

Broker and Branch Manager Responsibilities

Over the course of the past several months, the Investigation Committee has become increasingly concerned with brokers and branch managers failing to meet their legislative obligations with regards to adequately supervising registrants.

As such, the Commission would like to take this opportunity to review Bylaw 711 and 712 to reiterate the legislative obligations placed upon brokers and branch managers with regards to registrant supervision.

Bylaw 712 requires a broker/branch manager to be responsible for:

- (a) *Reviewing and initialling all real estate agreements in a timely manner, including but not limited to those related to agency relationships and accepted offers to purchase;*
- (b) *Reviewing and approving all advertising to ensure compliance with the Act, the regulations and the bylaws;*
- (c) *Ensuring that the brokerage utilizes only registered personnel to perform the duties of registrants on behalf of the brokerage;*
- (d) *Providing all registrants and personnel with written policies and procedures by which they are expected to operate;*
- (e) *Taking reasonable steps to ensure that the brokerage and its registrants are in compliance with the Act, the regulations, and the bylaws; and,*
- (f) *Complying with the Succession Plan in Schedule C of these Bylaws.*

Bylaw 711 specifically requires a broker or branch manager to adequately supervise the activities of the registrants and other personnel for whom he or she is responsible. The Bylaw outlines the following factors to be considered in determining the adequacy of the supervision:

- (a) *Whether the broker or branch manager was physically available to supervise;*
- (b) *Whether the broker or branch manager had established written policies and procedures;*
- (c) *Whether the broker or branch manager held regular staff meetings to determine that policies or procedures were properly implemented;*
- (d) *Whether the broker or branch manager had undertaken all reasonable steps to ensure compliance by all salespersons and other personnel; and*
- (e) *Whether the broker or branch manager took corrective and remedial action when a violation by a salesperson or other personnel was discovered.*

Bylaw 711 also notes, however, that the Commission will not be limited to making a determination on adequacy of supervision on these factors alone.

The Commission is well aware that supervisory capacity varies greatly from brokerage to brokerage and is largely dependent on the number of transactions, branch offices, and registrants within each brokerage. However, this does not absolve one of liability under Bylaws 711 & 712.