

Regulation of Real Estate Teams

Webinar for Managing Brokers

February 23, 2023

BCFSA BC Financial
Services Authority

Classification: Protected A



Agenda

- Welcome and Introductions
- Background
- New Requirements for Teams
- Team Registration
- Team Advertising
- FAQs
- Questions

Speakers

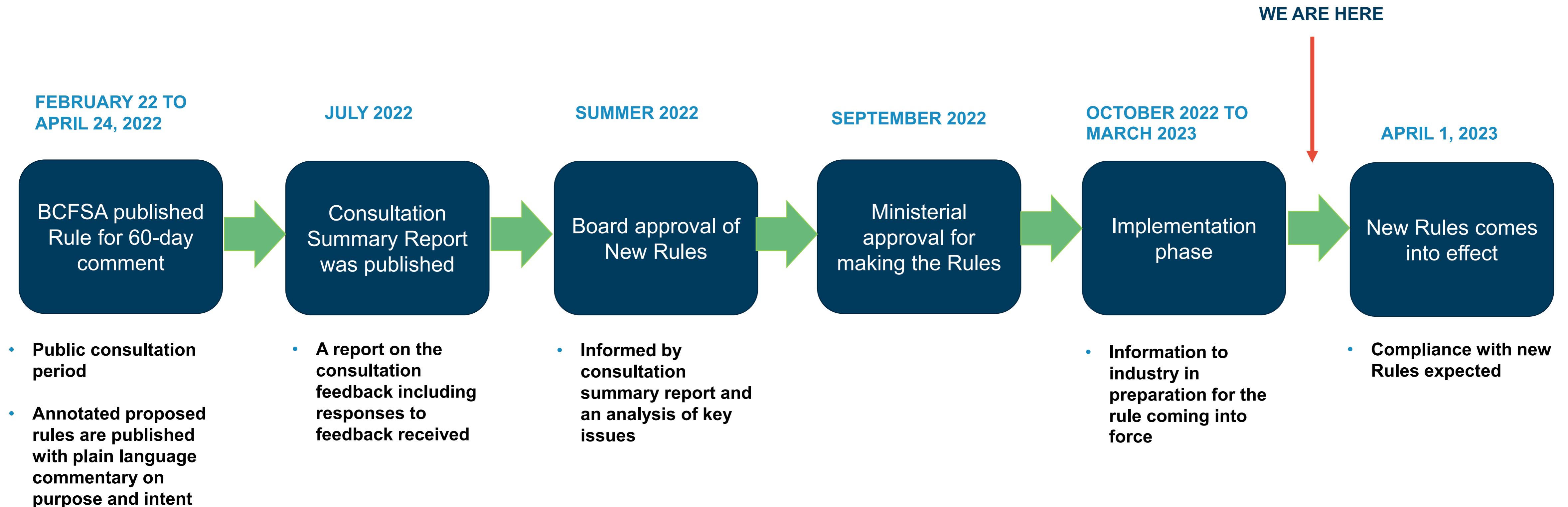
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Practice Standards Advisor

Brian Remington
Senior Policy Analyst

Background

Enhancing Regulation of Real Estate Teams

THE JOURNEY



Participation Overview

- **1,252 people** participated in the consultation.
- Of these individuals, **590 chose to provide comments** on various aspects of the proposed Rules for teams.
- **ALL comments were reviewed and considered** by BCFSA, including the few submitted via email.

Consultation Results Summary

Key Themes - Teams

- Team size
- Training and education
- Agency and teams
- Team and brokerage confusion
- Requirement to register
- Red tape

What We Heard

New Requirements for Teams

Teams Rules Come Into Effect on April 1, 2023

BE PREPARED

- All licensees need to understand how the upcoming amendments to Real Estate Services Rules may impact your business
- BCFSA has recently released updated [FAQs](#), [Guidelines](#), and [Regulatory Information](#).



Key Changes to the Rules

- Defining a “real estate team”;
- Requiring all teams to register with BCFSA; and
- Requiring advertising to identify the team’s name

The changes also clarify that:

- Teams must be composed of at least two licensed members;
- Team members cannot provide trading services outside of their team;
- Team members are collectively the designated agent of all the team’s clients;
- Licensees can only be a member of one team at a time; and
- All team members must be related to the same brokerage.

TWO OR MORE LICENSEES FROM THE SAME BROKERAGE:

- who advertise or indicate to the public that they are acting as a single entity.
- regularly engage as designated agents of the same client.
- who regularly work together in a manner that is consistent with the licensees being implied agents of the same party.

What Constitutes a Team?

- Members of a registered team with two or more licensees.
- Members of a registered team with one licensed member.
- Members of an unregistered family team who advertise under a shared last name.
- A member of a group of licensees who are acting in a team capacity and do not advertise under a joint name but otherwise represent themselves to clients as a single entity or work together on a regular basis to provide trading services
- A managing broker
- A new brokerage that is deciding on a brokerage name
- An existing brokerage whose name includes the word “team”

Who do the New Requirements Impact?

REQUIREMENTS

Licensees

- registered to a team can only provide trading services through that team.
- must not provide trading services through a team unless they are a member of the team.
- can only be registered to one team at any given time.

All members registered to a team must be licensed to the same brokerage.

Brokerages must designate all members of the team as designated agents of any client of any member of the team.

How Teams Must Operate

REQUIREMENTS

- The term “team” is not required to be included in a team name under the new Rules.
- A team name must be unique to avoid confusion with an existing team name.
- Team names must not suggest that the team is a brokerage. It must be clear to the public that your team is not a brokerage.

Team Names

CAN A LICENSED ASSISTANT WORK FOR MORE THAN ONE TEAM AT THE SAME TIME?

No. A licensed assistant is a licensee. You are therefore part of the team and can only be a member of one team at a time.

Unlicensed Assistant Considerations

HOW TEAM AGENCY WORKS

Brokerage Agency

- Not applicable to teams as all licensees at the brokerage are agents of the brokerage's clients

Designated Agency:

- The managing broker designates all team members to act as agents of all the team's clients.
- Confidentiality rules that would apply to a designated agent, apply to the entire team for each client.

Teams and Agency

WILL I BE ABLE TO PROVIDE EXCLUSIVE REAL ESTATE SERVICES TO A CLIENT IF DESIRED?

- Yes, but be careful. If a client does not wish to receive services from other team members, you **can agree** to be the only team member to deal with them.
- You must inform them that this **does not** change the team requirements, however.
- **All the team members are still their representative** and will still need to be listed on any service agreement, contract, etc.

Team Operations Considerations

Team Registration

Requirements

- A team must contain two or more licensees
- A licensee can only be a member of one real estate team at a time
- A licensee and the other team members must be working at the same brokerage
- You must not provide trading services through a real estate team unless you are a member of the team.
- Managing brokers approve the application and licensees must not conduct business through a team until your request is processed and approved by BCFSA.



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The Process

WHAT WILL IT LOOK LIKE?

- Licensees must use the IRIS portal to register a team
- Licensees will submit a PDF application through IRIS along with a non-refundable \$100 registration fee (\$50 per team member)
- Application will require approval by their managing broker.
- BCFSA will process and approve the application and send out a notification to the licensee.
- Licensees cannot advertise as a team until they receive notification approval of their application.



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Why does a Managing Broker Need to Approve a Team Application?

- Managing brokers must be aware of which licensees are part of a team to ensure that the Rules are followed, including the Rules regarding teams, advertising, and agency, among others.
- Managing brokers must be aware of any changes to teams operating within the brokerage.
- Requiring managing broker approval to form or join a team will help ensure that managing brokers can provide adequate oversight of team operations. Managing Brokers will be able to see which licensees are registered with a team in the brokerage information dashboard in IRIS.
- Managing brokers requested increased oversight of teams during previous consultations around the role of managing brokers in the industry.
- Managing brokers are responsible for ensuring that the business of the brokerage is carried out competently and in accordance with RESA, the Regulations, and the Rules.

Five New Application Forms

1. Change an existing real estate team name
2. Register a new real estate team
3. Join an existing real estate team
4. Remove a member from a real estate team
5. Deregister a real estate team



Change an existing team name application form

Used to request to have a team name change approved.

Team name(s) requested: 1) _____ 2) _____ 3) _____ Note: If you submit more than one name, please list the names in order of preference. Only one name will be approved by BCFSA.	Current team name: _____
Brokerage name: _____	
Managing broker name: _____	Managing broker signature: _____ Note: Signing this form indicates that you approve the team name(s) being requested and the team name change request.
*Team name change requests are not complete until BCFSA processes and approves the application.	

DETAILED INSTRUCTIONS, ADDITIONAL RESOURCES AND WHO TO CONTACT FOR HELP ARE PROVIDED IN THE FORM



Register a new real estate team application form

Used to request approval to register a new real estate team.

Team name(s) requested: 1) _____ 2) _____ 3) _____ Note: If you submit more than one name, please list the names in order of preference. Only one name will be approved by BCFSA.	
Please list the names of the two licensees that will form the team (additional licensees may be added later through a “Join an Existing Real Estate Team” application form): 1) _____ 2) _____ Note: Although unlicensed assistants may be part of a team, they do not count towards a team’s membership. If you include an unlicensed member in this application, it will be rejected.	
Brokerage name (all team members must be licensed by the same brokerage): _____	
Managing broker name: _____	Managing broker signature: _____ Note: Signing this form indicates that you approve the creation of this real estate team and the team name(s) being requested.
*Team registration is not complete until BCFSA processes and approves the application.	

DETAILED INSTRUCTIONS, ADDITIONAL RESOURCES AND WHO TO CONTACT FOR HELP ARE PROVIDED IN THE FORM



Join an existing real estate team application form

Used to request approval to join an existing real estate team.

Licensee name: 	Name of the team you wish to join: _____ Note: All team members must be licensed with the same brokerage.
Brokerage name: 	
Managing broker name: _____	Managing broker signature: _____ Note: Signing this form indicates that you approve the licensee's request to join an existing team.
*Team registration is not complete until BCFSA processes and approves the application.	

DETAILED INSTRUCTIONS, ADDITIONAL RESOURCES AND WHO TO CONTACT FOR HELP ARE PROVIDED IN THE FORM



Remove a member from a real estate team application form

Used to apply to leave an existing real estate team. Only the individual requesting to be removed from the team may submit

Licensee name:	Name of the team you wish to leave:
Brokerage name:	
Managing broker name:	

DETAILED INSTRUCTIONS, ADDITIONAL RESOURCES AND WHO TO CONTACT FOR HELP ARE PROVIDED IN THE FORM

Deregister a real estate team application form

Used to apply to deregister your real estate team. Any individual that is a current member of the team may submit this form on behalf of their team.

Licensee name:	Name of the team you wish to deregister:
Brokerage name:	
Managing broker name:	

DETAILED INSTRUCTIONS, ADDITIONAL RESOURCES AND WHO TO CONTACT FOR HELP ARE PROVIDED IN THE FORM

Team Advertising

Requirements

- Team name must appear on all team advertising
- Individual team members that wish to advertise on their own must also include the team name
- You can advertise unlicensed assistants, but you must identify them as unlicensed
- Team names do not have to contain the term “team”
 - It is recommended to avoid potentially misleading the public into believing the team is a brokerage



WILL I BE ABLE TO ADVERTISE AS BOTH A TEAM MEMBER AND ON MY OWN?

Yes. However, a team member can only provide trading services through their team. Advertising must identify licensee name, team name, and brokerage.

HOW LONG WILL I HAVE TO UPDATE MY ADVERTISING ONCE THE RULES COME INTO EFFECT?

April 1, 2023 – All team advertising must be compliant with the Rules by this date. This provides a little over a month to update advertising.

Questions

Enforcement

Administrative Penalties

- Each new team Rule is associated with an administrative penalty category
- Most Rules fall under category “D”, with some Rules falling under category “C”



FAQs

Q: What should I consider when joining or leaving a registered team.

- A:** Both the licensee leaving/joining a team as well as the licensee's former team must:
- Communicate the change in membership to clients, MB, and BCFA;
 - Provide updated DORTS; and
 - Update any advertising.

Q: I am mentoring a junior licensee, are we considered to be a team?

A: It depends.

- Mentoring an inexperienced licensee is an acceptable practice that may not require team registration.
- Consider if you are exclusively or routinely providing services to the same clients.
- When a mentee is included in a transaction, they should provide a DORTS.

Q: Can I provide both rental property management and trading services (If I am licensed to do so) through my team?

A: It depends.

- All members of the team must be licensed to provide rental property management services in order to do so through the team.
- If only one member is licensed, they can only provide these services outside of the team.

Q: Is the entire team responsible for the conduct of one team member?

A: It depends.

BCFSA will always consider the facts of the matter on a case-by-case basis. In cases where misconduct occurs, both the individual and the team could be held liable.

Q: Can a team be exempted from the requirement to register?

A: No. There are no exemptions to this requirement. All groups of licensees who meet the requirements to register as a team, as defined in the Rules, will be required to register with BCFSA.

Q: Can members of a team act for both buyers and sellers in a single transaction?

A: Unless the team is exempt from the restriction on dual agency, the team cannot engage in dual agency to represent both a buyer and a seller, or multiple competing buyers. This is because the members of a team are considered to be collectively the designated agent of a client.

Questions?

Ongoing Communication and Support

**BCFSA
Website**

**Brokers
Brief**

**Real Estate
Bulletin**

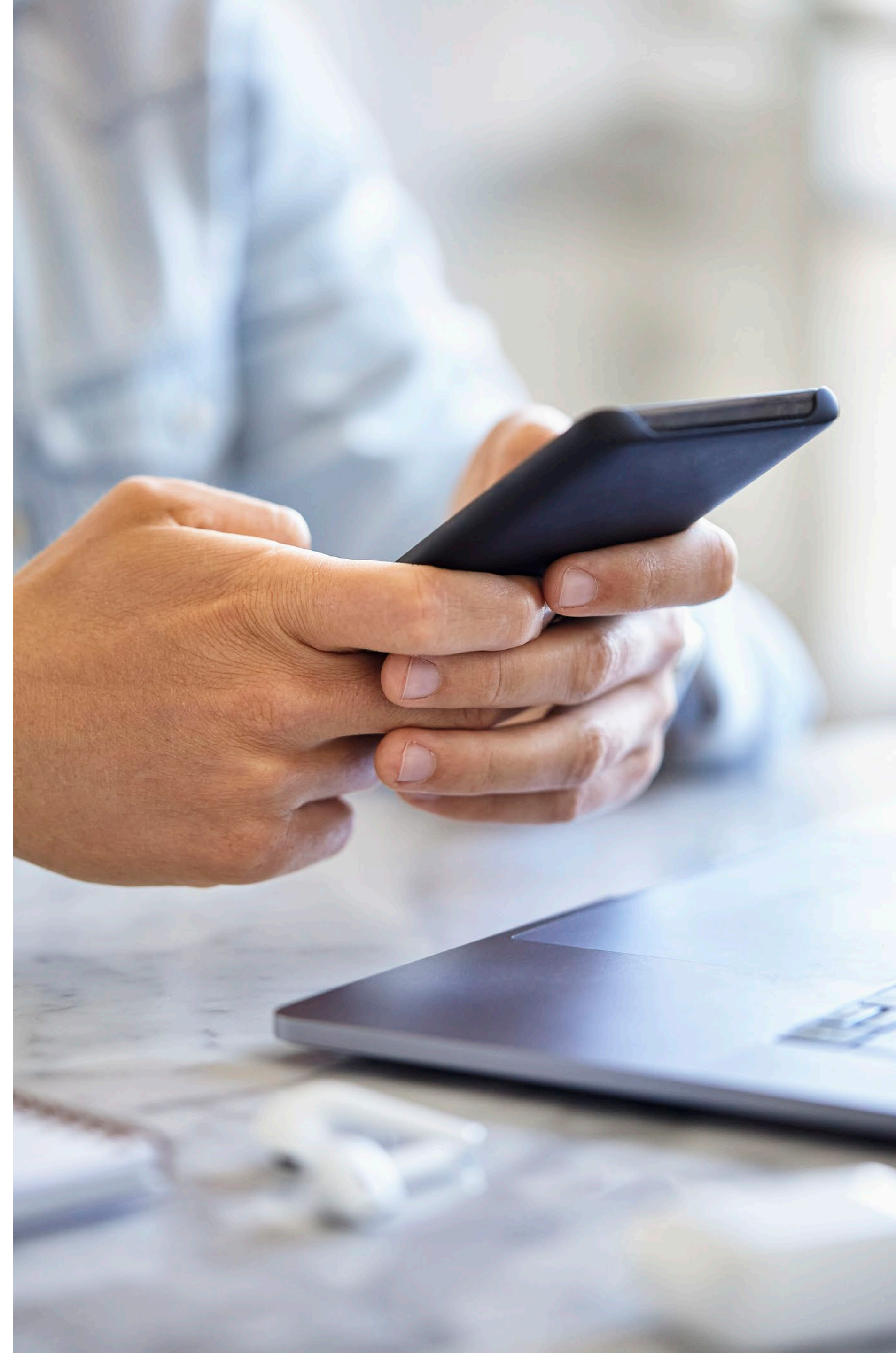
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March Webinar

SAVE THE DATE, REGISTER AND PARTICIPATE

- Practice Points: When a Client Moves Brokerages on Thursday March 30
- Look out for more information and the registration link in the Brokers' Brief.



**Thank
you.**