

# Brokers May Designate an Alternate Signing Authority

Part of managing a brokerage is to have plans in place for any event. Brokers, like anyone else wished you had extra hands. We would like to remind brokers there should be someone registered with the Commission as an alternate signing authority.

Commission Bylaw 323 states that a broker, in his or her temporary absence, may appoint a registrant of the brokerage to have signing authority for the brokerage. While the intention of the bylaw is for this signing authority to be effective only in the temporary absence of the broker, it is acceptable for the holder of the signing authority to sign documents for the brokerage even though the broker is not absent provided certain requirements are met.

Delegation of a broker's duties may be appropriate:

- during temporary absences of the broker (vacation, illness, etc.)
- where the number of industry professionals in the brokerage requires additional resources to adequately supervise the activities of the brokerage
- where the brokerage has more than one office The broker should carefully consider:
  - the duties they want to delegate
  - whether the delegation is temporary or permanent

The broker remains accountable when he/she assigns responsibilities. The person to whom the signing authority has been granted must be properly qualified to sign documents on behalf of the brokerage. This person must be a registrant and preferably a registrant who is broker qualified.

The brokerage should have some written record or policy clearly setting out the tasks that have been delegated to the person holding the signing authority. Both the broker and the person holding signing authority must be clear about which of them is responsible for signing documents so that it is clear who bears responsibility for carrying out a particular task or meeting a particular obligation.