaging in property management or engaging in condominium management services, as the case may be, that the registrar considers appropriate.

- Re-licensing Education Program requirements
- 23 (1) A licensee must satisfy all applicable re-licensing education program requirements prescribed by the relevant Industry Council to retain a licence issued to the licensee by the Real Estate Council of Alberta.
- (2) The onus is on the licensee to be informed of any applicable re-licensing education program requirements.

Division 5 – Licence

- Licence
- 24 A licence issued by the registrar under these Rules is proof of registration.
- Expiry
- 25 A licence issued by the registrar expires on September 30 following its issuance unless it is terminated or cancelled prior to that date.
- Cancellation
- 26 A licence is deemed to be cancelled when a licence is terminated, suspended or cancelled.
- Licence application
- 27 (1) A brokerage shall apply to the registrar for a broker, associate broker, or associate licence, as the case may be, in a form prescribed by the registrar.
- (2) The application for a licence shall be accompanied by the following:
- (a) the fee as established by the Board;
 - (b) payment of, or proof of payment of all levies, fees, premiums, fines, administrative penalties and other amounts that are payable under or pursuant to the Act or these Rules;
 - (c) in the case of real estate brokers and property managers, the applicable Real Estate Insurance Exchange (REIX) premium; and
 - (d) for real estate brokers, mortgage brokers, and property managers the applicable Real Estate Assurance Fund levy as established by the Board.
 - (e) for condominium manager brokers, associate brokers and associates, proof of errors and omissions insurance in accordance with s. 118.2 of the Rules.
- Application from previous licensee
- 28 If the applicant for a licence has previously been a licensee, but has not been registered with a licensed brokerage in Alberta for a period exceeding one year, the application for a licence must be accompanied by the following:
- (a) proof of identity of the applicant in a form and manner prescribed by the registrar; and
 - (b) a current and original certified criminal record check in the legal name of the applicant in a form and manner prescribed by the registrar.
- Registration restrictions
- 29 (1) An individual who is registered as a broker with a real estate brokerage cannot be registered as an associate broker or associate with the same or a different real estate brokerage.
- (2) An individual who is registered as a broker with a mortgage brokerage cannot be registered as an associate with the same or a different mortgage brokerage.
- (2.1) An individual who is registered as a broker with a property management brokerage cannot be registered as an associate broker or associate with the same or a different property management brokerage.
- (2.2) An individual who is registered as a broker with a condominium manager brokerage cannot be registered as an associate broker or associate with the same or a different condominium manager brokerage.

(3) An individual cannot be registered as a broker, associate broker or associate with more than one real estate brokerage, one mortgage brokerage, and one property management brokerage, and one condominium manager brokerage in Alberta at any one time.

(4) A broker who intends to become registered as a broker or associate broker with a different brokerage cannot be registered as a broker or associate broker with that brokerage until arrangements for any monies held in trust or the trust account(s) of the previous brokerage have been confirmed and are satisfactory to the registrar.

Division 6 – Licence Requirements for Brokerages

Brokerage
application

- 30 (1) A person who seeks to be licensed as a real estate, mortgage, property management, or condominium manager brokerage must apply to the registrar in a form prescribed by the registrar.
- (2) The application for a brokerage licence must:
- (a) be completed and signed by an individual who is qualified to hold a broker licence in Alberta and who is concurrently applying to be the registered broker for the brokerage;
 - (b) state the ownership structure of the brokerage and, if there are multiple owners, their respective percentage share of ownership and the names of the individual or individuals who have the controlling interest;
 - (c) state the fiscal year of the brokerage;
 - (d) state the location(s) and account number(s) of the brokerage trust account(s);
 - (e) state the registered business office address of the brokerage;
 - (f) be accompanied by an affidavit in a form prescribed by the registrar; and
 - (g) be accompanied by the application fee established by the Board.
- (3) In the case of a partnership or corporation applying for a brokerage licence, in addition to the information required in (2) above, the application must contain the names of the partners or the officers and directors of the brokerage, as the case may be.
- (4) The registrar may require:
- (a) further information be submitted by an applicant for a brokerage licence within a time specified by the registrar; and
 - (b) any information then or previously submitted be verified by affidavit or otherwise.

Registered broker

- 31 (1) An individual applying to be the registered broker for a brokerage that is a partnership or corporation must:
- (a) in the case of a partnership, be a partner or a manager designated by the partnership; and
 - (b) in the case of a corporation, be a member of the board of directors of the corporation, an officer of the corporation or a manager designated by the corporation.
- (2) If the individual applying to be the registered broker of a brokerage or subsequent to issuance of a licence as a broker:

- (a) is not the owner of the brokerage, or
- (b) does not have a controlling interest in the ownership structure of the brokerage,

the registrar may request, as a condition of issuing a brokerage licence, that one or more individuals who are the owners of the brokerage or have a controlling interest in the ownership of the brokerage provide a guarantee or security which in the opinion of the registrar is necessary to ensure the brokerage complies with the provisions of the Act, Rules and Bylaws.

(3) The individual registered as the broker for a brokerage shall at all times meet the qualifications of a broker and be eligible to be licensed as a broker under these Rules.

Notice
requirements

- 32 A brokerage must immediately notify the registrar in writing of:
- (a) any circumstance where the broker is no longer able to perform the duties and responsibilities of a broker outlined in these Rules;
 - (b) the termination or resignation of the broker who is registered with the brokerage;
 - (c) the opening or closing of a trust account;
 - (d) a change in the address of the brokerage's registered business office;
 - (e) a change in the bank, loan corporation, trust corporation, credit union or treasury branch, or location at which the brokerage maintains a trust account;
 - (f) a change in the partners if the brokerage is a partnership; or
 - (g) a change in the directors, officers or shareholders of a corporation if the brokerage is a corporation.

Change of fiscal
year end

- 33 A licensed brokerage may change its fiscal year end by giving written notice to the registrar, providing the amended fiscal year end does not result in a reporting period of greater than 12 months.

Division 7 – Refusal, Suspension & Cancellation of a Licence

Refusal of licence

- 34 (1) The registrar may refuse to issue a licence to a person, or may recommend that a hearing panel refuse to issue a licence, where the registrar is of the opinion that:
- (a) the person has provided false or misleading information to the registrar in the course of applying for a licence or its renewal;
 - (b) the person is someone against whom a member of the public has obtained a judgment arising out of that person's action as a licensee and no reasonable arrangements have been made to satisfy it;
 - (c) Deleted
 - (d) It would not be in the public interest or it would harm the integrity of the industry or bring the industry into disrepute to issue a licence to that person; or
 - (e) the person is not of good character and reputation or is otherwise unfit to be licensed;
 - (f) Repealed
 - (g) Repealed

- (h) the person is a brokerage and any director, officer, shareholder or partner, as the case may be, associated with the brokerage:
 - (i) is not of good character and reputation; or,
 - (ii) has made an application to withdraw from the industry pursuant to the Act and the application was approved;
- (i) the person has breached the Education Code of Conduct for Learners.

(2) If an application for a licence is refused by the registrar or a hearing panel, the application fee, less any service fee established by Council, shall be returned to the applicant.

Suspension or
cancellation of
brokerage licence

- 35 (1) In addition to the circumstances under which a licence may be suspended or cancelled under the Act, the registrar may suspend or cancel a brokerage licence for any of the following reasons:
- (a) when the brokerage fails to maintain or make available for the purposes of a review proper records at the registered business office;
 - (b) when the brokerage fails to immediately fund a trust shortage as directed by the registrar; or
 - (c) when an investigator or auditor employed by the Council is denied or restricted access to the registered business office or to any or all of the records of the brokerage or is, in any way, prevented from carrying out his duties and responsibilities under the Act.
- (2) When the registrar receives information that, in his opinion, indicates the individual who is registered as the broker for a particular brokerage:
- (a) does not meet the qualifications of a broker;
 - (b) has resigned or ceased to be the broker;
 - (c) is no longer able to perform the duties and responsibilities of a broker outlined in these Rules;
 - (d) exercises little or no authority; or
 - (e) is interfered with, restricted or in any way prevented from, performing the duties and responsibilities of a broker outlined in these Rules;
- the registrar may suspend the licence of the brokerage.

Temporary
continuation of
brokerage licence

- 36 (1) Notwithstanding section 35, the registrar may continue the licence of the brokerage:
- (a) by issuing a temporary broker licence to any individual who, in the registrar's opinion is suitable to carry out the duties and responsibilities of a broker under these Rules; or
 - (b) upon the immediate written application to the registrar by the owner of the brokerage or an authorized official to register a replacement broker within seven days.
- (2) The term of a temporary broker licence shall not exceed eight months.
- (3) The application to register a replacement broker must include information acceptable to the registrar and provide for the continuation of brokerage management and control in the interim period.

Brokerage ceasing
to carry on
business

- 37 (1) A brokerage that ceases to carry on the business of a brokerage shall:
- (a) immediately notify the registrar in writing; and

(b) within 30 days of ceasing to carry on business, provide to the registrar, in a form acceptable to the registrar, an accountant's report on the status of monies held in trust including any trust account(s).

(2) The registrar may require a brokerage that ceases to carry on business to provide additional information about any monies held in trust including any brokerage's trust account(s) or that the accountant's report contain such further information as the registrar directs.

(3) Upon receipt of a notification that a brokerage has ceased to carry on the business of a brokerage, the registrar shall:

- (a) suspend the licence of the brokerage; and
- (b) terminate the licence of the brokerage when the brokerage has provided:
 - (i) the accountant's report referred to in (1) above;
 - (ii) the additional information referred to in (2) above; and
 - (iii) a document signed by the broker, owner or authorized official, satisfactory to the registrar, confirming adequate arrangements have been made with respect to the future status of any monies held in trust including any brokerage trust account(s) and the maintenance of brokerage records as required by the Act.

Suspension or
cancellation of
licence

38 Deleted

38.1 (1) Subsequent to issuing a licence, and in addition to circumstances under which a licence may be suspended or cancelled under the Act, the registrar shall suspend or cancel a person's licence when the licensee:

- (a) contravenes or fails to comply with a term, condition or restriction, attached to the person's licence by the registrar;
- (b) contravenes or fails to comply with an order of a hearing panel, appeal panel or the court including any term, condition or restriction attached to the person's licence;
- (c) fails to pay, or make satisfactory arrangements to pay, any outstanding fees, levies, premiums, penalties, fines, or costs imposed by a hearing panel, appeal panel or the court, administrative penalties, or any other payments required to be paid pursuant to the Act, Regulations, Rules or Bylaws.

(2) Notwithstanding subsection (1), before suspending or cancelling a licence, the registrar may in extenuating circumstances provide the licensee with additional time, or enter into arrangements with the licensee that are satisfactory to the registrar, for the licensee to comply with the requirements referred to in subsection (1).

(3) Subsequent to issuing a licence, and in addition to circumstances under which a licence may be suspended or cancelled under the Act, the registrar may suspend or cancel a person's licence when:

- (a) in matters pertaining to licensing, the licensee:
 - (i) withholds or provides false and misleading information to the registrar in the process of applying for a licence;
 - (ii) swears a false affidavit;
 - (iii) fails to comply with any request for information made by the registrar or the relevant Industry Council or to reply in a constructive way to correspondence from the registrar or the relevant Industry Council;

- (b) Repealed
 - (c) Repealed
 - (d) fails to maintain the appropriate insurance coverage as required by the Act, Regulations, Rules or Bylaws.
 - (e) the licensee fails to file or submit any records or accounting reports as required under the Act, Regulations, Rules or Bylaws.
 - (f) the licensee has breached the Education Code of Conduct for Learners.
- (4) Prior to determining whether a person's licence should be suspended or cancelled under subsection (3), and in the case of a suspension for what duration, the registrar or an individual appointed by the registrar to carry out an evidence gathering function for purposes of a licensing review, will gather evidence and information from the person and other relevant parties.
- (5) At the commencement of the licensing review, the person will be provided:
- (a) notice by the registrar or an individual appointed by the registrar to carry out an evidence gathering function of the specific fact(s) and issue(s) relating to the licensing matter, including notice that a decision may result in a licence suspension or cancellation by a date specified in the notice; and,
 - (b) notice by the registrar or an individual appointed by the registrar to carry out an evidence gathering function that failure to participate in the licensing review and supply requested information to the registrar or an individual appointed by the registrar to carry out the evidence gathering function by the date specified in the notice may result in a licence suspension or cancellation;
- (6) Upon completion of the evidence gathering, the person will be provided:
- (a) disclosure of all relevant evidence and information relating to the licensing review; and,
 - (b) an opportunity to make oral submissions in the licensing review, or if the person chooses, written submissions, and additional relevant evidence, to the registrar within 10 days of the date of service of the disclosure set out in (6)(a).
- (7) The person will be advised that the person's failure to make submissions to the registrar within 10 days of the date of service of the disclosure set out in (6)(a) may result in a licence suspension or cancellation for a duration to be determined by the registrar.
- (8) The registrar will decide whether or not the person's licence will be suspended or cancelled, and in the case of a suspension, for what duration.
- (9) The registrar will serve the decision on the person.

Division 8 – Review of Registrar's Decision

Review of refusal,
suspension or
cancellation

- 39 (1) A person:
- (a) who has had terms, conditions or restrictions imposed under section 22;
 - (b) who has been refused a licence under section 34;
 - (c) whose licence has been suspended or cancelled pursuant to section 35 or section 38.1; or
 - (d) who has been suspended or expelled from a course or program in accordance with the Education Code of Conduct for Learners.

may, within 30 days after being notified in writing of the decision, request a review of the decision by an appeal panel appointed under the Act.

(2) The appeal panel will, in addition to affording the person the opportunity to make written representations, afford the person requesting the review the opportunity to make oral representations.

(3) The appeal panel may conduct any enquiries, in addition to those made by the registrar, it considers appropriate for the purposes of the review and, in the case of a refusal of a licence, may treat the request for review as an original application for a licence.

(4) The registrar shall serve in accordance with the Act the decision of the appeal panel on the person requesting the review and, where the decision upholds the decision of the registrar, the decision shall be accompanied by reasons.

(5) The appeal panel's decision is final.

Division 9 – Information to Be Provided by Licensees

Notification by licensees

- 40 (1) A licensee must immediately notify, in writing, the registrar when:
- (a) the name of the licensee changes;
 - (b) the licensee is disciplined by any real estate board, real estate association, mortgage broker association, property manager association, condominium manager association or any professional, occupational or regulatory body;
 - (c) the licensee has any judgment(s) rendered against the licensee in relation to the provision of services or sale of goods to consumers;
 - (d) any business the licensee 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 licensee is the subject of any bankruptcy proceedings;
 - (f) any business the licensee 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 licensee; or
 - (h) the licensee 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.
- (2) In addition to providing a notice in writing, the licensee must provide particulars and any additional information or documentation requested by the registrar.
- (3) In the case of an associate broker or associate, a copy of the notice provided to the registrar must be provided by the associate broker or associate to the broker.
- (4) Repealed.....(November 2020) Resolution 2020-11

PART 2 INDUSTRY STANDARDS OF PRACTICE

Division 1 – Standards of Conduct for Licensees

Licensee
responsibilities

- 41 Licensees must:
- (a) act honestly;
 - (b) provide competent service;
 - (c) disclose to their clients, at the earliest practical opportunity, how they will be paid for their services;
 - (d) fulfill their fiduciary obligations to their clients;
 - (e) ensure the role of the licensee is clearly understood by their clients and third parties;
 - (f) disclose to their clients, at the earliest practical opportunity, any conflict of interest they may have in the course of providing services to, or in their dealings with, a client;
 - (g) practice in strict accordance with the Act, Regulations, Rules, Bylaws and any other laws that govern trading in real estate, mortgage transactions or property management, or condominium management services in Alberta;
 - (h) cooperate fully with, and provide any information requested to, any representative of the Council carrying out their duties and responsibilities under the Act;
 - (i) comply with:
 - (i) an order issued pursuant to the Act by the Council, the registrar, a hearing panel, appeal panel or court; and
 - (ii) any terms, conditions or restrictions of licensing;
 - (j) refuse to provide further services to or on behalf of a client who instructs him to withhold a disclosure required by the Act, Regulations, Rules, Bylaws, or any other laws; and
 - (k) comply with the Education Code of Conduct for Learners.

Licensee prohibitions

- 42 Licensees must not:
- (a) make representations or carry on conduct that is reckless or intentional and that misleads or deceives any person or is likely to do so;
 - (b) participate in fraudulent or unlawful activities in connection with the provision of services or in any dealings;
 - (c) use confidential information obtained from any person for personal gain nor should that information be used for any purpose other than that for which it was obtained;
 - (d) discourage a client, customer or a party to a trade in real estate, deal in mortgages, property management service, or condominium management service from seeking legal counsel or expert advice;
 - (e) deny professional services to, or be a party to any plan or agreement to discriminate against, any client, customer or party to a trade in real

estate, deal in mortgages, property management service, or condominium management service, for reasons of race, creed, colour, gender, sexual orientation, family status, marital status, age, national origin, or physical disability;

- (f) physically, sexually, emotionally or verbally abuse a client, customer, licensee or party to a trade in real estate, deal in mortgages, property management service, or condominium management service; or
- (g) engage in conduct that undermines public confidence in the industry, harms the integrity of the industry, or brings the industry into disrepute.

Written service agreements

- 43 (1) Subject to these rules, a licensee who establishes a client relationship when trading in residential real estate, engaging in property management, when dealing in mortgages, or providing condominium management services, must enter into a written service agreement with that prospective client.
- (1.1) Subject to these rules, a licensee who establishes a client relationship when trading in commercial real estate should enter into a written service agreement with that prospective client.
- (2) Every written service agreement shall:
- (a) be signed by the relevant parties;
 - (b) clearly show all terms and conditions of the agreement and shall include:
 - (i) the names of the parties to the agreement;
 - (ii) if applicable, the address or legal description of the property affected by the agreement;
 - (iii) if applicable, the date on which the agreement will become effective;
 - (iv) the duration of the agreement;
 - (v) the services to be provided by the brokerage;
 - (vi) the responsibilities of each party to the agreement;
 - (vii) the use and distribution of personal or confidential information;
 - (viii) the amount or method of calculating the remuneration or alternate compensation to be paid and the circumstances on which it will be payable;
 - (ix) provisions for the termination of the agreement; and
 - (c) provide that any amendment or addition to the terms of the agreement shall be in writing and signed by the relevant parties.
- (3) A licensee must deliver to the client a true copy of a service agreement and of any amendment or addition, immediately upon its signature.

Protection of client information

- 44 (1) In addition to the requirements of relevant legislation on the protection of personal information, a licensee must not disclose information regarding a client, property or transaction to another person unless:
- (a) authorized by the client, or
 - (b) required by law.
- (2) Each real estate brokerage, mortgage brokerage, property management brokerage, or condominium manager brokerage will:

- (a) establish adequate policies and procedures for the maintenance and protection of personal and confidential information; and
- (b) ensure all licensees registered with the brokerage and any staff members are aware of the policies and procedures referred to in (a) above and routinely carry them out in the course of their work.
- Referral disclosure 45 (1) When, in the course of providing services, a licensee refers any person to any licensee or any service provider and the licensee knows he may be entitled to receive a referral fee, remuneration or benefit from that service provider for making that referral, the licensee must disclose in writing:
- (a) the licensee has forwarded the person's name and contact information to that service provider; and
- (b) the licensee may be entitled to receive a referral fee, remuneration or benefit from the service provider for making the referral.
- (2) A licensee must retain a copy of the disclosure referred to in sub-section (1) above.
- (3) If a licensee makes a referral to another person the licensee believes to be a licensee, the licensee must take reasonable steps to ensure the person is in fact authorized to carry out the activities for which the referral is made.
- Support personnel and assistants 46 (1) A licensee must only assign to support personnel or assistants tasks they are competent to perform and must ensure they are properly trained and supervised.
- (2) A licensee must not delegate, assign, request, direct or in any way allow an unlicensed or unregistered assistant to perform tasks that must only be performed by a licensee.
- (3) In the case of an unlicensed or unregistered assistant, the licensee must ensure clients, customers and the public have full knowledge that the assistant is unlicensed or unregistered.
- (4) A licensee must ensure in any communication, advertising or marketing material there is no suggestion, implication or statement that may suggest or lead the public to believe an unlicensed or unregistered assistant is qualified to trade in real estate, deal in mortgages, engage in property management, or provide condominium management services, as the case may be.

Division 2 – Real Estate Brokerage Standards

- Definition 47 This Division applies to all classes of real estate brokers and a reference to "licensee" includes a real estate brokerage, broker, associate broker and associate.
- Agency relationship 48 For the purposes of this division:
- (a) an agency relationship is established when a buyer or a seller expressly or implicitly consents that a licensee should act on his or her behalf, and the licensee consents so to act or so acts in a trade of real estate;
- (b) a buyer or seller who is in an agency relationship is a client of the licensee; and

- (c) a buyer or seller who is not in an agency relationship with the licensee is a customer.

Real estate brokerage responsibilities

- 49 A real estate brokerage must:
- (a) only trade in real estate in the name that appears on the brokerage’s licence;
 - (b) ensure the name of the brokerage is clearly indicated in the course of trading in real estate including any related advertisements; and
 - (c) repealed (November 2020) Resolution 2020-11

Real estate brokerage prohibitions

- 50 A real estate brokerage must not:
- (a) employ, permit or engage a broker, associate broker or associate registered with another brokerage to trade in real estate in its name or on its behalf, directly or indirectly, as the case may be;
 - (b) employ a person to trade in real estate unless that person meets the requirements of the Act, Regulations, Rules and Bylaws, and all levies, fees, premiums, fines, administrative penalties and other amounts that are payable under or pursuant to the Act, Regulations, Rules, or Bylaws or under any predecessor enactments in respect of that person have been paid;
 - (c) pay a commission or other remuneration, directly or indirectly, in connection with a trade in real estate except:
 - (i) to a broker, associate broker or associate employed by the brokerage or to not more than one corporation of which that broker, associate broker or associate as the case may be, owns not less than fifty percent (50%) of the shares issued by that corporation;
 - (ii) to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta; or
 - (iii) to an auctioneer qualified under the regulations under the *Consumer Protection Act*, where the trade in real estate is made in the course of and as part of that person’s duties as an auctioneer;
 - (d) pay, offer to pay, agree, or allow to be paid a referral fee or any remuneration to a person in relation to real estate services if the person is required to be licensed in relation to those services but is not licensed; or
 - (e) pay a commission or other remuneration directly or indirectly in connection with a trade in real estate to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta when the brokerage has knowledge that the commission or remuneration will be paid to or be shared with a person who is required to be licensed in relation to those services but is not licensed.

Real estate broker responsibilities

- 51 (1) A real estate broker must:
- (a) be actively engaged in the management of the real estate brokerage with which the broker is registered;

- (b) trade in real estate only in the name that appears on the individual's licence and in the name of the brokerage with which the broker is registered;
 - (c) ensure the name of the brokerage is clearly indicated in the course of trading in real estate, including any related advertisements;
 - (d) ensure the business of the brokerage is carried out competently and in accordance with the Act, Regulations, Rules and Bylaws;
 - (e) ensure there is an adequate level of supervision for associate brokers or associates, as the case may be, within the brokerage and employees who perform duties on behalf of the brokerage;
 - (f) provide all licensees of the brokerage and other personnel with written policies and procedures by which they are expected to operate, including written policies and procedures for personal trades;
 - (g) ensure that for all monies held in trust, the bank records are maintained in accordance with the Act, Regulations, Rules, Bylaws and the law as it relates to trustees;
 - (h) ensure adequate control over any access to ABM cards used for electronic deposits and transfers and any access codes used for Internet banking or ABM cards;
 - (i) review all real estate agreements in a timely manner, including but not limited to client/customer relationships and accepted offers to purchase;
 - (j) ensure proper management and control of documents or records related to licensing, registrations and related regulatory requirements;
 - (k) ensure all documents and records related to trades in real estate required under the Act and these Rules are maintained or made available by the brokerage for the purposes of a review at the registered business office of the brokerage;
 - (l) ensure that all parties to an agreement giving effect to a trade in real estate are immediately notified if:
 - (i) a deposit contemplated by the agreement that, if received, would be held by the related brokerage under the Act has not been received; or
 - (ii) a deposit cheque or other negotiable instrument that the brokerage received in respect of a deposit referred to in (i) above has not been honoured; and
 - (m) ensure notice under (l) above is given in writing or confirmed in writing.
- (2) When a broker does not have a controlling interest in the ownership of the real estate brokerage, the broker must have a written agreement with the brokerage giving the broker authority to carry out the duties and responsibilities of a broker under these Rules.
- (3) A broker is accountable for the conduct of an associate broker, associate or employee, as the case may be, if the broker:
- (a) was not actively involved in the management of the brokerage;

- (b) failed to ensure an adequate level of supervision was in place for the associate broker, associate or employee, as the case may be;
- (c) was wilfully blind to the conduct of the associate broker, associate or employee, as the case may be;
- (d) was a participant in the misconduct;
- (e) had knowledge of the misconduct of the associate broker, associate or employee, as the case may be, and failed to take reasonable steps to stop such misconduct;
- (f) upon becoming aware of the misconduct failed to take reasonable steps to correct the misconduct or reduce any harm that may have resulted from the misconduct; or
- (g) failed to notify the registrar upon becoming aware of misconduct relating to fraud, deception, theft, or unlawful activities on the part of the associate broker, associate or employee.

- Delegation by broker 52 (1) A real estate broker may delegate the broker's duties and responsibilities to another licensee registered with the brokerage if:
- (a) the delegate is registered with the brokerage and is qualified to carry out the responsibilities;
 - (b) the particulars of the delegation of responsibilities by the broker to the delegate are clear, in writing, agreed to and understood by the broker and the delegate;
 - (c) the particulars of the delegation are communicated to the employees and associates of the brokerage, associate brokers and associates, as the case may be; and
 - (d) the broker has a system in place to monitor the delegate and verify that adequate supervision is being maintained.
- (2) In the event a real estate broker delegates the broker's duties and responsibilities to a delegate, the broker remains accountable for the conduct of the delegate and all associate brokers, associates or employees in the brokerage.

- Real estate associate broker and associate responsibilities 53 A real estate associate broker and associate must:
- (a) trade in real estate only in the name that appears on that individual's licence and in the name of the brokerage with which that individual is registered;
 - (b) ensure that all trades in real estate and the relevant documentation meet legislative requirements found under the Act, Regulations, Rules and Bylaws;
 - (c) provide to the broker in a timely manner all original documentation and copies of original documents provided to the parties or maintained by other brokerages:
 - (i) related to a trade in real estate; and
 - (ii) required under the Act and these Rules;
 - (d) keep the broker informed of the activities being performed by the associate broker or associate on behalf of the brokerage;
 - (e) ensure there is an adequate level of supervision for his employees and others who perform duties on his behalf;

Real estate broker,
associate broker and
associate prohibitions

- (f) notify the broker if a deposit referred to in Rule 51(1)(l) has not been received;
 - (g) respond promptly to any inquiry that is addressed to him by the broker; and
 - (h) notify the broker upon learning of a violation of the Act, Regulations, Rules or Bylaws by any broker, associate broker, associate or employee associated with a brokerage.
- 54 (1) A real estate broker, associate broker or associate, as the case may be, must not:
- (a) trade in real estate on behalf of a brokerage other than the brokerage with which he is registered;
 - (b) promise to pay or pay a commission, referral fee or other remuneration, directly or indirectly, to any person resulting from or in connection with a trade in real estate except through the brokerage with which he is registered;
 - (c) accept a commission, referral fee or other remuneration, directly or indirectly, for a trade in real estate except through the brokerage with which he is registered;
 - (d) directly or indirectly, advertise, communicate or offer to any person an incentive except an incentive that is provided by and on behalf of the brokerage with which he is registered; or
 - (e) make an inducement unless, at the time of making the inducement, he delivers to the person to whom the inducement is made a statement signed by:
 - (i) the real estate broker, associate broker or associate, and
 - (ii) if applicable, the other person involved in the inducement, clearly setting out all the details of the inducement.
- (2) A real estate broker, associate broker or associate, as the case may be, must not directly or indirectly, provide an inducement unless the inducement is provided by and on behalf of the brokerage with which the real estate broker, associate broker or associate is registered, details of the inducement are provided in writing and the broker has provided written approval.
- (3) A licensee shall not provide any services to the client or potential client in a trade or anticipated trade in which the licensee has, or will have, a conflict of interest without receiving the written and informed consent of the party.

Disclosure
requirements

- 55 (1) Before eliciting or as soon as possible upon receiving confidential information from any person concerning that person's real estate needs, motivation, financial qualifications or in any event before entering into a service agreement, a licensee must disclose in writing to that person:
- (a) the nature of the services the licensee will provide;
 - (b) whether the licensee is acting in the trade or anticipated trade on behalf of any other person, in any capacity;
 - (c) any conflict of interest that may exist; and
 - (d) any other facts that may be likely to influence the person's decision.

(2) If subsequent to this disclosure, there is any material change in the facts which have been disclosed, the licensee must immediately disclose the change to that person.

(3) The licensee must use his best efforts to obtain written acknowledgement of disclosures made pursuant to this section.

(4) The licensee’s duty of disclosure is not triggered merely by:

- (a) a bona fide “open house” showing;
- (b) preliminary conversations or “small talk” concerning the price range, location and property styles; or
- (c) responding to general factual questions from a potential buyer or seller.

Exclusive agreements 56 Repealed..... (resolution 2013-2 approved by Council Oct 23/13)

Sole agency with a seller 57 The basic obligations of a licensee who is in a sole agency relationship with a seller are:

- (a) to use best efforts to market the property and to promote the interests of the seller;
- (b) at the earliest reasonable opportunity, to advise any buyer interested in the property that the licensee is the seller’s agent;
- (c) subject to section 59 to act as only the seller’s agent;
- (d) to obey all lawful instructions of the seller;
- (e) to fulfill its fiduciary duties of loyalty, confidentiality and of full disclosure of all conflicts of interest that may arise between the seller’s interests and those of the licensee or buyers;
- (f) not to appoint another brokerage to act on behalf of the seller as sub-agent without the seller’s prior written consent;
- (g) to exercise reasonable care and skill in the performance of the agreement;
- (h) to assist the seller in negotiating favourable terms and conditions with a buyer and in preparing and complying with a legally binding agreement of purchase and sale of the property;
- (i) to disclose to all buyers all material latent defects affecting the property known to the licensee;
- (j) to provide, in a timely manner, all offers and counter-offers to and from the seller even when the property is already the subject of an agreement of purchase and sale;
- (k) to disclose, in a timely manner, to the seller all relevant facts affecting the transaction known to the licensee;
- (l) to keep the seller fully informed regarding the progress of the transaction;
- (m) to advise the seller to obtain expert advice on matters of importance to the seller; and
- (n) to comply with the provisions of the Act, Regulations, Rules and Bylaws.

Sole agency with a buyer 58 The basic obligations of a licensee who is in a sole agency relationship with a buyer are to:

- (a) use best efforts in locating a property in the specified market area that meets the material requirements identified by the buyer and generally to promote the interests of the buyer;
- (b) at the earliest reasonable opportunity, advise any seller in whose property the buyer is interested that the licensee is the buyer's agent;
- (c) subject to section 59, act as only the buyer's agent;
- (d) obey all lawful instructions of the buyer;
- (e) fulfill its fiduciary duties of loyalty, confidentiality and of full disclosure of all conflicts of interest that may arise between the buyer's interests and those of the licensee, sellers or competing buyers;
- (f) not appoint another brokerage to act on behalf of the buyer as sub-agent without the buyer's prior written consent;
- (g) exercise reasonable care and skill in the performance of the agreement;
- (h) seek out and advise the buyer in a timely manner of available properties in the market area which may meet the buyer's requirements, including those listed with other brokerages and other available properties known to the licensee;
- (i) take reasonable steps to discover relevant facts pertaining to any property for which the buyer is considering making an offer;
- (j) disclose, in a timely manner, to the buyer all relevant facts known to the licensee affecting a property or transaction;
- (k) advise the buyer to obtain expert advice on matters of importance to the buyer;
- (l) provide, in a timely manner, all offers and counter-offers to and from the buyer even when the property is already the subject of an agreement of purchase and sale;
- (m) keep the buyer fully informed regarding the progress of the transaction;
- (n) disclose to the buyer the existence and terms of any competing offers known to the licensee for a property in which the buyer is interested;
- (o) assist the buyer in negotiating favourable terms and conditions with a seller and in preparing and complying with a legally binding agreement of purchase and sale of the property; and
- (p) comply with the provisions of the Act, Regulations, Rules and Bylaws.

Designated Agency

- 58.1 (1) The basic obligations of a licensee who is acting as a designated agent for a seller or a buyer are the same as for a licensee who is in a sole agency relationship with a seller or buyer, as the case may be, and include those obligations that are set out in sections 57 and 58 of the Rules respectively.
- (2) If a situation arises where a brokerage enters into a designated brokerage agreement with a buyer or seller, as the case may be, the brokerage shall:
- (a) establish policies and procedures to protect a client's confidential information; and,
 - (b) establish policies and procedures governing the activities of the brokerage and designated agents registered with the brokerage; and,
 - (c) communicate to clients its policies and procedures that ensure that a designated agent does not communicate any information prejudicial

to the interests of the client to other licensees of the brokerage, including other designated agents.

(3) All designated brokerage agreements must be in writing and must contain the following provisions:

- (a) that the brokerage will designate an agent to serve as sole agent for the seller and will designate other licensees registered with the brokerage to serve as sole agents of any buyers also represented by the brokerage who are interested in the property;
- (b) that if, for any reason, the designated agent ceases to be licensed with the brokerage, the brokerage will designate another licensee of the brokerage to serve as sole agent for the seller or the buyer, as the case may be;
- (c) that the brokerage will not appoint another brokerage to act on behalf of the seller or the buyer, as the case may be, as a sub-agent without the seller's or buyer's prior written consent;
- (d) that a seller or a buyer, as the case may be, agrees that an agency relationship will exist only with the designated agent and not with the brokerage;
- (e) that a seller or a buyer, as the case may be, acknowledges that the brokerage's responsibilities will be limited to:
 - (i) treating the interests of both a seller and a potential buyer of a property in an even handed, objective manner;
 - (ii) ensuring compliance by the designated agent with the brokerage's policies and procedures governing designated agents;
 - (iii) supervising the designated agent and support staff to ensure the designated agent fulfills its mandate under the agreement;
- (f) that the brokerage and the designated agent undertake that they have not, and will not, disclose any confidential information concerning the seller or the buyer, as the case may be, to any other licensee of the brokerage or other person unless:
 - (i) authorized by the seller or the buyer, as the case may be; or,
 - (ii) required by law;
- (g) that a designated agent's knowledge will not be attributed to the brokerage or any other designated agent of the brokerage;
- (h) that the brokerage's knowledge will not be attributed to any designated agents of the brokerage.

Transaction
Brokerage for
Common Law

- 59 (1) If the situation arises where a brokerage represents a seller with whom it has an agency relationship and a buyer with whom it has an agency relationship is interested in the seller's property, in order to facilitate the purchase and sale of the property, the buyer and the seller and the brokerage may enter into a written transaction brokerage agreement with respect to that property.
- (2) The brokerage will provide both the buyer and seller with the opportunity to review the transaction brokerage agreement and to request further information concerning the transaction brokerage agreement and transaction brokerage relationship described in it before signing the agreement.

(3) If the parties do not agree to enter into a transaction brokerage agreement, unless otherwise agreed to by the parties the brokerage will continue to represent the party, be it the seller or the buyer, with whom it first entered into an agency relationship and the brokerage will offer the option either:

- (a) to treat the other party as a customer; or
- (b) to recommend the other party to another brokerage.

(4) If the parties authorize the brokerage to enter into a transaction brokerage relationship, the brokerage agreement will indicate how the brokerage will be remunerated and provide that the brokerage will:

- (a) treat the interests of both the buyer and the seller in an even handed, objective and impartial manner, including but not limited to, any advice or information given to one party will be disclosed to the other;
- (b) exercise reasonable care and skill in the performance of its mandate under the agreement;
- (c) obey the instructions of the buyer and the seller insofar as they are consistent with other terms of the agreement;
- (d) perform for the buyer and the seller all necessary facilitation services, that is, services by which the interests of the buyer and seller are met in an even handed, objective and impartial manner without providing confidential advice, advocating on behalf of either the buyer or seller, or using discretion or judgment that benefits the buyer or seller to the prejudice of the other, and as required, the brokerage will:
 - (i) assist the buyer and the seller in negotiating a mutually acceptable agreement;
 - (ii) provide real estate statistics and information on property including all comparable property information available through the listing services or other local databases;
 - (iii) provide agreements of purchase and sale, lease or other relevant documents;
 - (iv) prepare all necessary documents in accordance with the instructions of the buyer and seller;
 - (v) provide the names of real estate appraisers, mortgage brokers, surveyors, building inspectors, lenders, insurance agents, architects, engineers and the like, but the brokerage will not recommend any particular professional to the buyer or the seller;
 - (vi) present in a timely manner, all offers and counter-offers to and from the buyer and seller regardless of whether the property is already the subject of a contract;
 - (vii) convey to the buyer and seller in a timely manner all information that either wishes to have communicated to the other; and
 - (viii) keep the buyer and seller fully informed regarding the progress on the transaction;
- (e) disclose:

- (i) to the buyer, all material latent defects affecting the property known to the brokerage; and
- (ii) to the seller, all material facts relevant to the buyer's ability to purchase the property known to the brokerage;
- (f) ensure that the licensee(s) registered with the brokerage providing services to the buyer and seller under the agreement;
 - (i) comply with the brokerage policies and procedures governing transaction brokerage; and
 - (ii) treat the interests of both the buyer and the seller in an even handed, objective and impartial manner;
- (g) supervise the licensee(s) of the brokerage and support the staff members providing services to the buyer and seller to ensure that they properly fulfill the agreement;
- (h) hold all monies received in accordance with the provisions of the Act;
- (i) not give false or misleading information to the buyer or the seller;
- (j) not disclose without the informed written consent of the buyer or seller, as the case may be:
 - (i) that the buyer may be prepared to offer a higher price or terms other than those contained in the offer to purchase or the exclusive buyer brokerage agreement;
 - (ii) that the seller may be prepared to accept a lower price or terms other than those contained in the offer to purchase or the exclusive seller brokerage agreement;
 - (iii) the motivation of the buyer or seller for wishing respectively to purchase or sell the property; and
 - (iv) subject to clause (4)(e) above, personal information relating to the buyer or the seller and other information disclosed at any time in confidence by either to the brokerage; and
- (k) not conduct or influence the selection of:
 - (i) an independent inspection of the property for the buyer and will not verify the accuracy or completeness of any information supplied or statements made by the seller concerning the property; or
 - (ii) an independent inquiry into the financial status of the buyer for the seller and will not verify the accuracy or completeness of any financial information supplied by the buyer.

Transaction
Brokerage for
Designated Agency

59.1 (1) If the situation arises where a brokerage representing parties in designated brokerage has appointed the same licensee to act as the designated agent for each of the buyer and seller and the buyer is interested in the seller's property, in order to facilitate the purchase and sale of the property, the buyer and seller and the brokerage may enter into a written transaction brokerage agreement with respect to that property.

(2) The brokerage will provide both the buyer and seller with the opportunity to review the transaction brokerage agreement and to request further information concerning the transaction brokerage agreement and transaction brokerage relationship described in it before signing the agreement.

(3) If the parties do not agree to enter into a transaction brokerage agreement, unless otherwise agreed to by the parties the brokerage will continue to represent the party, be it the buyer or the seller, with whom it first entered into an agency relationship; and the brokerage will offer the option either:

- (a) to designate another licensee of the brokerage to represent the other party as sole agent;
- (b) to treat the other party as a customer; or
- (c) to recommend the other party to another brokerage.

(4) If the parties authorize the brokerage to enter into a transaction brokerage relationship, the brokerage agreement will indicate how the brokerage will be remunerated and provide that:

- (a) the brokerage will:
 - (i) ensure that the licensee(s) registered with the brokerage providing services to the buyer and seller under the agreement:
 - (A) comply with the brokerage policies and procedures governing transaction brokerage; and
 - (B) treat the interests of both the buyer and the seller in an even handed, objective and impartial manner;
 - (ii) supervise the licensee(s) of the brokerage and support the staff members providing services to the buyer and seller to ensure that they properly fulfill the agreement;
 - (iii) hold all monies received in accordance with the provisions of the Act.
- (b) the designated agent now acting in the capacity of a transaction facilitator will:
 - (i) treat the interests of both the buyer and the seller in an even handed, objective and impartial manner, including but not limited to, any advice or information given to one party will be disclosed to the other;
 - (ii) exercise reasonable care and skill in the performance of its mandate under the agreement;
 - (iii) obey the instructions of the buyer or the seller insofar as they are consistent with other terms of the agreement;
 - (iv) perform for the buyer and the seller all necessary facilitation services, that is, services by which the interests of the buyer and seller are met in an even handed, objective and impartial manner without providing confidential advice, advocating on behalf of either the buyer or seller, or using discretion or judgment that benefits the buyer or seller to the prejudice of the other, and as required, the brokerage will:
 - (A) assist the buyer and the seller in negotiating a mutually acceptable agreement;
 - (B) provide real estate statistics and information on property including all comparable property information available through the listing services or other local databases;
 - (C) provide agreements of purchase and sale, lease or other relevant documents;
 - (D) prepare all necessary documents in accordance with the instructions of the buyer and seller;

- (E) provide the names of real estate appraisers, mortgage brokers, surveyors, building inspectors, lenders, insurance agents, architects, engineers and the like, but the brokerage will not recommend any particular professional real estate service providers to the buyer or the seller;
 - (F) present in a timely manner, all offers and counter-offers to and from the buyer and seller regardless of whether the property is already the subject of a contract;
 - (G) convey to the buyer and the seller in a timely manner all information that either wishes to have communicated to the other; and
 - (H) keep the buyer and seller fully informed regarding the progress on the transaction;
- (v) disclose
- (A) to the buyer, all material latent defects affecting the property known to the brokerage; and
 - (B) to the seller, all material facts relevant to the buyer's ability to purchase the property known to the brokerage;
- (vi) not give false or misleading information to the buyer or the seller;
- (vii) not disclose without the informed written consent of the buyer or seller, as the case may be:
- (A) that the buyer may be prepared to offer a higher price or terms other than those contained in the offer to purchase or the exclusive buyer brokerage agreement;
 - (B) that the seller may be prepared to accept a lower price or terms other than those contained in the offer to purchase or the exclusive seller brokerage agreement;
 - (C) the motivation of the buyer or seller for wishing respectively to purchase or sell the property; and
 - (D) subject to clause 4(b)(v) above, personal information relating to the buyer or the seller and other information disclosed at any time in confidence by either to the brokerage;
- and
- (viii) not conduct or influence the selection of:
- (A) an independent inspection of the property for the buyer and will not verify the accuracy or completeness of any information supplied or statements made by the seller concerning the property; or
 - (B) an independent inquiry into the financial status of the buyer for the seller and will not verify the accuracy or completeness of any financial information supplied by the buyer.

Customer status

- 60 (1) If a brokerage:
- (a) acts as the agent of a seller and is requested to assist a buyer in purchasing the seller's property; or
 - (b) acts as the agent of a buyer and introduces the buyer to a seller's property; the buyer or seller for whom the brokerage is not an agent

and the brokerage may enter into a customer status acknowledgement.

(2) Each customer status acknowledgement will provide that the customer has received and read the acknowledgement and has been given the opportunity to request further information and independent advice concerning the acknowledgement and the representation relationships described and that the customer:

- (a) has chosen to forgo any agency representation, together with its advantages, protection and services;
- (b) understands that the brokerage does not owe the customer any agency obligations and, in particular, any fiduciary obligations; and
- (c) understands that the brokerage will not provide the customer with any services that require the exercise of discretion or judgment, the giving of confidential advice, or the brokerage advocating on behalf of the customer.

(3) Each customer status acknowledgement shall provide that the brokerage's obligations to the customer are limited to:

- (a) the exercise of reasonable care and skill in relation to activities outlined in this section;
- (b) not negligently or knowingly providing the customer with false or misleading information;
- (c) holding all monies received from the customer in accordance with the provisions of the Act; and
- (d) complying with the provisions of the Act, Regulations, Rules, and Bylaws.

(4) If the customer is a buyer, the brokerage may:

- (a) provide real estate statistics and information on the property including all comparable property information available through the listing services or other local databases;
- (b) provide agreements of purchase and sale, lease or other relevant documents and prepare all necessary documents in accordance with the instructions of the customer;
- (c) provide the names of real estate service providers, but the brokerage will not recommend any particular service provider to the customer;
- (d) present in a timely manner, all offers and counter-offers to and from the customer regardless of whether the property is already the subject of a contract;
- (e) convey to the seller in a timely manner all information that the customer wishes to have communicated to the seller; and
- (f) keep the customer informed regarding the progress of the transaction.

(5) If the customer is a seller, the brokerage may:

- (a) provide real estate statistics and information on the property including all comparable property information available through the listing services or other local databases;

- (b) provide agreements of purchase and sale, lease or other relevant documents and prepare all necessary documents in accordance with the instructions of the customer;
- (c) provide the names of real estate service providers, but the brokerage will not recommend any particular service provider to the customer;
- (d) present in a timely manner, all offers and counter-offers to and from the customer regardless of whether the property is already the subject of a contract;
- (e) convey to the buyer in a timely manner all information that the customer wishes to have communicated to the buyer; and
- (f) keep the customer informed regarding the progress of the transaction.

Forms

60.1 (1) Subject to the Rules,

- (a) The content of the Real Estate Council of Alberta forms contained in Schedule 1 is mandatory for use when licensees trade in residential real estate effective February 4, 2014.
- (b) The Consumer Relationship Guide of the Real Estate Council of Alberta contained in Schedule 1 is mandatory for use when licensees trade in residential real estate.

(2) If licensees use forms with different content than those set out in section A of Schedule 1, the forms used must contain the mandatory content set out in Schedule 1 which mandatory content must not be directly or indirectly altered by the licensee.

(3) Any forms used by licensees may, in addition to the mandatory content, include additional or supplementary content; however, such additional or supplementary content must not directly or indirectly alter the meaning or effect of the mandatory content and must not alter the obligations or requirements of licensees outlined in the Act or these Rules.

(4) Notwithstanding 60.1(2), upon the initiative and request of a client, a licensee may by hand add to, strikeout or alter any content of the mandatory forms and, if agreed to by all the parties, such change must be clearly indicated on the form and initialed by the client and the licensee.

Delivery of documents

61 When a licensee receives an offer or an acceptance of an offer in writing from a party to a trade in real estate, the licensee shall, in a timely manner:

- (a) provide that party with a true copy of that offer or acceptance; and
- (b) deliver a true copy of that offer or acceptance to the other parties to that trade.

Personal real estate trades

62 (1) A licensee trading in real estate on the licensee's own behalf, either directly or indirectly, must disclose in writing:

- (a) to a buyer or seller who is not represented by a licensee:
 - (i) any interest, direct or indirect, that he has in the transaction;
 - (ii) that the licensee is authorized under the Act;
 - (iii) the name of the brokerage with which the licensee is registered;
 - (iv) complete details of any negotiations for a further trade of the real estate or the licensee's interest in it to another person;
- and

- (v) any information within the knowledge of the licensee that could materially affect the value of the real estate.
- (b) to the licensee representing a buyer or seller:
 - (i) that the licensee is authorized under the Act; and
 - (ii) the name of the brokerage with which the licensee is registered.

(2) When any person employed by or associated with a brokerage wishes to acquire an interest in a property that is listed for sale with or managed by the brokerage, the brokerage must immediately:

- (a) disclose to the seller of the property the existence of a conflict of interest;
- (b) disclose to the seller the name of the buyer and the nature of their relationship to the brokerage;
- (c) disclose to the seller any confidential information of the seller that the buyer may have already received;
- (d) disclose to the seller who will be representing the buyer with respect to the transaction; and
- (e) provide the seller with an opportunity to seek legal and independent advice.

(3) Sub-section (2) above applies to a broker, associate broker, associate, director, shareholder, official or an employee of a brokerage or any of their immediate family members.

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|-----------------|----|--|
| Guaranteed sale | 63 | A real estate broker, associate broker or associate must not advertise, offer or enter into a guaranteed sale agreement except on behalf of the brokerage with which that broker, associate broker or associate is registered. |
|-----------------|----|--|

Division 3 – Mortgage Brokerage Standards

- | | | |
|-------------------------------------|----|--|
| Definition | 64 | This Division applies to all classes of mortgage brokers and a reference to a brokerage includes a mortgage brokerage, broker and associate. |
| Mortgage brokerage responsibilities | 65 | <p>A mortgage brokerage must:</p> <ul style="list-style-type: none"> (a) only deal in mortgages, as the case may be, in the name that appears on the brokerage's licence; (b) ensure the name of the brokerage is clearly indicated in the course of dealing in mortgages, including any related advertisements; and (c) disclose to borrowers in writing: <ul style="list-style-type: none"> (i) the nature of its service relationship with the borrower; (ii) the nature of its relationship with the lender; (iii) the range of lenders whose products it offers; (iv) how it will be compensated for the transaction; (v) the nature of any other monies or benefits it will receive from the lender and the factors that influence payment of any additional monies or benefits; and (vi) any additional fees payable by the borrower. |
| Mortgage brokerage prohibitions | 66 | A mortgage brokerage must not: |

- (a) employ, permit or engage a broker or associate registered with another brokerage to deal in mortgages in its name or on its behalf, directly or indirectly, as the case may be;
- (b) employ a person to deal in mortgages unless that person meets the requirements of the Act, Regulations, Rules, and Bylaws, and all levies, fees, premiums, fines, administrative penalties and other amounts that are payable under or pursuant to the Act, Regulations, Rules, Bylaws or under any predecessor enactments in respect of that person have been paid;
- (c) pay a commission or other remuneration, directly or indirectly, in connection with a mortgage dealing except:
 - (i) to a broker or associate employed by the brokerage or to not more than one corporation of which that broker or associate, as the case may be, owns not less than fifty percent (50%) of the shares issued by that corporation;
 - (ii) to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta; or
- (d) pay, offer to pay, agree, or allow to be paid a referral fee or any remuneration to a person in relation to dealing in mortgages if the person is required to be licensed in relation to those services but is not licensed;
- (e) pay a commission or other remuneration directly or indirectly in connection with a dealing in mortgages to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta when the brokerage has knowledge that the commission or remuneration will be paid to or shared with a person who is required to be licensed in relation to those services but is not licensed; or
- (f) offer a lender or investor a mortgage loan guarantee either on behalf of itself or on behalf of any other licensee.

Mortgage broker
responsibilities

- 67 (1) A mortgage broker must:
- (a) be actively engaged in the management of the mortgage brokerage with which the broker is registered;
 - (b) deal in mortgages only in the name that appears on the individual's licence and in the name of the brokerage with which the broker is registered;
 - (c) ensure the name of the brokerage is clearly indicated in the course of dealing in mortgages, including any related advertisements;
 - (d) provide all licensees of the brokerage and other personnel with written policies and procedures by which they are expected to operate, including written policies and procedures for personal deals;
 - (e) ensure the business of the brokerage is carried out competently and in accordance with the Act, the Bylaws, and these Rules;
 - (f) ensure there is an adequate level of supervision for associates within the brokerage and employees who perform duties on behalf of the brokerage;

- (g) ensure that for all monies held in trust, the bank records are maintained in accordance with the Act, the Bylaws, these Rules and the law as it relates to trustees;
- (h) ensure adequate control over any access to an automated bank machine (“ABM”) or ABM cards used for electronic deposits and transfers and any access codes used for Internet banking or ABM cards;
- (i) ensure proper management and control of documents or records related to licensing, registrations and related regulatory requirements;
- (j) ensure all documents and records related to deals in mortgages required under the Act and these Rules are maintained or made available by the brokerage for the purposes of a review at the registered business office of the brokerage; and
- (k) review all mortgage agreements in a timely manner.

(2) When a mortgage broker does not have a controlling interest in the ownership of the mortgage brokerage, the broker must have a written agreement with the brokerage giving the broker authority to carry out the duties and responsibilities of a broker under these Rules.

(3) A mortgage broker is accountable for the conduct of an associate or employee, as the case may be, if the broker:

- (a) was not actively involved in the management of the brokerage;
- (b) failed to ensure an adequate level of supervision was in place for the associate or employee, as the case may be;
- (c) was wilfully blind to the conduct of the associate or employee, as the case may be;
- (d) was a participant in the misconduct;
- (e) had knowledge of the misconduct of the associate or employee, as the case may be, and failed to take reasonable steps to stop such misconduct;
- (f) upon becoming aware of the misconduct failed to take reasonable steps to correct the misconduct or reduce any harm that may have resulted from the misconduct; or
- (g) failed to notify the registrar upon becoming aware of misconduct relating to fraud, deception, theft, or unlawful activities on the part of the associate or employee.

Delegation by broker

- 68 (1) A mortgage broker may delegate the broker’s duties and responsibilities to another licensee associated with the mortgage brokerage if:
- (a) the delegate is registered with the brokerage and is qualified to carry out the responsibilities;
 - (b) the particulars of the delegation of responsibilities by the broker to the delegate are clear and in writing, and are agreed to and understood by the broker and the delegate;
 - (c) the particulars of the delegation are communicated to the employees and associates, as the case may be; and
 - (d) the broker has a system in place to monitor the delegate and verify that adequate supervision is being maintained.

(2) In the event a mortgage broker delegates the broker's duties and responsibilities to a delegate, the broker remains accountable for the conduct of the delegate and all associates or employees of the brokerage.

Mortgage associate
responsibilities

- 69 A mortgage associate must:
- (a) deal in mortgages only in the name that appears on that individual's licence and in the name of the mortgage brokerage with which that individual is registered;
 - (b) ensure that all dealings in mortgages and the relevant documentation meet legislative requirements found under the Act, Regulations, Rules, and Bylaws;
 - (c) provide to the broker in a timely manner all original documentation and copies of original documents provided to the parties or maintained by other brokerages:
 - (i) related to dealings in mortgages; and
 - (ii) required under the Act and these Rules;
 - (d) keep the broker informed of the activities being performed by the associate on behalf of the brokerage;
 - (e) ensure there is an adequate level of supervision for his employees and others who perform duties on his behalf;
 - (f) respond promptly to any inquiry that is addressed to him by the broker; and
 - (g) notify the broker upon learning of a violation of the Act, Regulations, Rules, or Bylaws by any broker, associate or employee associated with a brokerage.

Mortgage broker and
associate prohibitions

- 70 (1) A mortgage broker or associate, as the case may be, must not:
- (a) deal in mortgages on behalf of a brokerage other than the brokerage with which he is registered;
 - (b) promise to pay or pay a commission or other remuneration, directly or indirectly, to any person resulting from or in connection with a dealing in a mortgage except through the brokerage with which he is registered;
 - (c) accept a commission, referral fee or other remuneration, directly or indirectly, for dealing in a mortgage from any person except the brokerage with which he is registered; or
 - (d) directly or indirectly, advertise, communicate or offer to any person an incentive except an incentive that is provided by and on behalf of the brokerage with which he is registered.

(2) A mortgage broker or associate, as the case may be, must not directly or indirectly, provide an inducement unless the inducement is provided by and on behalf of the brokerage with which the mortgage broker or associate is registered, details of the inducement are provided in writing and the broker has provided written approval.

Collection of fees

- 71 (1) Subject to section 71(2), a brokerage must not charge, collect or attempt to collect a fee from a person for assisting the person in obtaining a mortgage from a lender until the following conditions have been met:

- (a) the lender has provided a written confirmation to fund the mortgage, accepted by the borrower and the commitment has been provided to the borrower or the borrower's associate; and
- (b) the lender or the lender's agent has provided the person with an initial disclosure statement and at least two business days have passed since the initial disclosure statement was received by the person or the person has waived the time period for delivery in accordance with the *Consumer Protection Act*.

(2) Section 71(1),

- (a) only applies to a mortgage where the person is an individual who enters into a credit arrangement primarily for personal, family, or household purposes; and
- (b) does not apply to actual fees disbursed by the brokerage to third parties for credit reports, Alberta Registries, courier and appraisal services if a written agreement exists between the brokerage and the person where the person agrees to compensate the brokerage for these costs.

Verification of
information disclosure

- 72 (1) A brokerage must disclose in writing to the parties to the deal in mortgages what steps, if any, have been taken by the brokerage to verify the information obtained or supplied by the brokerage to the parties, including information contained in the mortgage application, other representations made by the borrower or lender and the identity of the parties to the deal in mortgages.
- (2) A brokerage must maintain copies of supporting documentation in regard to the specific verification outlined in section 72(1) in the brokerage file.

Obligations to a
lender client

- 73 (1) Mortgage brokerages that represent lenders in a mortgage deal must enter into written service agreements with lender clients.
- (2) Every service agreement must:
- (a) be signed by the relevant parties; and
 - (b) clearly show all terms and conditions of the agreement, which must include:
 - (i) the names of the parties to the agreement;
 - (ii) the responsibilities of each party to the agreement;
 - (iii) the services to be provided by the mortgage brokerage;
 - (iv) the duration of the agreement;
 - (v) the loan terms, property description details and analysis;
 - (vi) the provisions for terminating the agreement;
 - (vii) the risk tolerances of the lender respecting priority on title, ratio of loan to property value, nature and type of the property used as security for the loan, costs and outcomes associated with foreclosures, and source of loan capital;
 - (viii) the amount or method of calculating the remuneration to be paid by the lender;
 - (ix) the process for the collection, use, safekeeping and distribution of confidential and personal information;

- (x) if the brokerage is expected to hold trust funds, the terms of trust;
- (xi) if the agreement is of an ongoing basis, the method for communicating loan possibilities and property details to the lender and the lender's response to same;
- (xii) if the agreement is of an ongoing basis, the method of communicating changes to the lender's risk tolerances; and
- (xiii) the role of the mortgage broker, if any, in the event the borrower defaults on the mortgage deal.

(3) Mortgage brokerages that represent lenders in a deal must ensure that the lender is provided with:

- (a) a copy of the registered mortgage;
- (b) a copy of the certificate of title for the property affected by the mortgage;
- (c) a copy of the solicitor's report, if any, with respect to the registration and the effect of the transaction.

(4) Every mortgage broker that represents a lender in a deal in mortgages must ensure that the lender complies with the written disclosure requirements to be provided to the borrower pursuant to the *Consumer Protection Act*.

(5) A prospective client may waive the requirements outlined in sub-sections (1) and (3) if the waiver request originates with the prospective client and is in writing.

(6) Sub-sections (1), (2), (3) and (4) do not apply if the lender is a bank, treasury branch, credit union, loan corporation, trust corporation, insurance company or any person engaged in the business of making loans secured with mortgages.

(7) Sub-section (3) does not apply if the lender has retained legal counsel and the lender's legal counsel has undertaken these activities on behalf of the lender.

Delivery of documents 74

(1) Where the brokerage directly represents the lender in its dealings with the borrower, a brokerage must provide the borrower:

- (a) prior to the mortgage commitment being agreed to by the borrower, a copy of the disclosure statement pursuant to the *Consumer Protection Act*; and
- (b) as soon as practical after funding, a copy of:
 - (i) the registered mortgage;
 - (ii) the certificate of title for the property affected by the mortgage;
 - (iii) the solicitor's report, if any, with respect to the registration and the effect of the transaction; and
 - (iv) any title insurance or real property report obtained.

(2) The requirements listed in sub-section (1)(b) above apply only if the borrower has not already received this information.

Personal mortgage deals 75

A licensee dealing in mortgages on the licensee's own behalf, either directly or indirectly, must disclose in writing to the borrower, lender, vendor or purchaser of the mortgage, as the case may be:

- (a) any interest, direct or indirect, that the licensee has in the transaction;

- (b) that the licensee is authorized under the Act;
- (c) the name of the brokerage with which the licensee is registered;
- (d) complete details of any negotiations for a further disposition of the mortgage or the licensee’s interest in it; and
- (e) any information within the knowledge of the licensee that could materially affect the acceptance, issuance, sale or purchase of the mortgage.

Division 4 – Real Estate Appraisal Standards

Definition	76	Repealed.....	(November 2020) Resolution 2020-11
Appraiser responsibilities	77	Repealed.....	(November 2020) Resolution 2020-11
Appraiser prohibitions	78	Repealed.....	(November 2020) Resolution 2020-11
Refusal to provide services	79	Repealed.....	(November 2020) Resolution 2020-11
Appraisal report requirements	80	Repealed.....	(November 2020) Resolution 2020-11

Division 4.1 – Property Management Brokerage Standards

Definition	80.1	This Division applies to all classes of property managers and a reference to “licensee” includes a property management brokerage, broker, associate broker, and associate.	
Property management brokerage responsibilities	80.2	A property management brokerage must: <ul style="list-style-type: none"> (a) only engage in property management in the name that appears on the brokerage’s licence; (b) ensure the name of the brokerage is clearly indicated in the course of property management including any related advertisements; and (c) disclose to the client the nature and extent of any benefits the brokerage: <ul style="list-style-type: none"> (i) anticipates receiving, directly or indirectly, from expenditures made by or on behalf of a client to or on behalf of whom property management services are or may be provided; or (ii) anticipates any associate of the brokerage will receive, directly or indirectly, from expenditures made by or on behalf of a client to or on behalf of whom property management services are or may be provided. 	
Property management brokerage prohibitions	80.3	A property management brokerage must not: <ul style="list-style-type: none"> (a) employ, permit or engage a broker, associate broker or associate registered with another brokerage to engage in property management in its name or on its behalf, directly or indirectly, as the case may be; (b) employ a person to engage in property management unless that person meets the requirements of the Act, Regulations, Rules and Bylaws, and all levies, fees, premiums, fines, administrative penalties and other amounts that are payable under or pursuant to the Act, 	

- Regulations, Rules, or Bylaws or under any predecessor enactments in respect of that person have been paid;
- (c) pay a commission or other remuneration, directly or indirectly, in connection with a property management service except:
 - (i) to a broker, associate broker or associate employed by the brokerage or to not more than one corporation of which that broker, associate broker or associate as the case may be, owns not less than fifty percent (50%) of the shares issued by that corporation;
 - (ii) to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta;
 - (d) pay, offer to pay, agree, or allow to be paid a referral fee or any remuneration to a person in relation to a property management service if the person is required to be licensed in relation to those activities but is not licensed; or
 - (e) pay a commission or other remuneration directly or indirectly in connection with a property management service to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta when the brokerage has knowledge that the commission or remuneration will be paid to or be shared with a person who is required to be licensed in relation to those activities but is not licensed.

Property manager
broker responsibilities

80.4 (1) A property manager broker must:

- (a) be actively engaged in the management of the property management brokerage with which the broker is registered;
- (b) engage in property management only in the name that appears on the individual's licence and in the name of the brokerage with which the broker is registered;
- (c) ensure the name of the brokerage is clearly indicated in the course of a property management service, including any related advertisements;
- (d) ensure the business of the brokerage is carried out competently and in accordance with the Act, Regulations, Rules and Bylaws;
- (e) ensure there is an adequate level of supervision for associate brokers or associates, as the case may be, within the brokerage and employees who perform duties on behalf of the brokerage;
- (f) provide all licensees of the brokerage and other personnel with written policies and procedures by which they are expected to operate;
- (g) ensure that for all monies held in trust, the bank records are maintained in accordance with the Act, Regulations, Rules, Bylaws and the law as it relates to trustees;
- (h) ensure adequate control over any access to ABM cards used for electronic deposits and transfers and any access codes used for Internet banking or ABM cards;
- (i) ensure proper management and control of documents or records related to licensing, registrations and related regulatory requirements;
- (j) ensure all documents and records related to property management required under the Act and these Rules are maintained or made

available by the brokerage for the purposes of a review at the registered business office of the brokerage.

(2) When a broker does not have a controlling interest in the ownership of the property management brokerage, the broker must have a written agreement with the brokerage giving the broker authority to carry out the duties and responsibilities of a broker under these Rules.

(3) A broker is accountable for the conduct of an associate broker, associate, or employee, as the case may be, if the broker:

- (a) was not actively involved in the management of the brokerage;
- (b) failed to ensure an adequate level of supervision was in place for the associate broker, associate or employee, as the case may be;
- (c) was willfully blind to the conduct of the associate or employee, as the case may be;
- (d) was a participant in the misconduct;
- (e) had knowledge of the misconduct of the associate broker, associate or employee, as the case may be, and failed to take reasonable steps to stop such misconduct;
- (f) upon becoming aware of the misconduct failed to take reasonable steps to correct the misconduct or reduce any harm that may have resulted from the misconduct; or
- (g) failed to notify the registrar upon becoming aware of misconduct relating to fraud, deception, theft, or unlawful activities on the part of the associate broker, associate or employee.

Delegation by broker

- 80.5 (1) A property manager broker may delegate the broker's duties and responsibilities to another licensee registered with the brokerage if:
- (a) the delegate is registered with the brokerage and is qualified to carry out the responsibilities;
 - (b) the particulars of the delegation of responsibilities by the broker to the delegate are clear, in writing, agreed to and understood by the broker and the delegate;
 - (c) the particulars of the delegation are communicated to the associate brokers, associates and employees, as the case may be; and
 - (d) the broker has a system in place to monitor the delegate and verify that adequate supervision is being maintained.

(2) In the event a property management broker delegates the broker's duties and responsibilities to a delegate, the broker remains accountable for the conduct of the delegate and all associate brokers, associates or employees in the brokerage.

Property manager
associate broker and
associate
responsibilities

- 80.6 A property manager associate broker and associate must:
- (a) engage in property management in the name that appears on their license and in the name of the brokerage with which they are registered;
 - (b) ensure that all property management services and the relevant documentation meet legislative requirements found under the Act, Regulations, Rules and Bylaws;
 - (c) provide to the broker in a timely manner all original documentation and copies of original documents provided to the client:

- (i) related to a property management service; and
- (ii) required under the Act and these Rules;
- (d) keep the broker informed of the activities being performed by the associate broker or associate on behalf of the brokerage;
- (e) ensure there is an adequate level of supervision for his employees and others who perform duties on their behalf;
- (f) respond promptly to any inquiry that is addressed to them by the broker; and
- (g) notify the broker upon learning of a violation of the Act, Regulations, Rules or Bylaws by any broker, associate broker, associate or employee associated with a brokerage.

Property manager
broker, associate
broker and associate
prohibitions

80.7 (1) A property manager broker, associate broker or associate, as the case may be, must not:

- (a) engage in property management on behalf of a brokerage other than the brokerage with which he is registered;
- (b) promise to pay or pay a commission, referral fee or other remuneration, directly or indirectly, to any person resulting from or in connection with a property management service except through the brokerage with which they are registered;
- (c) accept a commission, referral fee or other remuneration, directly or indirectly, for a property management service except through the brokerage with which they are registered;
- (d) directly or indirectly, advertise, communicate or offer to any person an incentive except an incentive that is provided by and on behalf of the brokerage with which they are registered; or
- (e) make an inducement unless, at the time of making the inducement, they deliver to the person to whom the inducement is made a statement signed by:
 - (i) the property manager broker, associate broker, or associate, and
 - (ii) if applicable, the other person involved in the inducement, clearly setting out all the details of the inducement.

(2) A property manager broker, associate broker or associate, as the case may be, must not directly or indirectly, provide an inducement unless the inducement is provided by and on behalf of the brokerage with which the property manager broker, associate broker or associate is registered, details of the inducement are provided in writing and the broker has provided written approval.

(3) A licensee shall not provide any services to the client or potential client in a property management service in which the licensee has, or will have, a conflict of interest without receiving the written and informed consent of the client.

Disclosure
requirements

80.8 (1) Before eliciting or as soon as possible upon receiving confidential information from any person concerning that person's property management needs or in any event before entering into a service agreement, a licensee must disclose in writing to that person:

- (a) the nature of the services the licensee will provide;
- (b) any conflict of interest that may exist; and
- (d) any other facts that may be likely to influence the person's decision.

(2) If subsequent to this disclosure, there is any material change in the facts which have been disclosed, the licensee must immediately disclose the change to that person.

(3) The licensee must use their best efforts to obtain written acknowledgement of disclosures made pursuant to this section.

Division 4.2 – Condominium Management Brokerage Standards

Definition

80.81 This Division applies to all classes of condominium managers and a reference to “licensee” includes a condominium management brokerage, broker, associate broker, and associate.

Condominium manager brokerage responsibilities

80.82 (1) A condominium manager brokerage must:

- (a) only provide condominium management services in the name that appears on the brokerage’s licence;
- (b) ensure the name of the brokerage is clearly indicated in the course of providing condominium management services, including any related advertisements;
- (c) enter into a written service agreement with a condominium corporation prior to providing services;
- (d) prior to entering into a written service agreement, disclose in writing to the condominium corporation:
 - (i) any conflicts or potential conflicts of interest that may exist and obtain written and informed consent to proceed; and
 - (ii) how it will be compensated;
- (e) prior to acceptance of any other monies or benefits, disclose in writing to the condominium corporation the nature and extent of any other monies or benefits the condominium manager brokerage may or will receive:
 - (i) from third parties;
 - (ii) from expenditures made on behalf of a condominium corporation;
 - (iii) any factors that influence payment of any monies or benefits including any conflicts or potential conflicts of interest that may exist.
- (f) prior to entering into a written service agreement, disclose in writing to the condominium corporation, any other facts that may influence the condominium corporation’s decision.

(2) If subsequent to these disclosures, there is any material change in the facts which have been disclosed, the licensee must immediately disclose the change to the condominium corporation.

(3) The licensee must obtain written acknowledgement of these disclosures and any written consent required pursuant to this section.

Condominium manager brokerage prohibitions

80.83 A condominium manager brokerage must not:

- (a) employ, permit or engage a condominium manager broker, associate broker or associate registered with another brokerage to provide

- condominium management services in its name or on its behalf, directly or indirectly, as the case may be;
- (b) employ a person to provide condominium management services unless that person meets the requirements of the Act, Regulations, Rules, and Bylaws, and all levies, fees, premiums, fines, administrative penalties and other amounts that are payable under or pursuant to the Act, Regulations, Rules, Bylaws or under any predecessor enactments in respect of that person have been paid;
 - (c) pay compensation, directly or indirectly, in connection with condominium management services except to:
 - (i) a condominium manager broker, associate broker or associate employed by the brokerage or to not more than one corporation of which that condominium manager broker, associate broker or associate, as the case may be, owns not less than fifty percent (50%) of the shares issued by that corporation; or
 - (ii) to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta;
 - (d) offer to pay, agree, or allow to be paid a referral fee or any remuneration to a person in relation to providing condominium management services if the person is required to be licensed in relation to those services but is not licensed; or
 - (e) pay a fee or other remuneration directly or indirectly in connection with providing condominium management services to a brokerage that is licensed under these Rules or under similar legislation in a jurisdiction outside of Alberta when the brokerage has knowledge that the fee or remuneration will be paid to or shared with a person who is required to be licensed in relation to those services but is not licensed.
 - (f) enter into any agreement with a condominium corporation whereby the condominium manager brokerage is relieved from liability for its negligence or other tortious conduct;

Condominium
manager broker
responsibilities

- 80.84 (1) A condominium manager broker must:
- (a) be actively engaged in the management of the condominium manager brokerage with which the broker is registered;
 - (b) provide condominium management services only in the name that appears on the individual's licence and in the name of the brokerage with which the broker is registered;
 - (c) ensure the name of the brokerage is clearly indicated in the course of providing condominium management services, including any related advertisements;
 - (d) provide all licensees of the brokerage and other personnel with written policies and procedures by which they are expected to operate, including written policies and procedures for personal condominium management services;
 - (e) ensure the business of the brokerage is carried out competently and in accordance with the Act, the Bylaws, and these Rules;

- (f) ensure that all condominium management services and the relevant documentation meet the legislative requirements found under the Condominium Property Act, regulations and the condominium corporation's bylaws.
 - (g) ensure there is an adequate level of supervision for associate brokers or associates within the brokerage and employees who perform duties on behalf of the brokerage;
 - (h) ensure that for all monies held in trust, the bank records are maintained in accordance with the Act, the Bylaws, these Rules and the law as it relates to trustees;
 - (i) ensure adequate control over any access to an automated bank machine ("ABM") or ABM cards used for electronic deposits and transfers and any access codes used for Internet banking or ABM cards;
 - (j) ensure proper management and control of documents or records related to licensing, registrations and related regulatory requirements;
 - (k) ensure all documents and records related to condominium management services required under the Act and these Rules are maintained or made available by the brokerage for the purposes of a review at the registered business office of the brokerage; and
 - (l) review in a timely manner all condominium management service agreements and other condominium corporation contracts supplied by the condominium corporation.
- (2) When a condominium manager broker does not have a controlling interest in the ownership of the condominium manager brokerage, the broker must have a written agreement with the brokerage giving the broker authority to carry out the duties and responsibilities of a broker under these Rules.
- (3) A condominium manager broker is accountable for the conduct of a condominium manager associate broker, associate or brokerage employee, as the case may be, if the broker:
- (a) was not actively involved in the management of the brokerage;
 - (b) failed to ensure an adequate level of supervision was in place for the associate broker, associate or employee, as the case may be;
 - (c) was willfully blind to the conduct of the associate broker, associate or employee, as the case may be;
 - (d) was a participant in the misconduct;
 - (e) had knowledge of the misconduct of the associate broker, associate or employee, as the case may be, and failed to take reasonable steps to stop such misconduct;
 - (f) upon becoming aware of the misconduct failed to take reasonable steps to correct the misconduct or reduce any harm that may have resulted from the misconduct; or
 - (g) failed to notify the registrar upon becoming aware of misconduct relating to fraud, deception, theft, or unlawful activities on the part of the associate broker, associate or employee.

- Delegation by broker
- 80.85 (1) A condominium manager broker may delegate the broker's duties and responsibilities to another licensee associated with the condominium manager brokerage if:
- (a) the delegate is registered with the brokerage and is qualified to carry out the responsibilities;
 - (b) the particulars of the delegation of responsibilities by the broker to the delegate are clear and in writing, and are agreed to and understood by the broker and the delegate;
 - (c) the particulars of the delegation are communicated to the employees, associate brokers and associates, as the case may be; and
 - (d) the broker has a system in place to monitor the delegate and verify that adequate supervision is being maintained.
- (2) In the event a condominium manager broker delegates the broker's duties and responsibilities to a delegate, the broker remains accountable for the conduct of the delegate and all associate brokers, associates or employees of the brokerage.
- Condominium manager associate broker and associate responsibilities
- 80.86 A condominium manager associate broker and associate, as the case may be, must:
- (a) provide condominium management services only in the name that appears on that individual's licence and in the name of the condominium manager brokerage with which that individual is registered;
 - (b) ensure that all condominium management services and the relevant documentation meet legislative requirements found under the Act, Regulations, Rules, and Bylaws;
 - (c) ensure that all condominium management services and the relevant documentation meet the legislative requirements found under the Condominium Property Act, regulations and the condominium corporation's bylaws;
 - (d) provide to the broker in a timely manner all original documentation and copies of original documents:
 - (i) related to providing condominium management services; and
 - (ii) required under the Act and these Rules;
 - (e) keep the broker informed of the activities being performed by the condominium manager associate broker or associate, as the case may be, on behalf of the brokerage;
 - (f) ensure there is an adequate level of supervision for his employees and others who perform duties on his behalf;
 - (g) respond promptly to any inquiry that is addressed to him by the broker; and
 - (h) notify the broker upon learning of a violation of the Act, Regulations, Rules, or Bylaws by any broker, associate broker, associate or employee associated with a brokerage.
- Condominium manager broker, associate broker and associate prohibitions
- 80.87 (1) A condominium manager broker, associate broker or associate, as the case may be, must not:

- (a) provide condominium management services on behalf of a brokerage other than the brokerage with which he is registered;
- (b) promise to pay or pay a fee or other remuneration, directly or indirectly, to any person resulting from or in connection with providing condominium management services except through the brokerage with which he is registered;
- (c) accept a fee, referral fee or other remuneration, directly or indirectly, for providing condominium management services from any person except the brokerage with which he is registered; or
- (d) directly or indirectly, advertise, communicate or offer to any person an incentive except an incentive that is provided by and on behalf of the brokerage with which he is registered.

(2) A condominium manager broker, associate broker or associate, as the case may be, must not directly or indirectly, provide an inducement unless the inducement is provided by and on behalf of the brokerage with which the condominium manager broker, associate broker or associate is registered, details of the inducement are provided in writing and the broker has provided written approval.

(3) A condominium manager broker, associate broker or associate, as the case may be, shall not provide any condominium management services to the condominium corporation if the condominium manager broker, associate broker or associate has, or will have, a conflict of interest unless before providing the services the condominium manager broker, associate broker or associate receives the written and informed consent of the condominium corporation.

Basic obligations

80.88 The basic obligations of a licensee to the condominium corporation are:

- (a) to use best efforts to manage the condominium corporation;
- (b) to obey all lawful instructions of the condominium corporation;
- (c) to exercise reasonable care and skill in the performance of the service agreement;
- (d) to assist the condominium corporation in negotiating favourable terms and conditions with third party contractors;
- (e) to provide, in a timely manner, all reports to the condominium corporation;
- (f) to advise the condominium corporation to obtain expert advice on matters of importance to the condominium corporation;
- (g) before signing a contract on behalf of a condominium corporation, the licensee must obtain written authorization for this from the condominium corporation or its authorized agent. This authorization may be provided in a written service agreement or separate document; and
- (h) to comply with the provisions of the Act, Regulations, Rules and Bylaws.

Disclosure requirements

80.89 (1) A licensee providing condominium management services to a condominium corporation where the licensee owns a unit(s) in the

condominium corporation, must disclose in writing to the condominium corporation:

- (a) any interest or conflicts, direct or indirect, that the licensee has in providing services to the condominium corporation;
- (b) that the licensee is authorized under the Act;
- (c) the name of the brokerage with which the licensee is registered;
- (d) any information within the knowledge of the licensee that could materially affect the provision of condominium management services to the condominium corporation.

(2) A licensee shall not serve as a director on a board of a condominium corporation for which the licensee is providing condominium management services.

PART 3
ACCOUNTING, RECORDS & REPORTING REQUIREMENTS

- Definition 81 In this part,
- (a) repealed..... (November 2020) Resolution 2020-11
 - (b) “brokerage” means a real estate brokerage, mortgage brokerage, property management brokerage, or condominium manager brokerage, unless stated otherwise.

Division 1 – General Requirements

- Electronic records 82 (1) A brokerage may convert and store written, printed, or any paper records into electronic format if the following conditions are met:
- (a) the storage location and medium where the electronic records are to be stored is reliable and can reasonably be expected to maintain the integrity of the information from the time the electronic record was created;
 - (b) the identity of the person who made the electronic copy of the written, printed or any paper record and date of the recording into electronic form is embedded in the document without altering the information contained in the written, printed or any paper record;
 - (c) the information is maintained in an electronic form that does not materially alter the information originally contained in the written, printed or any paper record;
 - (d) the record in electronic form is safeguarded by password or security codes controlled by the brokerage so that the record cannot be altered;
 - (e) the brokerage maintains a copy of the computer program or of any other electronic devices required for the electronic records to be viewed and reproduced in printed form in a timely manner;
 - (f) the electronic records are located in a physical premise, accessible by the broker in Alberta;
 - (g) the physical location where the electronic records are stored is secure and is only accessible by the broker or by persons authorized by the broker; and

(h) the brokerage has a system to ensure all electronic documents created in respect to a trade or potential trade, deal or potential deal, property management service or potential property management service, or condominium management service or potential condominium management service, are stored together or are linked so as to create a complete record of all documents or records relating to the trade or potential trade, deal or potential deal, property management service or potential property management service, or condominium management service or potential condominium management service.

(2) A brokerage may retain in electronic form records created, sent or received in electronic form if:

- (a) the storage location and medium where the electronic records are to be stored is reliable and can reasonably be expected to maintain the integrity of the electronic information;
- (b) where the electronic record was sent or received, information, if any, that identifies its origin and destination is also retained;
- (c) the information in electronic form is maintained in the format in which it was created, sent or received, or in a format that does not materially alter the information of the original record in electronic form;
- (d) the brokerage maintains a copy of the computer program or of any other electronic devices required for the electronic records to be viewed and be reproduced in printed form in a timely manner;
- (e) the document in electronic form is safeguarded by password or security codes controlled by the broker so that the records cannot be altered;
- (f) the electronic records are located in a physical premise, accessible by the broker in Alberta;
- (g) the premises where the electronic records are stored are secure and are only accessible by the broker or by persons authorized by the broker; and
- (h) the brokerage has a system to ensure all electronic records created in respect to a trade or potential trade, deal or potential deal, or property management service or potential property management service are stored together or are linked so as to create a complete record of all documents or records relating to the trade or potential trade, deal or potential deal, or property management service or potential property management service.

(3) The broker or a person authorized by the broker may only delete electronic records in compliance with the record keeping requirements under the Act.

Electronic copies of trust fund cheques

83 A brokerage may receive electronic copies of cheques used to make disbursements from an account in which money is held in trust, only if copies of both the front and the back of the cheque are received.

Depositing funds electronically

84 (1) A brokerage that deposits funds electronically, using an ABM bank card and an automatic banking machine, into an account in which money is held in trust shall maintain the automated banking machine deposit receipt that indicates the account number, time, date and amount of the deposit.

(2) A brokerage that deposits funds electronically, using the Internet, into an account in which money is held in trust shall maintain a written record signed and dated by the broker or authorized person that indicates the account number, date, amount and details of the deposit.

- Electronic transfer of trust funds 85 (1) An ABM card may be used to transfer funds from an account in which money is held in trust only if the following conditions are met:
- (a) the ABM card must be issued prohibiting cash withdrawals from the account;
 - (b) before funds are transferred from the account to another account there must be written supporting documentation for the transfer and an ABM record of the transfer must be produced; and
 - (c) the record is reviewed, signed and dated by the broker or by a person authorized by the broker on the date of the transfer or the next business day.
- (2) A brokerage shall not make an electronic transfer using Internet banking from an account in which money is held in trust unless:
- (a) there is written supporting documentation;
 - (b) a printed record providing details of the Internet transfer is produced; and
 - (c) the printed record is reviewed, signed and dated by the broker or an authorized person on the date of the transfer or the next business day.
- Bank reconciliation 86 (1) A brokerage shall prepare a bank reconciliation monthly, within 30 days of the date of the prior month's bank statement, for all accounts in which money is held in trust.
- (2) As part of a bank reconciliation a brokerage shall:
- (a) identify the balances owing to each client or customer held in trust; and
 - (b) reconcile monthly the trust liability to the reconciled bank balance as of the date of the bank reconciliation.
- (3) The broker must review the monthly reconciliation under (1) above within 30 days of the date of the prior month's bank statement, and acknowledge the review by signing and dating the monthly reconciliation.
- Negative trust balance prohibited 87 A brokerage shall not make any payment or allow a bank transfer out of an account in which money is held in trust if the payment or transfer would create a negative balance in a client's or customer's ledger.
- Trust shortage must be funded 88 If at any time there is a shortage of money in an account in which money is held in trust, the brokerage shall deposit the brokerage's own money into the account as soon as the amount of the shortage is determined.
- Notification of trust shortage 89 (1) If a brokerage is aware there is a trust shortage, the amount of which has not been determined, the broker must notify the registrar in writing of the existence of a trust shortage and what steps are being taken to determine the amount of the shortage.
- (2) If a brokerage cannot immediately fund a trust shortage, the broker must notify the registrar in writing of the amount of the trust shortage and what corrective action the brokerage will be taking.
- Year end report 90 A brokerage shall report to Council at the brokerage's fiscal year end with regard to the operation of its accounts in which money is held in trust.
- Brokerage accounting 91 (1) If a brokerage receives or holds money on the account of others, in the course of its business, the brokerage's accounting for the purposes of section 90 shall consist of the Brokerage's Representations to the Council and an Accountant's Report, both in a form and containing the information required by the registrar

(2) The Accountant's Report must be completed by a chartered accountant, certified general accountant or certified management accountant.

(3) The Accountant's Report shall be prepared pursuant to an Engagement Letter between Accountant and Client, in a form and containing the information required by the registrar.

(4) A brokerage's accounting shall be filed with the Council not later than 3 months after the end of the brokerage's fiscal year and shall cover the fiscal year or, where the brokerage did not carry on business for the entire fiscal year, that part of the fiscal year for which the brokerage carried on business.

(5) In preparing the Accountant's Report, the accountant shall comply with the guidelines prescribed by the registrar

Absence of
trust
transactions

- 92 (1) For the purposes of reporting under section 90, a brokerage that has not received or held money on the account of others in the course of its business shall file with the Council a Declaration Respecting Absence of Trust Transactions in a form and containing the information required by the registrar not later than 3 months after the end of the brokerage's fiscal year.
- (2) The Declaration Respecting Absence of Trust Transactions shall cover the fiscal year or, where the brokerage did not carry on business for the entire fiscal year, that part of the fiscal year for which the brokerage carried on business.

Division 2 – Requirements for Real Estate Brokerages

Definition

- 93 In this Division, a brokerage means a real estate brokerage.

Real estate
trade records

- 94 (1) A brokerage shall keep separate and have available at its registered business office in Alberta or the City of Lloydminster all records for each trade or potential trade including signed copies of each service agreement, purchase contract, lease, offer and all records, accounts and supporting documentation made in the course of the brokerage's business in relation to trades or potential trades in real estate in Alberta.
- (2) The records, books, accounts and supporting documentation in relation to each trade or potential trade in real estate must identify each trade or potential trade by a sequential code system and use that code for the corresponding trust ledger if applicable and must contain the following:
- (a) the nature of the trade or potential trade;
 - (b) a description of the real estate;
 - (c) the true consideration for the trade or potential trade;
 - (d) the names of the parties to the trade or potential trade;
 - (e) the amount of deposit or other monies received, if any, and a record of the disbursement of it; and
 - (f) the amount of commission or other remuneration received, if any, and the name of the party paying it.
- (3) If the brokerage keeps in Alberta money received in trust in connection with other business, the brokerage shall keep it separate from money received in trust in connection with trades in real estate in Alberta.

- Brokerage must maintain trust account
- 95 When a brokerage in the course of its business receives funds on behalf of clients, it must:
- (a) open and maintain at least one trust or pooled trust account for the deposit of funds received on behalf of clients;
 - (b) ensure that the broker is an authorized signing authority for each account in which monies are held in trust and controls the receipts and disbursements on each account;
 - (c) issue a written receipt if money is received in the form of cash;
 - (d) ensure that cheques used to disburse funds from a trust or pooled trust account are numbered and identified with the words "Trust Account";
 - (e) account for all cheques, including but not limited to void cheques, as part of the records maintained by the brokerage;
 - (f) make every disbursement of money held in trust by cheque or bank transfer and these documents shall be cross-referenced in sufficient detail to permit them to be identified with the corresponding disbursement or disbursements recorded in the brokerage's books required by section 25 of the Act or by these Rules; and
 - (g) not issue a cheque, allow a bank transfer or present a cheque for payment or collection unless there is in the account in which the monies are held in trust on which it is drawn, a sufficient credit balance to cover the cheque or transfer, or there is a written agreement between a financial institution and a client guaranteeing to the brokerage the payment of funds to ensure that there are sufficient funds to cover any disbursements from an account in which monies are held in trust.
- Unauthorized payment from trust
- 96 Subject to section 97 of these Rules, a brokerage shall not pay any of the brokerage's personal or general office expenses, commission or other remuneration payable to a brokerage's authorized officials, brokers or associates out of an account in which money is held in trust.
- Payment of commission from trust
- 97 (1) For purposes of this Rule, the term "other account" may mean a trust account that is not provided for in the *Real Estate Act* or Rules and it does not mean a trust account provided for in s.12(1)(n) of the *Real Estate Act* or a trust account provided for by any other section of the *Real Estate Act* or Rules. Monies held in an "other account" are not trust monies for purposes of the *Real Estate Act* or Rules.
- (2) Brokerages shall pay all remuneration or commissions to a brokerage general account or other account and shall keep records.
- (3) Where brokerage remuneration or commissions
- (a) are earned and payable from money deposited in a brokerage trust account for another purpose, and;
 - (b) will be shared between brokerages, any share of the remuneration or commissions payable to another brokerage shall be immediately paid from the brokerage trust account to the other brokerages' general account or other account directly and any remaining share shall be immediately thereafter transferred to the brokerage general account or other account.
- (4) When remuneration or commissions are to be shared between two or more brokerages and are not paid in full when due, the amount actually received may be shared between the brokerages as they agree but in the absence of agreement, the

brokerage holding the remuneration or commissions must immediately pay the amount into a lawyer’s trust account until the matter is resolved.

- Written leases 98 Repealed (November 2020) Resolution 2020-11
- Ledgers 99 Repealed (November 2020) Resolution 2020-11
- Financial statements 100 (1) A brokerage shall prepare each month and keep on file with respect to each client:
 - (a) a statement of receipts and disbursements that records
 - (i) the balance carried forward from the statement of the previous month,
 - (ii) repealed (November 2020) Resolution 2020-11
 - (iii) the amount of each disbursement and to whom it was made, and
 - (iv) the balance at the end of the month; or
 - (b) any other statement the client requires.

(2) A brokerage must provide the information referred to in this section within a reasonable period of time following a request from the client or as otherwise agreed to by the brokerage and the client.
- Pooled disbursement account 101 A pooled disbursement account may be used by a brokerage to make payments only if the following conditions are met:
 - (a) only money that the brokerage receives in trust in respect of a trade in real estate may pass through the account;
 - (b) disbursements on behalf of a client may be made only with a transfer forthwith of money held for the client from another trust account or pooled trust account to cover the disbursement; and
 - (c) the account must be designated as a trust account.
- Positive balance in trust or pooled trust accounts 102 (1) In order to maintain an adequate positive balance in a trust or pooled trust account a brokerage may lend the brokerage’s own money to a client by paying the money into the account if:
 - (a) the loan is made pursuant to a written agreement between the brokerage and the client that specifies the maximum amount that may be lent, the rate of interest, if any, payable by the clients and the terms on which the brokerage may demand repayment;
 - (b) the outstanding amount of the loan and of the accrued interest, if any, is shown on each periodic statement rendered by the brokerage for the client; and
 - (c) the brokerage gives periodic statements to the client at least once every three months.

(2) Money paid into a trust or pooled trust account by a brokerage pursuant to (1) above may not be withdrawn by the brokerage in repayment of the loan if the withdrawal would create a negative balance in the trust account or the client’s ledger.

(3) Money received from a client in repayment of a loan under (1) above shall not be processed through a trust account or a pooled trust account.

Brokerage management fees 103 Repealed (November 2020) Resolution 2020-11

Division 3 - Requirements for Mortgage Brokers

Definition 104 In this Division, “brokerage” means mortgage brokerage.

Mortgage deal records 105 (1) A brokerage shall keep separate and have available at its registered business office in Alberta or the City of Lloydminster all records for each mortgage deal or potential deal including signed copies of each service agreement, mortgage administration agreement, commitment letters, mortgage applications, credit bureau reports, cost of credit disclosures, investor lender disclosure, banking records, accounts and supporting documentation made in the course of the brokerage’s business in relation to a mortgage deal or potential deal in Alberta.

(2) The records must identify each mortgage deal by a sequential code and use that code for the corresponding trust ledger if applicable and must contain the following:

- (a) the nature of the mortgage deal or potential deal;
- (b) a description of the real estate;
- (c) the mortgage amount;
- (d) the names of the lenders and borrowers;
- (e) the amount of the deposit or investment received, if any, and a record of the disbursements;
- (f) the amount of commission or other remuneration received, if any, and the name of the party paying it; and
- (g) the extent of the distribution of the client’s information to third parties.

(3) If the brokerage keeps in Alberta money received in trust in connection with other business, the brokerage shall keep it separate from money received in trust in connection with mortgage dealings in Alberta.

Brokerage must maintain trust account 106 When a brokerage in the course of its business receives funds on behalf of clients or investors it shall:

- (a) open and maintain at least one trust or pooled trust account for the deposit of such funds;
- (b) ensure that the broker is an authorized signing authority for each trust or pooled trust account and control the receipts and disbursements on each account;
- (c) issue a written receipt if money is received in the form of cash;
- (d) ensure that cheques used to disburse funds from a trust or pooled trust account are numbered and identified with the words “Trust Account”;
- (e) account for all cheques, including but not limited to void cheques, as part of the records maintained by the brokerage;
- (f) make every disbursement from a trust or pooled trust account by cheque or bank transfer and these documents shall be cross-referenced in sufficient detail to permit them to be identified with the corresponding disbursement or disbursements recorded in the brokerage’s books required by section 25 of the Act or by these Rules; and

- (g) not issue a cheque, allow a bank transfer or present a cheque for payment or collection unless there is, in the trust or pooled account against which it is drawn, a sufficient credit balance, to cover the cheque.
- Unauthorized payments from trust 107 A brokerage shall not pay any of the brokerage’s personal or general office expenses, commission or other remuneration payable to the brokerage’s own authorized officials, brokers or associates out of an account in which money is held in trust.
- Pooled disbursement account 108 A pooled disbursement account may be used by a brokerage to make payments only if the following conditions are met:
- (a) only money that the brokerage receives in a mortgage dealing may pass through the account;
 - (b) disbursements on behalf of a client may be made only with a transfer forthwith of money held for that client from another account in which money is held in trust to cover the disbursement; and
 - (c) the account must be designated as a trust account.
- Brokerage management fees 109 If sufficient funds are available, a brokerage shall withdraw all earned fees from the money held in trust on behalf of the client at least once a month, but not in advance unless otherwise provided in the mortgage brokerage service agreement.

Division 4 – Requirements for Real Estate Appraisers

- Appraisal records 110 Repealed (November 2020) Resolution 2020-11

Division 4.1 - Requirements for Property Manager Brokerages

- Definition 110.01 In this Division, “brokerage” means property management brokerage.
- Property management records 110.02 (1) A brokerage shall keep separate and have available at its registered business office in Alberta or the City of Lloydminster all records for each property management service including signed copies of each service agreement, property management agreement, lease, offer to lease and all records, accounts and supporting documentation made in the course of the brokerage’s business in relation to property management services in Alberta.
(2) The records, books, accounts and supporting documentation in relation to each property management service must identify each property management service or potential property management service by a sequential code system and use that code for the corresponding trust ledger if applicable and must contain the following:
- (a) the nature of the property management service;
 - (b) a description of the real estate;
 - (c) the true consideration for the property management service;
 - (d) the names of the parties to the property management service;
 - (e) the amount of deposit or other monies received, if any, and a record of the disbursement of it; and

- (f) the amount of commission or other remuneration received, if any, and the name of the party paying it.
- (3) If the brokerage keeps in Alberta money received in trust in connection with other business, the brokerage shall keep it separate from money received in trust in connection with property management services in Alberta.
- Brokerage must maintain trust account 110.03 When a brokerage in the course of its business receives funds on behalf of clients, it must:
- (a) open and maintain at least one trust or pooled trust account for the deposit of funds received on behalf of clients or owners of real estate managed under property management agreements;
 - (b) ensure that the broker is an authorized signing authority for each account in which monies are held in trust and controls the receipts and disbursements on each account;
 - (c) issue a written receipt if money is received in the form of cash;
 - (d) ensure that cheques used to disburse funds from a trust or pooled trust account are numbered and identified with the words "Trust Account";
 - (e) account for all cheques, including but not limited to void cheques, as part of the records maintained by the brokerage;
 - (f) make every disbursement of money held in trust by cheque or bank transfer and these documents shall be cross-referenced in sufficient detail to permit them to be identified with the corresponding disbursement or disbursements recorded in the brokerage's books required by section 25 of the Act or by these Rules; and
 - (g) not issue a cheque, allow a bank transfer or present a cheque for payment or collection unless there is in the account in which the monies are held in trust on which it is drawn, a sufficient credit balance, exclusive of tenants' conditionally refundable deposits, to cover the cheque or transfer, or there is a written agreement between a financial institution and a client guaranteeing to the brokerage the payment of funds to ensure that there are sufficient funds to cover any disbursements from an account in which monies are held in trust.
- Unauthorized payment from trust 110.04 Subject to section 110.05 of these Rules, a brokerage shall not pay any of the brokerage's personal or general office expenses, commission or other remuneration payable to a brokerage's authorized officials, brokers or associates out of an account in which money is held in trust.
- Payment of commission from trust 110.05 (1) For purposes of this Rule, the term "other account" may mean a trust account that is not provided for in the *Real Estate Act* or Rules and it does not mean a trust account provided for in s.12(1)(n) of the *Real Estate Act* or a trust account provided for by any other section of the *Real Estate Act* or Rules. Monies held in an "other account" are not trust monies for purposes of the *Real Estate Act* or Rules.
- (2) Brokerages shall pay all remuneration or commissions to a brokerage general account or other account and shall keep records.
- Written leases 110.06 (1) All leases and rentals of real estate arranged by a brokerage shall be by a written lease.

(2) In addition to the requirements of the *Residential Tenancies Act*, each lease shall contain at least:

- (a) the name and business address of the landlord and the name and address of the tenant;
- (b) the mailing address of the real estate or the unit number or designation of the real estate, the amount and payment conditions of the rent and the rental term; and
- (c) the amount of and the terms for all money paid or to be paid by the tenant to the landlord, including but not limited to money for rent, prepaid rent, conditionally refundable deposits and any fees or other charges.

Ledgers

110.07 A brokerage that leases or manages real estate on behalf of a client shall:

- (a) prepare and maintain a ledger for each tenant from whom the brokerage receives money;
- (b) identify the ledger with the name of the tenant and the mailing address of the real estate or the applicable unit number that designates the real estate;
- (c) post in the ledger an entry for each receipt of money from, or on behalf of, the tenant; and
- (d) for each entry posted in the ledger, record the amount of money received or disbursed as rent or conditionally refundable deposit, the date and the number of the receipt prepared with respect to the money, and the cheque number.

Financial statements

110.08 (1) A brokerage shall prepare each month and keep on file with respect to each client:

- (a) a statement of receipts and disbursements that records
 - (i) the balance carried forward from the statement of the previous month,
 - (ii) money and the amount received as rent for the use of real estate, or for the control, management or administration of real estate,
 - (iii) the amount of each disbursement and to whom it was made, and
 - (iv) the balance at the end of the month; or
- (b) any other statement the client requires.

(2) A brokerage must provide the information referred to in this section within a reasonable period of time following a request from the client or as otherwise agreed to by the brokerage and the client.

Pooled disbursement account

110.09 A pooled disbursement account may be used by a brokerage to make payments only if the following conditions are met:

- (a) only money that the brokerage receives in trust in respect of a property management service may pass through the account;
- (b) disbursements on behalf of a client may be made only with a transfer forthwith of money held for the client from another trust account or pooled trust account to cover the disbursement; and
- (c) the account must be designated as a trust account.

Positive balance in trust or pooled trust accounts

- 110.10 (1) In order to maintain an adequate positive balance in a trust or pooled trust account a brokerage may lend the brokerage's own money to a client by paying the money into the account if:
- (a) the loan is made pursuant to a written agreement between the brokerage and the client that specifies the maximum amount that may be lent, the rate of interest, if any, payable by the clients and the terms on which the brokerage may demand repayment;
 - (b) the outstanding amount of the loan and of the accrued interest, if any, is shown on each periodic statement rendered by the brokerage for the client; and
 - (c) the brokerage gives periodic statements to the client at least once every three months.
- (2) Money paid into a trust or pooled trust account by a brokerage pursuant to (1) above may not be withdrawn by the brokerage in repayment of the loan if the withdrawal would create a negative balance in the trust account or the client's ledger.
- (3) Money received from a client in repayment of a loan under (1) above shall not be processed through a trust account or a pooled trust account.

Brokerage management fees

- 110.11 If sufficient funds are available, a brokerage shall withdraw all earned management fees from the money held in trust on behalf of the client at least once each month, but not in advance unless otherwise provided in the property management agreement.

Division 4.2 - Requirements for Condominium Manager Brokerages

Definition

- 110.21 In this Division, a "brokerage" means a condominium management brokerage.

Condominium management records

- 110.22 A brokerage shall keep separate and have available at its registered business office in Alberta all records for condominium management services, including signed copies of all contracts, condominium management service agreements, and all records, accounts and supporting documentation made in the course of the brokerage's business in relation to providing condominium management services or potential condominium management services in Alberta.

Condominium management financial reports

- 110.23 (1) A brokerage shall prepare and provide to the condominium corporation each month, unless the service agreement specifies a different reporting period, and keep on file with respect to each condominium corporation, a financial report containing:
- (a) a statement of income and expenditures;
 - (b) a balance sheet; and
 - (c) any other statement the client requires as per the written service agreement.
- (2) The financial reports shall be provided to the condominium corporation within 30 days of the end of the reporting period.

Condominium management service agreements

- 110.24 In addition to the written service requirements in section 43 of the Rules, every written condominium management service agreement shall include:
- (a) an indication of whether the brokerage will be holding one or more of the following in trust:

- (i) operating fund money;
- (ii) reserve fund money;
- (iii) special levy money; and
- (iv) other amounts on behalf of the condominium corporation;
- (b) the circumstances by which the agreement may be terminated;
- (c) additional fees for services provided to the condominium corporation;
- (d) any authority the condominium corporation delegates to the condominium manager brokerage;
- (e) the scope of the authority of the condominium manager brokerage when acting on behalf of the condominium corporation, including any authority to:
 - (i) make electronic disbursements or sign cheques on behalf of the condominium corporation;
 - (ii) enter into contracts on behalf of the condominium corporation; and
 - (iii) invest money held by the brokerage on behalf of the condominium corporation;
- (f) the timing, frequency and nature of accounting statements and other records to be provided by the brokerage to the condominium corporation.
- (g) a description of the records that are to be kept by the brokerage on behalf of the condominium corporation.
- (h) interest on trust accounts holding condominium trust money must be paid to the condominium corporation.

Brokerage must
maintain trust
account

- 110.25 (1) When a brokerage, in the course of providing condominium management services, collects or holds funds on behalf of a condominium corporation it shall open and maintain at least one brokerage trust account for the deposit of funds received on behalf of the condominium corporation.
- (2) When a brokerage, in the course of providing condominium management services collects, holds or disburses funds on behalf of a condominium corporation from a brokerage trust account, it must:
- (a) for each condominium corporation on behalf of which the brokerage collects, holds or disburses money, maintain the following brokerage trust accounts:
 - (i) at least one separate operating trust account in the name of the condominium corporation;
 - (ii) if the brokerage will collect, hold or disburse reserve fund money, at least one separate trust account in the name of the condominium corporation for the reserve fund money;
 - (b) if the brokerage collects, holds or disburses special levy money, deposit the money to the appropriate trust account under subsection 110.25(2)(a) and if it will be immediately used, deposit the special levy money to the trust account under (2)(a)(i), or if it will be held on reserve, deposit the special levy money to the reserve fund trust account under 110.25(2)(a)(ii);
 - (c) in respect of money in a brokerage trust account for the condominium management services maintain a separate ledger for each condominium corporation showing all amounts received and disbursed in relation to the

condominium corporation and any unexpended balance in relation to the condominium corporation;

- (d) issue a written receipt if money is received in the form of cash;
- (e) account for all electronic bank transfers and cheques, including but not limited to void cheques, as part of the records maintained by the brokerage;
- (f) make every disbursement of money held in trust by electronic bank transfer or cheque and these documents shall be cross-referenced in sufficient detail to permit them to be identified with the corresponding disbursement or disbursements recorded in the brokerage's books required by section 25 of the Act or by these Rules;
- (g) not allow an electronic bank transfer, issue a cheque or present a cheque for payment or collection unless there is in the trust account on which it is drawn, a sufficient credit balance;
- (h) ensure that cheques used to disburse funds from a trust account are numbered and identified with the words "Trust Account"; and
- (i) ensure that the broker is an authorized signing authority for each trust account and controls the receipts and disbursements on each account.

Condominium
corporation
accounts

110.26 (1) When a brokerage, in the course of providing condominium management services collects, deposits, or disburses funds on behalf of a condominium corporation by assisting the condominium corporation in the management of the condominium corporation's accounts under the Condominium Property Act, it must:

- (a) for each condominium corporation on behalf of which the brokerage collects, deposits, or disburses money from the condominium corporation accounts, ensure the condominium corporation maintains the following accounts:
 - (i) at least one separate account in the name of the condominium corporation;
 - (ii) at least one separate account in the name of the condominium corporation for the reserve fund money, if it collects, deposits, or disburses reserve fund money;
- (b) if the brokerage collects, deposits, or disburses special levy money from the condominium corporation accounts, deposit the funds to the appropriate account under subsection 110.26(1)(a) and if it will be immediately used, deposit the special levy money to the account under subsection 110.26(1)(a)(i), or if it will be held on reserve, deposit the special levy money to the reserve fund account under subsection 110.26(1)(a)(ii);
- (c) in respect of money in an account for the condominium management services maintain a separate ledger for each condominium corporation showing all amounts received and disbursed in relation to the condominium corporation and any unexpended balance in relation to the condominium corporation;
- (d) issue a written receipt if money is received in the form of cash;
- (e) account for all electronic bank transfers and cheques, including but not limited to void cheques, as part of the records maintained by the brokerage;

- (f) make every disbursement of money held in trust by electronic bank transfer or cheque and these documents shall be cross-referenced in sufficient detail to permit them to be identified with the corresponding recorded disbursement or disbursements.
- (g) Unless authorized by the condominium corporation in the written service agreement, not be the sole signing authority on the condominium corporation accounts.

Direct
electronic
deposits

110.27 (1) Where the brokerage is in receipt of money paid to or for the benefit of the corporation as described in subsection 110.25(2), the brokerage shall keep all trust money intact and not commingle that trust money, except as otherwise authorized in writing pursuant to a resolution of the board as required under section 43.1 of the *Condominium Property Act*. This includes temporarily holding money under subsection 110.25(2) by means of direct electronic deposit into a trust account that receives funds on behalf of more than one condominium corporation.

(2) Any money collected or held pursuant to subsection (1) must be transferred to the applicable account no later than 3 business days after the day on which it was received.

Condominium
corporation
investments

110.28 When making investments on behalf of a condominium corporation, a brokerage providing condominium management services is subject to the same restrictions that apply under the *Condominium Property Act* to the condominium corporation in relation to its investments.

Termination of
condominium
management
service
agreement

110.29(1) After the termination of a condominium management service agreement, the brokerage must, as soon as possible but no later than 30 days:

- (a)
 - (i) transfer control of the condominium corporation's money to the condominium corporation or as directed; or
 - (ii) disburse the funds to the condominium corporation; or
 - (iii) if the condominium corporation engages another brokerage to provide condominium management services, transfer the funds to the other brokerage.

(b) return, at no charge, all property and documents belonging to the condominium corporation.

(2) Despite subsection (1), the brokerage may retain sufficient funds to pay outstanding invoices related to expenses on behalf of the condominium corporation incurred before the termination of the service agreement.

Trust money
connected with
other business

110.30 If the brokerage keeps in Alberta money received in trust in connection with other business, the brokerage shall keep it separate from money received in trust in connection with providing condominium management services in Alberta.

Unauthorized
payment from
trust

110.31 A brokerage shall not pay any of the brokerage's personal or general office expenses, fees or other remuneration payable to the brokerage's own authorized officials, brokers or associates from the trust accounts under subsection 110.25(2)(a).

Brokerage
management
fees

110.32 If sufficient funds are available, a brokerage shall withdraw all earned management fees from the trust account under subsection 110.25(2)(a)(i) at least once each month.

PART 4 ERRORS AND OMISSIONS INSURANCE

Division 1 – Requirements for Real Estate Brokers and Property Managers

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|-----------------------------|--|
| Definitions | <p>111 (a) This Division applies to all classes of real estate brokers and property managers and includes a brokerage, broker, associate broker and associate.</p> <p>(b) In this Division, “Real Estate Insurance Exchange Agreement” means an agreement entered into between brokerages, brokers, associate brokers and associates providing for the establishment and administration of an insurance or indemnity plan referred to in Rule 113.</p> |
| Duty to carry insurance | <p>112 Every brokerage, broker, associate broker and associate shall:</p> <p>(a) obtain insurance against liability for errors and omissions in the carrying on of the real estate business; or</p> <p>(b) participate in an indemnity plan for that purpose;</p> <p>in accordance with these Rules and through the insurance or indemnity plan or the group insurance plan referred to in Rule 113.</p> |
| Establishment of plans | <p>113 For the purpose of providing the insurance coverage referred to in Rule 112, the Board is, subject to these Rules, authorized to establish and administer:</p> <p>(a) an insurance or indemnity plan under Rule 114; or</p> <p>(b) a group insurance plan under Rule 115.</p> |
| Insurance or indemnity plan | <p>114 (1) The insurance or indemnity plan referred to in Rule 113 shall operate through a reciprocal insurance exchange to be known as the “Real Estate Insurance Exchange,” established pursuant to the Real Estate Insurance Exchange Agreement and licensed under the <i>Insurance Act</i>.</p> <p>(2) The insurance or indemnity plan shall be administered by an advisory board in accordance with the Real Estate Insurance Exchange Agreement.</p> <p>(3) The advisory board shall consist of at least five members, all of whom must be brokers, associate brokers or associates.</p> <p>(4) The Real Estate Insurance Exchange shall make the insurance required by Rule 112 available to brokerages, brokers, associate brokers and associates by means of an insurance policy, on payment of any premiums established in accordance with this section.</p> <p>(5) All matters:</p> <p>(a) necessary and incidental to the establishment and administration of the insurance or indemnity plan;</p> <p>(b) respecting the appointment, operation, powers and duties of the advisory board; and</p> <p>(c) respecting the nature and extent of the insurance provided through the plan and respecting the rights and obligations of persons under the insurance policy and in the administration of it;</p> <p>may be provided for in the Real Estate Insurance Exchange Agreement and the insurance policy.</p> |

(6) The form and content of the Real Estate Insurance Exchange Agreement and the insurance policy, both as amended or replaced from time to time, are subject to the approval of the Board.

(7) A brokerage shall maintain at every office operated by the brokerage for the purpose of trading in real estate a copy of:

- (a) the Real Estate Insurance Exchange Agreement;
- (b) the insurance policy; and
- (c) all significant documentation of a general nature that relates to the application, interpretation or administration of the Agreement or the insurance policy;

and shall make the Agreement, insurance policy and documentation available for examination by the brokerage's brokers, associate brokers and associates.

Group
insurance plan

115 (1) Where the Board wishes to establish and administer a group insurance plan referred to in Rule 113, it may enter into:

- (a) agreements with insurers, brokerages, licensees or adjusters within the meaning of the *Insurance Act*, or with any other person; and
- (b) agreements with or on behalf of brokerages, brokers, associate brokers and associates;

that it considers necessary for the establishment and administration of the group insurance plan.

(2) All matters:

- (a) necessary for and incidental to the establishment and administration of the group insurance plan; and
- (b) respecting the nature and extent of the insurance provided through the plan and respecting the rights and obligations of persons under the insurance plan and in the administration of it;

may be provided for in the agreements referred to above and the group insurance policy.

(3) The form and content of any agreements referred to above and of any group insurance policy, both as amended or replaced from time to time, are subject to the approval of the Board.

(4) The Board may charge a fee for administration relating to the establishment and administration of the group insurance plan and for loss control activities in an amount to be approved by the Board.

Notification of
contravention

116 The advisory board, in the case of an insurance or indemnity plan referred to in Rule 114, or the administrator of the group insurance plan, in the case of a group insurance plan referred to in Rule 115, shall immediately on becoming aware of a contravention by a brokerage, broker, associate broker or associate of these Rules or a term or condition of an insurance or indemnity plan or group insurance plan:

- (a) notify the brokerage, broker, associate broker or associate who is in contravention; and
- (b) where a broker, associate broker or associate is in contravention, notify the brokerage who employs the broker, associate broker or associate.

Division 2 – Requirements for Mortgage Brokers

- Definition 117 In this Division, “brokerage” means mortgage brokerage.
- Duty to carry insurance 118 (1) Every brokerage must have insurance against liability for errors and omissions and additional coverage for loss resulting from fraudulent acts in the carrying on of the business of a mortgage broker in accordance with these Rules. The errors and omissions insurance must:
- (a) be in a form of insurance and terms and conditions approved by the registrar
 - (b) include extended coverage for loss from fraudulent acts; and
 - (c) is sufficient to pay a minimum of:
 - (i) \$500,000 with respect to any one occurrence involving the brokerage or any broker or associate authorized to deal in mortgages on behalf of the brokerage; and
 - (ii) \$1,000,000 with respect to all occurrences during a 365-day period involving the brokerage or any broker or associate authorized to deal in mortgages on behalf of the brokerage.
- (2) Every mortgage brokerage shall, at all times while it holds an authorization, maintain errors and omissions insurance in the form of insurance and terms and conditions approved by the registrar.

Division 3.1 – Requirements for Condominium Managers

- Definition 118.1 This Division applies to all classes of condominium managers and includes a condominium manager brokerage, broker, associate broker and associate.
- Duty to carry insurance 118.2 (1) Every condominium manager brokerage, broker, associate broker and associate shall have insurance against liability for errors and omissions in the course of providing condominium management services in accordance with these Rules. The errors and omissions insurance must:
- (a) be in a form of insurance and terms and conditions approved by the Registrar; and
 - (b) is sufficient to pay a minimum of \$1,000,000 with respect to all occurrences during a 365-day period involving the brokerage or any broker, associate broker or associate licensed to provide condominium management services on behalf of the brokerage.
- (2) Every condominium manager brokerage shall, at all times while it holds a licence, maintain errors and omissions insurance in the form of insurance and terms and conditions approved by the Registrar.
- (3) The condominium manager brokerage shall immediately notify the Registrar in the event its errors and omissions insurance coverage is terminated or cancelled.
- Condominium corporation insurance 118.3 (1) Every condominium manager brokerage shall, upon initiating a service agreement with a condominium corporation, ensure the condominium corporation holds a current insurance policy for “Insurance Against Fraudulent or Dishonest Acts” that covers the condominium manager and other condominium manager brokerage employees providing services to the condominium corporation as required by the *Condominium Property Act* Regulation.

(2) The condominium manager brokerage shall immediately begin the process to secure replacement insurance coverage on behalf of the condominium corporation if the insurance coverage is terminated or cancelled.

Division 3 – Requirements for Real Estate Appraisers

- Definition 119 Repealed..... *(November 2020) Resolution 2020-11*
- Duty to carry insurance 120 Repealed..... *Resolution 2011-3 approved by Council May 4/11*
Resolution 2011-4 approved by Council July 5/11

**PART 5
FEES**

- Fees 121 The fees established by Council are set out in Schedule 2 of these Rules.

**PART 6
COMING INTO FORCE**

- Coming into force 122 These Rules come into force on October 1, 2006, except for Part 1 [excluding subsections 20(d) and 28(b)] and subsection 51(2), which come into force on July 1, 2006.

**SCHEDULE 1
REAL ESTATE COUNCIL OF ALBERTA**

FORMS AND CONSUMER RELATIONSHIPS GUIDE

A. The content of the following forms and guide referred to in section 60.1 is mandatory for licensees when licensees trade in residential real estate:

1. Repealed
2. Exclusive Seller Representation Agreement (common law)
3. Exclusive Buyer Representation Agreement (common law)
4. Agreement to Represent both the Buyer and Seller (common law)
5. Exclusive Seller Representation Agreement (designated agency)
6. Exclusive Buyer Representation Agreement (designated agency)
7. Agreement to Represent both the Buyer and Seller (designated agency)
8. Customer Acknowledgement (Buyers and Sellers)
9. Seller Customer Acknowledgement and Fee Agreement

A.1 The Consumer Relationships Guide referred to in section 60.1 of the Rules is mandatory for licensees trading in residential real estate. The content must not be altered by the licensee.

B. Notwithstanding the above requirement, the members of the REALTORS® Association of Lloydminster & District may use the content of the forms and guide as modified and approved from time to time by the Real Estate Council of Alberta.

The content of the following forms and guide referred to in section 60.1 of the Rules may be used by members of the REALTORS® Association of Lloydminster and District when such licensees trade in residential real estate:

1. REALTORS® Association of Lloydminster and District - Consumer Relationships Guide
2. REALTORS® Association of Lloydminster and District - Exclusive Seller Representation Agreement
3. REALTORS® Association of Lloydminster and District - Exclusive Buyer Representation Agreement
4. REALTORS® Association of Lloydminster and District – Agreement to Represent Both the Buyer and Seller

SCHEDULE 2**FEES**

(effective July 16, 2014)

Licence Fees

Brokerage licence	\$450
Initial brokerage application review (non-refundable)	\$300
Broker, associate broker, associate,	\$475
Broker, associate broker, associate, between July 1 st and September 30 th	\$275

Reinstatement Certificate (transfers during licensing year)

Broker, associate broker and associate registration	\$55
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Real Estate Assurance Fund Levies

New licensee - broker, associate broker or associate	\$100
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General Fees

Licence amendment fee	\$55
Brokerage amendment fee	\$50
Authorization, discipline & education history (3 rd party and individual requests)	\$50
Return of non-payment of any cheque used to pay any levy, fee, premium, fine, administrative penalty or other amount required to be paid	\$30
Education eligibility review (non-refundable)	\$100
Suitability review (non-refundable)	\$200
Extension for completion of re-licensing education program requirements	\$450
Extension for completion of a licensing education course	\$300
Conduct: Education upgrading per unit	\$300
Examination fee and re-write fee	\$150
Education exemption review fee	\$125
Education Course withdrawal	\$300

**SCHEDULE 3
REAL ESTATE COUNCIL OF ALBERTA**

EDUCATION CODE OF CONDUCT FOR LEARNERS

The honest pursuit of education by those engaged in learning is the cornerstone for the development and enhancement of professionalism. An individual's intellectual engagement, personal integrity and ethical conduct are inherent in the learning process and necessary for the acquisition of new knowledge and the development of new skills by that individual.

As professionals, individuals have the responsibility to gain the requisite knowledge and skills and adopt a mindset for continuous improvement to ensure they are competent in the provision of services to the public. Competent practice is foundational to maintaining the trust, respect and confidence of other professionals and the public.

The Real Estate Council of Alberta (RECA) provides pre-licensing and re-licensing education initiatives for the professions that it governs, which are real estate brokerage, property management, and mortgage brokerage. RECA education requirements include, but are not limited to, the eligibility, enrolment and participation in courses or programs, and any associated examinations. Individuals who participate in RECA's education requirements are referred to as learners. This Education Code of Conduct for Learners applies equally to industry professionals and those intending to become industry professionals.

RECA supports a principle-based approach to learning as the foundation for the development of professional conduct in practice. As such, the learner will ensure that he or she demonstrates the following principle-based code of conduct when participating in any RECA education initiative.

Principle 1

Learners will be actively engaged in their education and make their best efforts to acquire the knowledge and develop the skills as set out by the identified learning outcomes for that course or program.

Principle 2

Learners will at all times conduct themselves with honesty, integrity and respectfulness.

Principle 3

Learners may assist other learners when the assistance provided to them supports their engagement in the learning process and results in their honest acquisition of knowledge and skills.

Principle 4

Learners will support RECA's education requirements and will conduct themselves in a manner that does not undermine the integrity, efficacy and efficiency of any aspect of RECA's education.

SCHEDULE 4 EDUCATION CODE OF CONDUCT FOR LEARNERS

COMPLIANCE PROCESS AND REMEDIES

1. When the registrar becomes aware of information that suggests a learner may have failed to comply with the Education Code of Conduct for Learners, the registrar will undertake preliminary information gathering from sources the registrar deems appropriate.
2. If after conducting a preliminary review, the registrar believes there is adequate evidence of a failure to comply with the Education Code of Conduct, the registrar will commence a formal review process.
3. If the learner is a licensee, the registrar may commence one or more of the following formal processes:
 - (i) an Education Attainment Review;
 - (ii) a review under section 22 of the *Real Estate Act* Rules;
 - (iii) a review under section 34 of the *Real Estate Act* Rules;
 - (iv) a review under section 38.1 of the *Real Estate Act* Rules; and/or
 - (v) a Conduct Proceeding under Part Three of the *Real Estate Act*.
4. If the learner is not a licensee, the registrar may commence one or more of the following formal review processes:
 - (i) an Education Attainment Review;
 - (ii) a review under section 34 of the *Real Estate Act* Rules; and/or
 - (iii) a process to determine whether, in the opinion of the registrar, an Administrative Penalty should be issued in accordance with section 83 of the *Real Estate Act*.
5. When the registrar is of the opinion that the learner or another person assisting the learner has breached the *Criminal Code of Canada*, the registrar may file a complaint with the applicable law enforcement agency.
6. For purposes of Conduct Proceedings under Part Three of the *Real Estate Act* or matters relating to *Real Estate Act* section 83 or *Real Estate Act* Rules sections 22, 34, 38.1, established processes will apply.
7. An Education Attainment Review means a review of a learner's conduct to attain RECA education.
8. If the registrar conducts an Education Attainment Review, the registrar will provide the learner:
 - (i) Notice that an Education Attainment Review and evidence gathering has commenced;
 - (ii) A description of the process to be followed in the review;
 - (iii) An opportunity to provide any evidence the learner considers relevant within 15 days of notice of the commencement of the review;
 - (iv) Advice that failure to respond will result in the evidence gathering process being completed without the learner's participation; and
 - (v) Advice that evidence will also be gathered from any person or sources deemed relevant by the registrar.

9. Upon conclusion of the evidence gathering stage, and if the matter proceeds, the registrar will:
 - (i) Disclose to the learner all relevant evidence and information gathered during the Education Attainment Review;
 - (ii) Notify the learner in writing of allegations and particulars of non-compliance with the Education Attainment Review;
 - (iii) Provide the learner an opportunity to respond to the allegations by making written or oral submissions to the registrar within ten days of the learner's written notification of the allegations and particulars; and
 - (iv) Advise the learner that failure to respond will result in a decision being rendered without the learner's participation.
10. The registrar may extend time limits for the learner's provision of evidence or submissions where special circumstances warrant.
11. The registrar will decide whether the learner complied with the Education Code of Conduct for Learners.
12. If the registrar determines that the learner did not comply with the Education Code of Conduct for Learners, the registrar may:
 - A For non-licensees:
 - (i) Provide a written warning;
 - (ii) Provide a failing grade;
 - (iii) Allow the learner to resubmit the assignment or other work, or rewrite the examination;
 - (iv) Allow the learner to retake the course, program or examination as applicable;
 - (v) Suspend the learner from the course or program for a specified period of time;
 - (vi) Expel the learner from the course or program and not permit entry for a specified period of time; and
 - (vii) Refer the matter to any other process.
 - B For licensees:
 - (i) Provide an Advisory Note;
 - (ii) Provide a failing grade;
 - (iii) Allow the learner to resubmit the assignment or other work, or rewrite the examination;
 - (iv) Allow the learner to retake the course, program or exam as applicable;
 - (v) Suspend the learner from the course or program for a specified period of time;
 - (vi) Expel the learner from the course or program and not permit entry for a specified period of time; and
 - (vii) Refer matter to any other applicable process.
13. The registrar will serve a written decision on the learner.
14. The registrar's decision to:
 - (i) Provide a written warning;
 - (ii) Provide a failing grade;

(iii) Allow the learner to resubmit the assignment or other work, or rewrite the examination; and

(iv) Allow the learner to retake the course, program or examination as applicable;

is final.

15. The registrar's decision to:

(i) Suspend the learner from the course or program for a specified period of time; and

(ii) Expel the learner from the course or program and not permit entry for a specified period of time;

is appealable under section 39 of the *Real Estate Act* Rules.

16. Where the registrar makes a decision that the learner did not comply with the Education Code of Conduct for Learners, the registrar will place a copy of the decision on the learner's RECA licencing file.