

Trust Accounts and Reporting

Bylaw 609 states:

Trust accounts shall be maintained in the brokerage's name followed by the words, "REAL ESTATE TRUST ACCOUNT" or "PROPERTY MANAGEMENT or P.M. TRUST ACCOUNT". A brokerage shall use this name only for trust accounts. This name shall appear on all trust account records including, but not limited to, deposit books and cheques.

The Commission has noticed recently on AFR submissions that some brokerages have identified the same account number as being both the real estate trust account and property management trust account. As per bylaw 609, such cannot be the case. Brokerages trading in real estate and property management must have separate accounts for “regular” real estate and property management, which must also be labelled accordingly.

Brokerages trading in Property Management are also required to have property management agreements in place between a brokerage and the landlord of the subject property. **Bylaw 617** sets out the requirements to be covered in such an agreement and specifically identifies the use and conditions of property management trust accounts.

The Commission has also noticed a number of interest reports being submitted by various financial institutions are not showing the correct name on the trust account. For example, a corporation may be called 123456789 Saskatchewan Ltd., yet is registered to trade under the name, ABC Brokerage Accurate Realty. The correct name on the accompanying trust account should read, "ABC Brokerage Accurate Realty Real Estate Trust Account", or "ABC Brokerage Accurate Realty Property Management Trust Account". Financial reports should not be filed under the name of "Accurate" or "123456789".

Please contact your financial institution and ensure that the business name registered with the Commission (if different than the corporate name), appears on all trust account documentation and instruct them to report the same. If you encounter any difficulties with this process, please contact the Commission office.

(Also see Information Bulletins, “Brokerage Annual Financial Reports” and “Brokerage Audits”, February 2017).