



## RESIDENTIAL REAL ESTATE BROKER INDUSTRY COUNCIL

9:00 am, Tuesday, March 14, 2023

Virtual Teams Meeting

### MINUTES

- In Attendance:** Bill Briggs  
Brad Hamdon  
Brad Kopp  
Erika Ringseis  
Sano Stante, *Chair*
- Resources:** Russ Morrow  
Janice Harrington  
Warren Martinson  
Stacy Paquin  
Rina Hawkins  
Kristian Tzenov (*item #20*)
- Recording Secretary:** Christina Harrington

#### 1. Call to Order

The meeting of the Residential Real Estate Broker Industry Council ("Industry Council") was called to order at 9:03 a.m.

#### 2. In-Camera Session with the Industry Council only

The Industry Council moved in camera, and reconvened at 9:15 a.m.

#### 3. Approval of Agenda

The Chair presented the agenda of March 14, 2023.

***MOTION:** The Residential Real Estate Broker Industry Council approves the March 14, 2023 meeting agenda as presented.*

*Moved by Bill Briggs,*

*Seconded by Erika Ringseis*

*Carried*

#### 4. Conflict(s) of Interest Declared

No conflicts of interest were declared.

## 5. Chair's Opening Remarks

The Chair welcomed the Industry Council members to the meeting.

## 6. Consent Agenda

The Industry Council reviewed the consent agenda. The Action Register Update was removed from the consent agenda, for discussion.

***MOTION:** The Residential Real Estate Broker Industry Council approves the consent agenda, including the December 6, 2022 meeting minutes, and accepts for information purposes the Regulatory Activity Scorecard, as presented within the meeting package.*

*Moved by Brad Hamdon,*

*Seconded by Bill Briggs*

*Carried*

## 7. Action Register Update

The Industry Council reviewed the Action Register Update and discussed strategies to support new practitioners in the industry.

**ACTION:** Management will create a feedback process between new practitioners, brokers, and the Industry Council to identify course competency gaps, and to determine where new practitioners are proficient, and areas for improvement.

**ACTION:** Management will create a feedback loop between learners and RECA regarding course provider performance to identify areas of success and areas for improvement.

## 8. Real Estate Act Section 54 Application Process Overview (Lifetime Withdrawal)

The Registrar introduced the Lifetime Withdrawal process, section 54 of the *Real Estate Act (REA)*, and *REA* Rule 12 (lifetime licensing prohibition).

## 9. Real Estate Act Section 54 Application of Michael Emmanuel Francis

There were no conflicts declared by any member of the Industry Council with respect to the section 54 application for Michael Emmanuel Francis.

Applicant submissions: Michael Emmanuel Francis ("Applicant") was not present before the Industry Council, but previously consented to and submitted the signed *Application to Withdraw from the Industry*.

Registrar submissions: The Applicant is a licensee subject to proceedings under Part 3 of the *REA*. The Applicant submitted the *Application to Withdraw from the Industry* voluntarily, having had the opportunity to seek legal advice. At the time of the application, there is insufficient evidence of any fraud or criminal pursuant to s.54(4) of the *REA*.

***MOTION:** The Residential Real Estate Broker Industry Council approves the application of Michael Emmanuel Francis to withdraw from the industry under section 54 of the Real Estate Act.*

*Moved by Bill Briggs*

*Seconded by Brad Hamdon*

*Carried.*

#### **10. Real Estate Act Section 54 Application of Tejinder Singh Gill**

There were no conflicts declared by any member of the Industry Council with respect to the section 54 application for Tejinder Singh Gill.

Applicant submissions: Tejinder Singh Gill, (the "Applicant") was not present before the Industry Council, but previously consented to and submitted the signed *Application to Withdraw from the Industry*.

Registrar submissions: The Applicant is a licensee subject to proceedings under Part 3 of the *REA*. The Applicant submitted the *Application to Withdraw from the Industry* voluntarily, having had the opportunity to seek legal advice. At the time of the application, there is insufficient evidence of any fraud or criminal activity pursuant to s.54(4) of the *REA*.

***MOTION:** The Residential Real Estate Broker Industry Council approves the application of Tejinder Singh Gill to withdraw from the industry under section 54 of the Real Estate Act.*

*Moved by Brad Kopp*

*Seconded by Erika Ringseis*

*Carried.*

#### **11. RECA Board of Directors Report**

The Industry Council's Board member provided a report on the activities of the RECA Board of Directors ("Board").

#### **12. Industry Council Annual Evaluation Results**

The Chair presented the results of the annual self-assessment of the Industry Council (required by section 4.4 of the *REA* Bylaws). The results of the assessment were reviewed and discussed by the Industry Council.

### 13. Staggered Board and Industry Council Member Terms

Management reported that, under *REA* Bylaws, the terms of elected and appointed Industry Council members will expire simultaneously on November 30, 2023. To ensure greater stability and retention of knowledge on the Board and Industry Councils, the Board is recommending an amendment to the *REA* Bylaws to allow for staggered Board and Industry Council member terms.

The Industry Council recessed at 10:25 a.m.  
The Industry Council reconvened at 10:34 a.m.

The Industry Council provided feedback and comments for the Board on the proposed amendment to the *REA* Bylaw on staggered Board and Industry Council member terms.

### 14. Rules Review Steering Committee Update

Management presented the Rules Review Steering Committee (RRSC) consultation plan. As a stakeholder, the Industry Council will collate its requested *REA* Rule amendments during the first phase of consultation and submit to the RRSC for review and consideration.

### 15. REA Rule Amendments

#### a) *REA* Bylaws & *REA* Rules Concerning Real Estate Insurance Exchange (REIX)

Pursuant to the *REA* and *REA* Bylaws, the Board has the authority to establish and administer an insurance or indemnity plan for licensees. Through the *REA* Rules, the Industry Councils have the authority to require licensees to acquire, maintain or provide insurance against their liability for errors and omissions, and may set the amount and form of insurance, and terms and conditions. Following discussions with the Board, and in consultation with the Industry Councils and REIX, amendments to the *REA* Bylaws and Rules are being proposed with respect to REIX. The Industry Council reviewed and discussed the proposed amendments.

***MOTION:** The Residential Real Estate Broker Industry Council approves the proposed amended Real Estate Act Rules with respect to REIX as presented in "TAB 16(A)" of the meeting materials and requests the RECA Board of Directors transmit the proposed amended Real Estate Act Rules to the Minister of Service Alberta and Red Tape Reduction for final approval.*

*Industry Council Member Briggs recused himself due to a conflict of interest.*

*Moved by Brad Kopp,*

*Seconded by Brad Hamdon*

*Carried*

**b) REA Rule 20(1)(d) Criminal Record Check**

Management presented a proposed amendment to REA Rule 20(1)(d) to digitize criminal record checks, as part of RECA's efforts towards red tape reduction. Digital criminal record checks accelerate the eligibility process, and are more forgery-proof, convenient and discreet for licensees and applicants. Digital criminal record checks eliminate the need for a cumbersome mail-in or drop-off process, currently required with certified criminal record checks.

***MOTION:** The Residential Real Estate Broker Industry Council approves the proposed amendment to Real Estate Act Rule 20(1)(d) as presented in "TAB 16(B)" of the meeting materials and requests the RECA Board of Directors transmit this amendment to the Minister of Service Alberta and Red Tape Reduction for final approval.*

*Moved by Bill Briggs,  
Seconded by Erika Ringseis  
Carried*

**c) REA Rule 39 Fair Registration Practices Act (FRPA) and Labour Mobility**

Management presented that the *Alberta Fair Registration Practices Act* (FRPA), proclaimed March 1, 2020, and the *Alberta Labour Mobility Act* (LMA) (not yet in force) require regulatory bodies to carry out registration practices that are transparent, objective, impartial and procedurally fair. FRPA applies to all licence applicants (including internationally educated applicants) and LMA applies specifically to labour mobility applicants licensed in other Canadian jurisdictions. FRPA and the LMA require a process of internal review/appeal of interim registration decisions and decisions to refuse to register a licensing applicant. Management presented an amendment to Rule 39 to comply with LMA / FRPA requirements.

***MOTION:** The Residential Real Estate Broker Industry Council approves the proposed amendment to Real Estate Act Rule 39(1) as presented in "TAB 16(C)" of the meeting materials and requests the RECA Board of Directors transmit this amendment to the Minister of Service Alberta and Red Tape Reduction for final approval.*

*Moved by Brad Hamdon,  
Seconded by Brad Kopp  
Carried*

**d) REA Rules 82(1)(f) & 82(2)(f) Electronic Record Storage**

Management presented REA Rules 82(1)(f) and 82(2)(f), which permit a broker to "convert and store written, printed, or any paper records into electronic format if the following conditions are met" and "[...] (f)the

*electronic records are located in a physical premise, accessible by the broker in Alberta [...]”.*

A concern was raised that Rules 82(1)(f) and 82(2)(f) suggest electronic records must be stored at a physical location in Alberta. This may affect a broker’s ability to store information in a cloud-based storage. To provide clarity, the Registrar recommended proposed amendments to Rules 82(1)(f) and 82(2)(f) to clarify the intention that electronic records must be accessible by the broker but do not necessarily have to be stored in Alberta.

***MOTION:** The Residential Real Estate Broker Industry Council approves the proposed amendments to Real Estate Act Rules 82(1)(f) and 82(2)(f) as presented in “TAB 16(D)” of the meeting materials and requests the RECA Board of Directors transmit the amendments to the Minister of Service Alberta and Red Tape Reduction for final approval.*

***Moved by Brad Kopp,  
Seconded by Erika Ringseis  
Carried***

RESIDENTIAL REAL  
ESTATE BROKER  
INDUSTRY COUNCIL

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## **16. Additional Real Estate Act Rules Review**

### **a) Guaranteed Sales**

The Industry Council considered REA Rules 57(2), 57 and 63, relating to the practice of “Guaranteed Sales”. Brokerages that offer guaranteed sales as an incentive must ensure the advertisements do not mislead the public. The Industry Council agreed a review of REA Rules 57(2), 57 and 63 are required in the interest of public protection.

### **b) Incentives and Inducements**

The Industry Council considered REA Rules relating to incentives and inducements. An “incentive” is anything a brokerage advertises, communicates, or offers to the public to attract business. An “inducement” assists or persuades a person to enter a specific transaction, for example, an offer to pay a buyer’s legal fees to induce the buyer to proceed. The Industry Council agreed that clarity is required around the practices of incentives and inducements.

### **c) Referral to Non-Licensed Persons**

Chairman Stante raised the issue of referral to non-licensed persons, for example, where a licensee receives compensation for referring a client to another professional business (for example a lawyer, mortgage broker, or contractor). In Alberta, a brokerage can pay a referral fee to any unlicensed person if the activities of that person do not require a licence under the REA. The Industry Council will review the REA Rules relating to referrals to non-licensed persons under the RRSC initiative.

### **17. Labour Mobility Update**

Management presented that under the Canadian Free Trade Agreement (CFTA) and the Alberta Labour Mobility Act ("LMA") and Regulation (unproclaimed), RECA must register an applicant who provides proof of certification in another province/territory regardless of where they are a resident in Canada. As the "residency" of an applicant is not defined in the REA Rules, no amendments to REA Rules 16(2) or (3) are required. RECA has amended its Labour Mobility Policy to permit applicants who are licensed and/or educated in another jurisdiction, while being an Alberta-based resident, to apply to receive a licence in Alberta.

### **18. Credentialing Report and Learner Success Rates**

Management presented the credentialing report and learner success rates. The report was received as information.

The Industry Council recessed and reconvened at 11:37 a.m.

### **19. Stakeholder Engagement Policy Update**

Management presented proposed amendments to the Stakeholder Engagement Policy. The Industry Council proposed further amendments, to reinforce the need for collaboration between the Board, Industry Councils and Management with respect to engagement.

### **20. BCFSAs Teams BCFSAs Rules Regarding "Team" Registration in British Columbia - Team Lead as Associate Brokers**

Management presented that RECA is consulting with real estate brokers to determine their interest in modelling Associate Brokers as "team leads", in response to British Columbia Financial Services Authority (BCFSA)'s introduction of Real Estate Teams. Under the BCFSA, a group of two or more licensees must register as a real estate team if they advertise or make representations to the public that they are a team or group, or if they regularly work as designated agents for the same client(s), or are working together in a manner that is consistent with the licensees being implied agents of the same party.

### **21. Prohibition on the Purchase of Residential Property by Non-Canadians Act and Regulation**

Chairman Stante presented the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* and Regulation. The legislation was received as information.

## 22. Residential Measurement Standards (RMS) Committee Update

The RMS Committee Chair advised that the Board had extended the term of the Committee to March 31, 2023. The RMS Committee will provide a fulsome report on recommended changes to the RMS in due course.

## 23. In-Camera Session with the CEO

The Industry Council moved in-camera with the CEO.

## 24. In-Camera Session with Industry Council only

The Industry Council moved in-camera.

## 25. Final Adjournment

***MOTION:** The Residential Real Estate Broker Industry Council approves the final adjournment of the March 14, 2023 meeting.*

*Moved by Brad Hamdon,  
Seconded by Erika Ringseis  
Carried*

The meeting adjourned at 12:20 p.m.

## 26. Next Meeting(s)

June 13, 2023

Approved at Calgary, Alberta on June 13, 2023

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**Sano Stante,**  
Industry Council Chair