



RE/MAX Select Properties

#250-4255 Arbutus Street
Vancouver, B.C. V6J 4R1

OFFICE POLICY MANUAL AND GUIDELINES

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In order to make this manual more readable, RE/MAX Select Properties has adopted several conventions throughout the text. They are as follows:

Gender - *Where the masculine has been used, it is intended to mean the feminine where applicable and vice-versa.*

Plural - *Where the singular has been used, it is intended to mean the plural where applicable and vice-versa.*

Lawyer(s) - *Where the term Lawyer(s) has been used, it is also intended to mean Notary Public and vice-versa.*

RE/MAX Select Properties

OFFICE POLICY MANUAL AND GUIDELINES

There are some basic office rules and guidelines, which we must all be aware of and adhere to. These are mostly routine and common sense.

LICENSING

The Licensee will be responsible to pay all fees and/or dues to the **Real Estate Council of BC, The Real Estate Compensation Fund Corporation,** and the **Real Estate Errors and Omissions Insurance Corporation** required to keep your license active.

REAL ESTATE BOARD of GREATER VANCOUVER

RE/MAX Select Properties is a memberlink of the REBGV. It is therefore mandatory that all REALTORS® working with us become members and enjoy their many services. You are responsible to pay the monthly membership fee as itemized on your monthly office bill.

COURTESY TO YOUR FELLOW REALTORS®

RE/MAX requires you be courteous and co-operative with all fellow REALTORS®. RE/MAX co-operates with REALTORS® from other offices on Exclusive listings.

Always try to be present when showing a property. Leave your business card.

Note: Never say anything negative about your fellow REALTORS® or their Company. This is a violation of the CREA code of ethics.

STANDARDS OF BUSINESS PRACTICES

The Salesperson is required to become thoroughly familiar and comply with:

- a) Real Estate Services Act;
- b) Canadian Real Estate Code of Ethics;
- c) By-laws, Rules and Regulations of the Real Estate Board of Greater Vancouver;
- d) Real Estate Council Licensee Practice Manual;
- e) Strata Property Act;
- f) Residential Tenancy Act;
- g) All agency status and disclosure requirements including Buyer's Agency,
- h) Seller's Agency, and Dual Agency;
- i) Privacy Act; and
- j) Competition Act.
- k) FINTRAC Compliance Requirements

ENQUIRIES AND PROSPECTS

Client enquiries represent a vital source of business opportunity and must be handled with care and consideration. Our clients, whether actual or potential, deserve our full attention and professional response.

The following general procedures should be observed:

Specific calls, whether in person or by telephone, on listings, advertisements or signs, or for a specific sales representative, **must** be turned over to the sales representative who owns the call.

Should the sales representative not be immediately available, the prospect is so advised and the suggestion made that the sales representative return the call. **If the client does not wish to wait for a call back and wants service from someone else**, give that call to a sales representative in the office. In such cases, the sales representative receiving the call has the obligation to assist the caller and return the client to the first representative as soon as possible.

When a sales representative takes a call belonging to another sales representative, he/she must endeavor to procure the client's name and telephone number to forward the "owner" sales representative. Treat the client as you would one of your own.

Where time is of the essence to the client, the Branch Manager may authorize the representative to work with the prospect under a pre-determined commission-sharing format.

ENFORCEABLE AGREEMENTS AND DISCLOSURES

Under the Real Estate Services Act, everything pertaining to real Estate *has to be in writing* in order to be enforceable.

FILES

It is recommended that associates keep files of their own listings and sales, with complete notes on conversations, dates, times, etc. The office keeps records of all listings and sales, but does not have any detailed information.

WITNESSING SIGNATURES

A signature can only be witnessed if the witness watched the signatory sign. Co-owners cannot witness for each other.

ADVERTISING

It is a requirement of the Real Estate Services Act that all advertising conducted by the Salesperson shall prominently display the Broker's name and phone number. All such advertising must be approved by the Broker prior to publication.

LISTINGS

All listings, MLS or Exclusive, are the property of RE/MAX Select Properties.

All the names of the registered owners must appear on the Listing Contract, and the listing contract must be signed by all of the owners. If the property is owned by a company, the Listing Contract must be signed by the authorized signing officer(s), and must state the signing officer's position in the company, i.e., president, etc.

The Real estate profession does not afford a REALTOR® to make assumptions. When taking a listing, it is imperative that you verify all information about the property. Check independently. Example items: zoning, easement, measurements, mortgages, setbacks, road allowances, defects, etc. It is **essential** to not simply rely on the Sellers word as to certain facts.

It is best to complete all the listing information and review and verify each detail and fact with the Seller prior to having the Seller sign the listing. It is also the responsibility of the sales representative to independently verify information is correct on MLS prior to distribution.

Best business practice suggests that you should have the Seller initial beside the appropriate box indicating their Canadian status. This will ensure that an assumption regarding status was not used.

Listing Tenanted Property: You must be fully aware of the rules for selling tenanted properties. Obtain a copy of the tenancy agreement or lease.

PROPERTY DISCLOSURE STATEMENT– PDS: The Seller is obligated to complete and initial the property disclosure statement with extreme care and in full detail. Where the Seller does not live in the property, the Seller should put a line through the PDS, note that they do not live on the property, and then sign. The REALTOR® **must not** complete the PDS for the Seller.

DATA INPUT FORMS

All multiple listings must be accompanied by a Data Input Form. MLS requires all **Black Boxes** to be answered. If not, the Board may return the listing as incomplete. The Fraser Valley Board charges a penalty up to a maximum of \$100.00. Either Board may revoke Medallion points.

LOCKBOXES AND LOCKBOX KEYS

Written permission must be granted by the Seller and Tenant for the use electronic lockboxes and keys. They are available from the REBGV office and have to be picked up in person. The keys are **not to be loaned** to anyone.

MORTGAGE VERIFICATIONS

It is recommended you verify mortgage information for knowledge in dealing with possible penalties to the Seller as well as other pertinent information. These details are not usually known by the Seller. By using Mortgage Verification Forms, you have the information on paper, signed by the Bank in question.

TITLE SEARCHES

All MLS Listings are automatically searched and filed with the respective listing. A copy will be emailed to you, once initialed by the Manager. Although the manager views the search, it is up to you to research certain charges against a property to find out what the details are. You must search all exclusive listings yourself.

NOTE: Buyers must receive a copy of the title search and acknowledge receipt thereof on the contract of Purchase and Sale or Subject Removal.

TELEMARKETING CAMPAIGNS

As a best practices policy, this office does not support cold call telephone canvassing. This approach is ineffective and causes more PR damage than it provides benefit as a sales tool. Associates are encouraged to use other methods to build a Client base. Should an associate chose to use cold call telemarketing techniques, it is their responsibility to adhere to Federal Privacy Laws in doing so. This office is not in the telemarketing business.

SOLICITING EXPIRED LISTINGS

When a listing belonging to one of our fellow associates in the office expires, the seller will not be contacted as an expiry until the prior listing agent in the office is consulted.

SUGGESTIONS:

- If you know you are losing the listing, introduce someone else in the office prior to expiry and take a referral;
- Put through a cancellation before expiry and issue a new listing;
- Several days before expiry, extend the dates.

RE/MAX Select Properties LISTING COMMISSION POLICY

Multiple Listing – the cooperating agent gets 3.255% of the first \$100,000, 1.1625% thereafter; thus our rate is 7% on 1st \$100,000, 2.5% thereafter
Exclusive Listing – the cooperating agent gets 2.5575% of the first \$100,000, 1.1625% thereafter; thus our rate is 5% on 1st \$100,000, 2.5% thereafter.

These are minimum rates of commission; the salesperson is free to charge more.

The salesperson reserves the right to negotiate the amount of commission at time of an offer.

COMMISSION ADVERTISING GUIDELINES (CANADA)

RE/MAX International Inc. commission guidelines allow the franchisee brokers of its Regional Franchisors in Canada (the "RE/MAX Franchisees"), and the sales associates engaged by the RE/MAX Franchisees in Canada (the "RE/MAX Sales Associates"), maximum flexibility to decided what commission rates or fees shall be offered for the services provided and how to package those services.

Accordingly, RE/MAX Franchisees in Canada shall be entitled to set commission rates or fees independently and to advertise those rates or fees in Canada, and to empower their RE/MAX Sales Associates in Canada to set commission rates or fees independently and to advertise those rates or fees in Canada, subject to the rights and responsibilities of these RE/MAX Franchisees to supervise their RE/MAX Sales Associates, and provided that any advertisement of commission rates or fees shall disclose, in prominent letters no smaller than one half the font used for advertising the commission rates or fees, as follows: "Different commission rates, fees and listing and marketing services may be offered by other RE/MAX Franchisees and sales associates in Canada."

In addition, it shall be the responsibility of any party advertising commission rates or fees to ensure that potential clients fully understand the listing and marketing services that will be provided by that party in Canada.

CONTRACTS OF PURCHASE AND SALE

Accepted deals and certified deposit cheques,(or Bank Drafts), MUST be handed in the office immediately upon acceptance, accompanied by a transaction sheet. These documents are to be left in the SALES mail box. Be sure any special instructions are noted clearly on the transaction sheet and

the transaction sheet is complete with names, addresses, phone numbers, signatures, and dates. Buyers must receive copies of the Title Search and Property Disclosure Statement.

It is suggested that the Buyer and Seller read and initial the back page of the Contract of Purchase and Sale. This is not to form part of the contract, but is an information page only.

Subject removals: Must be turned in immediately with both parties Lawyer's names in order that an instruction letter may be sent.

One legible copy of the Contract with all Addendums and Subject Removals, WWAR brochure, signed PDS, initialed Title Search, FINTRAC Identification Form, and a copy of the deposit cheque are required by the office for every transaction. This information may be forwarded via email to be included in the file.

CLAUSES AND PHRASES

The Real Estate Council provides every Sales Associate with a License Practice Manual. The management of RE/MAX strongly recommends the use of this book in order to write proper strong and binding contracts for the benefit of the Buyer, the Seller, and yourself. Up to date Clauses and Phrases are also available from WebForms on www.realtorlink.org

DEPOSIT CHEQUES

Deposit cheques are to be handed in as soon as they are received. Cheques are to be made payable to RE/MAX Select Properties. It is suggested that you take the deposit "within 24 hours of acceptance" of the offer to avoid the deposit being late.

If selling agent is another Broker, ask for a photocopy of the cheque.

Our office policy is that the deposit must be by Certified Cheque or Bank Draft. Your contracts should reflect this. If a cheque from a Buyer has been returned NSF, immediately rectify the matter and notify the listing salesperson of the problem, the steps that are being taken and the status of the matter. If you are the Listing Agent you must also notify the Sellers. Written acknowledgement signed by the Seller will be required. Keep your Manager informed on this situation.

NOTE: The Real Estate Services Act has very strict rules regarding deposit monies. Every Real Estate office is subject to an audit on their Trust Account by the Real Estate Council at any time.

TRUST ACCOUNTS/FUNDS

We hold trust funds as "Stakeholder" between Seller and Buyer. Trust funds and excess deposits are paid only after we have received a Registration Number from the Lawyer upon completion of a transaction (or in the case of litigation, when the release has been ordered by the Courts). In releasing a deposit on a collapsed deal, a Release form must be signed by all parties to the contract.

TRANSACTION SHEETS

Transaction sheets MUST be handed in to Conveyance with the Contract on acceptance and MUST be filled in completely including: (1) full names of Sellers and Buyers with addresses & phone numbers, and Sellers residency status; (2) Lawyers/ Notaries names, addresses, phone and fax numbers; (3) Property address with full Legal Description; (4) Subject Removal dates and Deposit Increase dates (for Strata we need the name and phone number of the management company); (6) the commission rate and amount, the amount of GST, and the total amount payable to both you and the cooperating agent. Incomplete deal sheets will be put back in your mail box for completion, prior to processing. Where information is not yet available, just print "To Follow".

LAWYER -- NOTARY PUBLIC FOLLOW UP

You are advised to follow up with the Lawyer's office acting on behalf of your Seller and/or Buyer 2 to 3 days prior to Completion to make sure that everything is on time and there will be no problems on Completion day, so that the Sellers get their money on time, the Buyers take possession when they are supposed to, and last but not least, you earn your commission. Most firms will let us know that a cheque is ready for pick-up.

LETTERS OF INSTRUCTION TO LAWYERS/NOTARIES

When all subjects are removed, our conveyance will send a letter of instruction to the Lawyer chosen for conveying the title and disbursing the

funds. If there are any commission adjustments or amendments after this letter has been sent, notify our conveyance immediately.

The B.C. Bar association recommends that the Seller and Buyer be represented by two different lawyers to avoid acting in a conflict of interest. The REALTORS® should make both Sellers and Buyers aware of this.

COMMISSION CHEQUES AND DEDUCTIONS

Commissions can only be paid out when all funds are in the office, and when all of the required documents are in the transaction file.

Pay outs are typically on Tuesdays, Thursdays and some Fridays.

As an Independent Contractor, no income tax deductions are taken from your cheque. Income Tax can be deducted upon request at whatever marginal % rate has been requested in writing, by way of signing a Revenue Canada TDI-TDIX.

REALTORS BUYING OR SELLING PROPERTIES

When REALTORS® are buying or selling property, they MUST disclose on the required blue Division 2 (5-7/5-8/5-9) "Notice and Disclosure" form, as well as noting on the contract "the Seller is aware that the Buyer is licensed under The Real Estate Services Act, and has been presented a disclosure form".

Once the manager approves the Contract of Purchase and Sale and the disclosure Notice, they must sign this form and forward a copy to Conveyance to be held on file.

If you are interested in buying your own listing, you must remove yourself from the listing and advise your seller to seek legal advice. To avoid any conflict of interest, always check with your Manager first.

When selling your own property, you must declare on the Contract of Purchase and Sale that you are a licensed Realtor. **NEVER** offer dual agency to a buyer when selling your own property; this is a definite conflict of interest. Again, always check with your Manager first.

REFERRALS

Salespeople are urged to refer directly to an individual sales representative to ensure proper handling of a referral. After verbal contact is made, written confirmation of the amount and details of the referral must follow immediately. If we receive a referred client that would be better serviced by another office, we should pass the client information on (relinquishing any participation in the referral commission) and immediately advise the referring office. Do not offer to pay for an inspection. This could put you in a conflict situation.

Note: RE/MAX does not recommend an associate refer a specific mortgage broker, home inspector or lawyer to clients or customers. We recommend referring at least three firms and suggest getting quotes. Also note that the lending institution may require its own lawyer.

ABSENCES

The Salesperson shall inform the Broker at all such times as to their vacation whereabouts, their expected return, the cooperating Salesperson, and will provide reception with a vacation notification form.

Be sure to leave somebody in charge of your business whether or not you have any listings or deals pending. Always have an agreed commission/referral schedule in writing prior to your absence.

It is not recommended to use REALTORS® from outside of our office to handle business in your absence. The associates within our office are all trained and fully capable of looking after your clients. Issues regarding legal accountability and Errors and Omissions insurance coverage dictate that it is not good business practice to engage a competing office to handle your business.

Do not forget to notify your Sellers. It is a good idea to personally introduce your “temporary replacement” if you are gone for any length of time

PERSONALITY CLASHES

If it occurs that a Seller/Buyer, or a fellow associate, has a personality clash with you, do not aggravate the situation and end up in a dispute. Immediately discuss the matter with management.

DISPUTES

As Professionals, and Professional Negotiators, we should be able to work out a deal satisfactory to all parties. If you cannot come to an agreement on your own, get management involved. Deal with any dispute as soon as it arises.

Any correspondence to REBGV, the R.E. Council, or to the public in general, in response to a complaint, must be dealt with at Management level.

IN-OFFICE COMMISSION DISPUTES

If a commission dispute cannot be resolved between two REALTORS® involved, it will be handled as an arbitration in our office.

The arbitration process is as follows: each party will choose an associate to be an arbitrator; those two arbitrators will choose a third who will act as Chair. These three associate arbitrators will interview and hear all pertinent information and make a decision as to who is awarded the commission. The two realtors must agree to abide by the decision and all decisions are final. Each realtor in dispute will pay a deputation fee of \$75.00 which will be split between the three arbitrators.

PROPERTY MANAGEMENT

It is against the Real Estate Act for a REALTOR® to collect rent and act as a Property Manager without the proper licensing and trust accounts. RE/MAX Select Properties is not set up for property management - refer the party to a Property Management Company that specializes in that field.

SEMINARS

To effectively compete in today's fast changing market, RE/MAX Select strongly encourages you to continuously further your knowledge and education to remain *Outstanding Agents* producing *Outstanding Results*.

CAR INSURANCE

You are required to have your car insured for business use. We recommend at least \$2,000,000.00 liability.

INSURANCE

- the Salesperson shall review the Broker's and the Salesperson's separate contracts of professional liability insurance and comply strictly with the terms thereof.
- the Salesperson shall immediately report, in writing, any incident which may give rise to a potential claim under either of the Broker's or Salesperson's policies of professional liability insurance.
- the Salesperson shall ensure that they receive and review all correspondence from the Salesperson's insurers with respect to the conduct of the Salesperson's business.
- the Salesperson shall ensure that he/she carries adequate insurance to cover personal business contents in the office. Our insurance provider for the office policy is: Johnston Meier Insurance Agencies Group @ 1-888-755-8553. They have preferred rates for RE/MAX subscribers.

ACCOUNTS

Office accounts are left in your mail box on the 25th day of the month and are due and payable by the 1st of the following month. Accounts not paid by the 5th of the month are subject to a \$50.00 late penalty plus a daily interest surcharge of 2%.

OFFICE MEETINGS

Attendance at office meetings is expected. They are typically every second Monday at 9:30am. Reminders of meetings are emailed & paged in advance.

OFFICE SUPPLIES

Select forms, office supplies, stationery, etc. are available through Administration. **Bulk supplies must be ordered separately.**

OFFICE HOURS

The office is open Monday through Friday from 8:30am to 6:00pm and Saturday 10:00am to 4:00pm.

OFFICE USE AFTER HOURS

You may use of the office 24 hours a day for business. Supplies, however, are only available during office hours.

Please be sure the lights are dimmed and the **back and front doors are securely locked.**

COMPUTERS

The office computers require your own code for access and printing. These **codes are confidential, and should not be disclosed to anybody.**

PAGES

It is important that you answer all the pages **A.S.A.P.** Your promptness reflects on you and our office. In the event a person calls on an ad, and phones back for a second time because the page was not answered within a reasonable length of time, the call could be passed on to the associate assigned to floor duty at the time of the call.

FLOOR DUTY

Floor duty only is allocated to Sales Associates who occupy office space within the Arbutus office. If you are not in the office when the opportunity comes in, it will be turned over to the next name on the list, or to whoever is physically on site at the time.

COMPANY DRESS CODE

Business attire is required during business hours in the office, at open houses, and on appointments. This policy applies to all sales and support staff. RE/MAX Select Properties is the leading Brokerage in Vancouver, and should reflect this image to the public.

OFFICE FUNCTIONS

RE/MAX Select Properties holds two office functions annually.

- Summer BBQ
- Christmas Party

These are held to promote camaraderie and fellowship to build the team. We hope you will support these events with your attendance. A nominal charge is made to each salesperson for these events whether or not you attend.

ALCOHOL

Unless an organized event, no alcohol shall be consumed in the office.

SUGGESTIONS / FEEDBACK

Management welcomes any comments and suggestions you may have to help improve the way we do things in or out of the office or that would enhance our Professional image and/or conduct.

PRIVACY POLICY

WE VALUE YOUR PRIVACY

RE/MAX Select Properties values you as our customer and we are committed to protecting the privacy of your personal information. **WHY DO WE NEED PERSONAL INFORMATION AND WHAT DO WE DO WITH IT?**

We collect, use, retain and disclose your personal information to:

- Provide you with services to perform your duties as a Realtor
- Communicate with you
- Analyze business results
- Act as required or authorized by law

Your personal information may also be exchanged between RE/MAX of Western Canada or RE/MAX International for data processing, internal management purposes and to inform you about other services or products available. All personal information collected is safeguarded with appropriate security measures.

Your personal information is collected and used with your consent. You may withdraw your consent on reasonable notice subject to legal or contractual

obligations. Withdrawal of consent may prevent us from providing you with requested service.

WE PROTECT YOUR INFORMATION

Every department within RE/MAX Select Properties has strict procedures and standards to ensure that your personal information is handled in a confidential manner.

Our Privacy Officer is Ari Lahdekorpi @ 604-737-8865 or by e-mail: ari@rspvan.com

For the purposes of FINTRAC reporting our Privacy Officer is also deemed to be the Compliance Officer.

NOTE: Names, addresses, telephone numbers and all other information with regard to the Company clients (Sellers, Buyers etc.) are strictly confidential. No sales representative or other employee is to give or sell any of this information to any outside company, agency or person; or otherwise use any such confidential information for the sales representative's or another's benefit during or after employment with RE/MAX Select Properties.

All documents containing personal information must be shredded or have personal information blacked out prior to discarding.

COMPETITION COMPLIANCE POLICY

The commission rates or fees charged by our firm are based upon the cost and value of the services we provide our clients and customers. Our rates or fees are not determined by any agreement, understanding, recommendation or suggestion involving a competitor or any other person who is not a party to a listing agreement with our firm.

The amount of compensation that this firm offers to co-operating offices is determined by the level of service to be performed by those offices in addition to the amount of compensation necessary to foster co-operation. The compensation offered to co-operating offices is not intended, and is not to be used, to encourage or compel any competing firm to raise or lower its commission rates or fees.

Salespersons and brokers/agents affiliated with this firm shall not discuss with any person affiliated with another real estate firm the commission rates or fees charged by this or any other real estate office within our marketing and sales area.

Listing presentations shall focus exclusively on the level of quality of service provided by this office, the results we have achieved for customers and clients and the performance the client can expect in exchange for the fees we charge. Any salesperson or broker/agent who is requested to compare our services with those of a competing firm should do so by emphasizing the value of the services we provide, not by disparaging competitors.

Whenever a salesperson is uncertain about a proper response to the concerns of an actual or potential client or customer, or whenever a salesperson has been present during an unauthorized discussion on commissions or fees, he/she should immediately contact the firm's principal broker/agent or sales manager and advise them of the situation.

SEXUAL HARASSMENT POLICY

STATEMENT OF PRINCIPLE

All employees have the right to work in an environment which is free from any form of sexual harassment. Conduct which is found to be sexual harassment will be regarded as serious and may be cause for discipline including, where appropriate, termination.

DEFINITION

Sexual harassment means any conduct or comment of a sexual nature that is either likely to cause offense or humiliation

COMPLAINT PROCEDURE

Complaints of sexual harassment may be made orally or in writing to Management within a reasonable time. Circumstances will be kept confidential except where necessary for the purpose of investigating the complaint or taking related disciplinary measures.

MANAGEMENT

Management shall conduct an investigation into the complaint in such a manner as to ensure that both parties have a fair opportunity to be heard. On the basis of this investigation Management shall decide the appropriate remedy.

ALTERNATE COMPLAINT PROCEDURES

These procedures are not mandatory and are not intended to impede any person's right to file a complaint with the BC Human Rights Council or to commence proceedings in the Supreme Court of British Columbia.

HARASSMENT BY PERSONS WHO ARE NOT EMPLOYEES

An employee of the company who considers that she/he has been subjected to sexual harassment by a person who is not an employee of the company may seek the advice of or discuss the matter directly with Management. RE/MAX Select Properties is committed to taking all reasonable steps to support and assist any employee of the company who complains of sexual harassment by a person who is not an employee of the company.

FINTRAC POLICY & GUIDELINES

Real estate brokers and sales representatives have a number of obligations under the Proceeds of Crime (Money Laundering) and Terrorism Financing Act and Regulations (the PCMLTF Regime). Information regarding these obligations can be found in numerous locations, such as in the legislation itself, in Guidelines and other resources on FINTRAC's website, and in the information CREA has provided on REALTOR Link®. The purpose of this Compliance Manual is to consolidate the basic information that brokers and sales agent must know in order to comply with the PCMLTF Regime; however, you may still need to resort to other resources for more detailed information.

The obligations of real estate brokers and sales representatives (referred to as simply REALTORS® for the purpose of this Compliance Manual) under the PCMLTF Regime can be divided into three broad categories: record keeping obligations, reporting obligations, and compliance program obligations. The remainder of this Compliance Manual will also be divided into those three categories.

RECORD KEEPING OBLIGATIONS

The PCMLTF Regime establishes that whenever a REALTOR® acts as an agent in respect of the purchase or sale of real estate, they are required to create and maintain records: Client Information Records, Receipt of Funds Records, and Large Cash Transaction Records. All of these records must be maintained for FIVE (5) years. REALTORS® are also expected to keep copies of official corporate records and copies of Suspicious Transaction Reports, which will be discussed in the Reporting Obligations section in more detail.

Client Information Records

REALTORS® are required to ascertain the identity of individual clients at the time of the transaction; completing a client information record fulfills this obligation. FINTRAC defines "time of the transaction" as the time when the deed is signed. However, since REALTORS® are often not present when transactions are closed, it would be prudent to verify the client's identity prior to closing, such as when a listing is accepted or when an offer is made. If the client is a corporation or other entity, their identity must be verified within 30 days of the transaction, i.e. within 30 days of signing the deed.

The information that is required to verify the client's identity will depend on whether the client is an individual, corporation, or other entity. To verify the identity of an individual, the REALTOR® must record the client's name, address, date of birth,

and principal business or occupation. The client will need to produce a valid Provincial, Territorial, or Federal piece of ID with a unique identifier number for this purpose. Specific details as to what documents (ID) are acceptable are printed on CREA's Individual Identification Information Record, posted on www.realtorlink.ca or available in WEBForms™. Copies of this form can be printed from the Money Laundering section of the Compliance Centre on REALTOR Link®.

If the client is a corporation, REALTORS® are obligated to confirm the existence of the corporation, to determine the corporation's name and address, and to determine the names of its directors. This information can be verified using the corporation's certificate of corporate status, a record that has to be filed annually under provincial securities legislation, or any other record that confirms the corporation's existence. Similarly, if the client is an entity, the existence of the entity must be confirmed through appropriate records.

The documents used to verify the existence of the corporation do not have to be in hard copy; an electronic document may be used as long as it is a public record such as Industry Canada's Strategis federal corporations database on the Corporations Canada page of the Strategis Web site (<http://strategis.ic.gc.ca>).

If using an electronic record, the Corporation/Entity Identification Information Record should state the corporation registration number, the type of document referred to, and the source of the document. A copy of the Corporation/Entity Identification Information Record is available on www.realtorlink.ca, or in WEBForms™.

If a REALTOR® is not dealing with a client face-to-face and therefore cannot personally verify the client's identity, an agent or mandatary can be used to fulfill this obligation. If using an agent or mandatary, the PCMLTF Regime requires there to be an agreement, in writing, between the broker and the mandatary outlining what is required of the mandatary. The mandatary must then provide the client information pursuant to their agreement. An Identification Mandatary/Agent Agreement form is available on www.realtorlink.ca for this purpose.

When verifying the identity of clients, REALTORS® are required to take reasonable measures to determine if a third party is involved in the transaction. FINTRAC defines a third party as an individual or entity other than the individual who conducts the transaction. For example, if an individual "A" is conducting a transaction and they have Power of Attorney for another individual "B", then "A" would be considered the client for identification purposes and "B" would be the third party. Information about "B" would then be recorded in the Verification of Third Parties portion of the Individual Identification Information Record.

REALTORS® should also keep in mind that their obligation to verify the identity of parties to a transaction may, in some circumstances, extend beyond their own clients. If the REALTOR® is dealing with an unrepresented party, they are expected

to take reasonable measures to ascertain the identity of the unrepresented party. If unable to ascertain that party's identity, the REALTOR® should indicate in the client information record that the required information is unavailable and describe the measures taken to obtain the information. There is, however, no obligation to exchange client information with other REALTORS® if both the buyer and seller in a transaction are represented.

There are two exceptions to the client identification obligations. One, REALTORS® do not have to verify the identity of a client that they recognize and have previously identified in a past transaction. Two, REALTORS® do not need to complete a client information record if a bank is acting on behalf of the client, such as when the bank holds Power of Sale.

Receipt of Funds Record

Whenever a REALTOR® receives funds, they are required to complete and maintain a Receipt of Funds Record. Generally, the buyer's agent will complete this form; however, if there is no buyer's agent involved, the listing broker would be required to complete a Receipt of Funds Record. This record must state who the funds are received from, how the funds were received, the amount of the funds, the date of the transaction, the purpose and details of the transaction, and the number and details of any account affected by the transaction. A Receipt of Funds Record form is available on REALTOR Link® and in WEBForms™.

REALTORS® should keep in mind that a Receipt of Funds record must always be accompanied by a client identification record. Also, if the funds that are received are such that a Large Cash Transaction Record must be created, the REALTOR® may keep a copy of this record in lieu of completing a Receipt of Funds Record. There is no requirement to provide another broker office with copies of the completed Receipt of Funds Record.

Large Cash Transaction Record

If a REALTOR® receives funds totaling \$10,000 or more in cash (i.e., coins, notes issued by the Bank of Canada, and coins or bank notes of countries other than Canada), a Large Cash Transaction Record must be created and maintained.

This record must contain the amount and currency of the cash received, the date and nature of the transaction, the purpose and details of the transaction, the type of transaction, whether any other individuals or entities were involved in the transaction, how the cash was received, the number and type of any account affected by the transaction, if known, the full name of the client that holds the account, and the currency in which the accounts transactions are conducted. The REALTOR® must also verify the identity of the party providing the funds, recording all the information described above in the client information record section. The

Large Cash Transaction Record form can be printed from the FINTRAC website.

Record Keeping Policy

It shall be the Compliance Officer who develops and implements the actual filing system for the keeping of forms, or Records, required for compliance. The actual documents prepared as required for compliance are the property of the brokerage, and they shall be kept in a manner that makes them accessible within thirty (30) days of a request from FINTRAC for the brokerage to provide them. The brokerage policy, as required for compliance, is that any and all forms prepared for compliance purposes shall be kept for a period of five (5) years.

REPORTING OBLIGATIONS

REALTORS® are obligated to file reports with FINTRAC in three different situations: if they are involved in a suspicious transaction or attempted suspicious transaction, if they are involved in a large cash transaction, and if there is a property in their possession or control that is owned or controlled by a terrorist or terrorist group. Regardless of what type of report is being filed, there are a few general principles that must be kept in mind.

Reports filed with FINTRAC must be kept confidential. As a reporting person or entity, which real estate practitioners are, you are not allowed to inform anyone, including the client, about the contents of a suspicious transaction report or even that you have made such a report. Because it is important not to tip your client off that you are making a suspicious transaction report, you should not be requesting information that you would not normally request during a transaction. You are able, however, to disclose the reporting of large cash transactions.

FINTRAC also has obligations when it comes to handling confidential information. There are numerous safeguards to protect the privacy of individuals about whom information is sent to FINTRAC, including the following:

- the independence of FINTRAC from law enforcement and other agencies to which FINTRAC is authorized to disclose information;
- criminal penalties for any unauthorized use or disclosure of the personal information under FINTRAC's control;
- the requirement for police to get a court order to obtain further information from FINTRAC; and
- the application of the Privacy Act to FINTRAC.

FINTRAC is required to ensure that personal information under its control is protected from unauthorized disclosure. Information may only be disclosed to the appropriate law enforcement authorities when it has been determined that there are reasonable grounds to suspect that the information would be relevant to investigating or prosecuting a money laundering offence or a terrorist activity

financing offence.

When FINTRAC has made this determination, it discloses only designated information to law enforcement agencies. Designated information is limited to key identifying information, such as name and address, date of birth and citizenship. It also includes certain information about the transaction itself, such as the name and address of the place of business where it occurred, the date of the transaction, amount and type of currency or value of the funds, account number, etc. To obtain further information from FINTRAC, police must first get a court order.

FINTRAC may also, under specified circumstances, disclose designated information to CRA, Citizenship and Immigration, or foreign agencies with mandates similar to FINTRAC's. If FINTRAC determines that there are reasonable grounds to suspect that the information under its control would be relevant to threats to the security of Canada, designated information is disclosed to the Canadian Security Intelligence Service or CSIS.

No criminal or civil proceedings may be brought against a REALTOR® for making a report in good faith concerning a suspicious transaction. This also applies if the REALTOR® is not required to submit a report to FINTRAC, but decide to provide information voluntarily because of your suspicions of money laundering or financing of terrorist activity.

Large Cash Transaction Reports

REALTORS® must report large cash transactions when receiving \$10,000 CDN or more in cash, or an equivalent amount in a foreign currency, in the course of a real estate transaction. If two or more cash transactions of less than \$10,000 each are made within a 24-hour period by or on behalf of the same client, these are considered to be a single large cash transaction if they add up to \$10,000 or more. These transactions must also be reported. This reporting requirement is in addition to the requirement of keeping a Large Cash Transaction Record.

Large cash transactions are to be reported to your Compliance Officer, who will send the report to FINTRAC within 15 days of the transaction. All Large Cash Transaction Reports are submitted to FINTRAC electronically by completing and sending the report through FINTRAC's secure website: www.fintrac.gc.ca. The website provides instructions on how to complete a report; drop-down menus appear wherever a specific selection is required. In addition, details concerning formatting of particular information may appear at the bottom of the screen.

For all reports submitted electronically, FINTRAC issues an acknowledgement message, which can be printed from the browser window. This acknowledgement message will include the date and time that the report was received, together with a FINTRAC-generated identification number. If a Large Cash Transaction Report

contains incomplete information, FINTRAC will notify our Compliance Officer about information that must be completed or corrected. The Compliance Officer will then notify the employee concerned.

Suspicious Transaction Reports

Any REALTOR® who suspects that a transaction, or attempted transaction, may be suspicious is responsible for notifying their Compliance Officer so that a Suspicious Transaction Report can be completed. These reports are to be forwarded to FINTRAC within 30 days of the suspicion, using the following described procedure.

Some examples of suspicious transactions as they could apply to a real estate transaction are attached to this Compliance Manual.

Any person reporting a suspicious transaction must not inform anyone, including the client, about the contents of a Suspicious Transaction Report or even that such a report has been made or is to be made (except for the Compliance Officer who has a duty to ensure secrecy and store such confidential reports). The penalty for such an offence if found guilty can be up to two years in prison.

A Suspicious Transaction Report must include the date of the financial transaction, the amount and type of funds used in the transaction, how and where the funds were deposited, the branch and transit numbers of the financial institution for where the funds were deposited (include copy of cheque if possible), the account number and type of account into which the funds were deposited, the full name of the account holder, and an explanation of what led to the belief something was suspicious about the transaction. The explanation of the suspicious should include as complete and clear a description as possible of all factors or unusual circumstances that led to the suspicion of money laundering or terrorist financing.

Information that is not mandatory in a suspicious transaction report is to be provided if it is available prior to, or results from, a financial transaction. Any salesperson or other employee who suspects that a suspicious transaction should be reported to FINTRAC must supply the above information to their Compliance Officer immediately so that the electronic report can be prepared and submitted to FINTRAC within the time constraints imposed by FINTRAC.

If suspicions about a money laundering offence arise as a result of more than one transaction, all of the transactions that contributed to the suspicions are to be included in the same report and forwarded to the Compliance Officer. All Suspicious Transaction Reports are to be submitted electronically through FINTRAC's secure web site: www.fintrac.gc.ca.

Terrorist Property Reports

Anyone who knows that a client is a terrorist, or knows that a property in their possession or control is owned or controlled by a terrorist or terrorist group, must not complete the transaction. REALTORS® are obligated to complete a Terrorist Property Report and notify their Compliance Officer immediately so that a report can be filed with FINTRAC without delay. This reporting obligation applies to information about any transaction or proposed transaction for such properties.

Property, for the purpose of this reporting obligation, includes:

- any deed or instrument giving title or right to property, or giving right to money or goods
- cash, money orders, traveler's cheques, or bank accounts
- insurance policies
- securities
- real estate
- other assets

A list of known terrorist groups and individuals are available on the web sites: www.psepc.gc.ca, www.osfi-bsif.gc.ca/osfi/index_e.aspx?DetailID=525, or www.fintrac.gc.ca. Our Compliance Officer should keep a full list and description of these terrorist groups and individuals.

A Terrorist Property Report must include the reason for making the report including how possession or control of the terrorist property was obtained, how it became known that the property was terrorist property, the type of property and its actual or approximate value, the branch and transit numbers of the financial institution where the funds for the completed or proposed transaction were deposited, the account number and type of account to where terrorist funds were deposited, the amount and type of funds deposited, the full name of the account holder to where the funds were deposited, the time and date of the transaction, the type of funds or other property involved in initiating the transaction, and how the transaction was, or was proposed to be, completed.

Terrorist Property Reports must be submitted on paper to FINTRAC; copies of Terrorist Property Report forms can be printed from FINTRAC's website. To ensure that the information provided is legible, it is preferable that the report is typed. However, if the report must be completed by hand, use black ink and print using capital letters. For detailed instructions on how to complete the report, consult FINTRAC's website.

Completed reports are to be sent to FINTRAC by our Compliance Officer. Reports can be faxed to 1-866-226-2346 or mailed by registered mail to the following address:

FINTRAC Section A
234 Laurier Avenue West, 24th Floor
Ottawa, ON, K1P 1H7

In addition to making a Terrorist Property Report to FINTRAC, anyone in Canada and any Canadian outside Canada having property in their possession or control that they know is owned or controlled by or on behalf of a terrorist or a terrorist group must, by law, disclose its existence to the RCMP and to the Canadian Security Intelligence Service (CSIS) without delay. Faxes for the RCMP can be sent to 613-993-9474; faxes for CSIS can be sent to 613-231-0266. Your Compliance Officer will contact the RCMP and CSIS as required.

If you only suspect that a transaction is related to property owned or controlled by or on behalf of a terrorist or terrorist group, or you suspect that your client is a terrorist but do not know for sure, a Suspicious Transaction Report should be filed with FINTRAC.

Training Program

Our office must develop and maintain a written, ongoing compliance training program for employees, agents etc. All sales representatives and authorized officials, management, administrative staff, etc. employed by our firm, who are authorized to act on behalf of the firm, and who have contact with clients/customers, see client/customer transaction activity, or who handle cash in any way, must receive compliance training. Others with responsibilities under the compliance program, such as information technology, the appointed Compliance Officer, internal auditors or accountants, and staff responsible for designing and implementing electronic or manual internal controls, must also receive compliance training.

All new employees, administrative staff, or other persons authorized to act on the firm's behalf must receive compliance training before they begin to deal with clients/customers. Any person who changes jobs within the brokerage firm must complete compliance training to ensure that they are up-to-date with compliance policies associated with their new responsibilities.

All employees will be kept informed of any changes in the PCMLTF Regime and will be informed of current developments and changes in money laundering or terrorist activity financing schemes particular to their jobs.

Compliance training includes legislative requirements for reporting, client identification, and record keeping, a general understanding of the money laundering process and its occurrence within the real estate industry, and all agency compliance policies and procedures. Specifically, all employees, without

exception, must complete the following:

1. Complete Money Laundering 101: all five modules; provided on the CREA website www.realtorlink.ca
2. Read and understand the Money Laundering and Terrorist Financing Reference Manual
3. Read and understand the firm's Compliance Policies and Procedures

Upon completion of the above training, an employee must complete the form provided and forward it to our Compliance Officer. The Compliance Officer will file these forms as proof of employee training should FINTRAC conduct an audit and request such information.

Real Estate Specific Examples of Suspicious Transactions

- Client arrives at a real estate closing with a significant amount of cash.
- Client purchases property in the name of a nominee such as an associate or a relative other than a spouse.
- Client does not want to put his or her name on any document that would connect him or her with the property or uses different names on Offers to Purchase, closing documents, and deposit receipts.
- Client inadequately explains the last minute substitution of the purchasing party's name.
- Client negotiates a purchase for market value or above asking price, but records a low value on documents, paying the difference "under the table".
- Client sells property below market value with an additional "under the table" payment
- Client pays initial deposit with a cheque from a third party, other than a spouse or parent
- Client pays substantial down payment in cash and balance is financed by an unusual source or offshore bank
- Client purchases personal use property under corporate veil when this type of transaction is inconsistent with the ordinary business practice of the client
- Client purchases property without inspecting it
- Client purchases multiple properties in a short time period, and seems to have few concerns about the location, condition, and anticipated repair costs of each property
- Client pays rent or the amount of a lease in advance using a large amount of cash
- Client is known to have paid large remodeling or home improvement invoices with cash on a property for which property management services are provided.

FINTRAC has a responsibility to ensure compliance with legislative requirements related to money laundering and terrorist financing activities. To do this, FINTRAC can examine our compliance policies, procedures, and records. FINTRAC has the authority to refer non-compliance cases to the appropriate law enforcement agencies.

CERTIFICATION OF COMPLETION OF COMPLIANCE TRAINING

By signing this form, I certify that I have completed the following training:

1. Money Laundering 101: all modules, as provided on the CREA website www.realtorlink.ca

2. Money Laundering and Terrorist Financing Reference Manual

3. Firm's Compliance Policies and Procedures

Name: _____

Date: _____

Signature: _____

Please forward this form to the Compliance Officer.

The office Compliance Officer is Ari Lahdekorpi

Social Media Policy and Guidelines

1. You are personally responsible for any of your online activity and you should maintain a professional presence at all times so that your reputation as a Sales Associate and the reputation of RE/MAX Select Properties are not tarnished.
2. You are personally responsible for the content you publish on blogs or any other social media websites. Remember that all information published online is public.
3. Proactively disclose your true identity and affiliation with RE/MAX Select Properties, especially in any context relating to real estate.
4. When publishing content on any website in any way related to your work as a Sales Associate of RE/MAX Select Properties, a clear disclaimer that the views expressed by the author is the author's alone and do not represent the views of the company must be provided. Make your writing clear that you are speaking for yourself and not on behalf of the company.
5. Information published on your blog(s) should comply with the company's confidentiality and disclosure or proprietary data policies. This also applies to comments posted on other blogs, forums, and social networking sites.
6. Obey the law. Comply with copyright, terms of use, and disclosure laws. Do not post anything that may violate applicable state or federal laws or regulations. Plagiarism applies online as well.
7. Respect the privacy of RE/MAX Select Properties, colleagues, clients, vendors and others. Obtain written permission to publish or comment on anything that is meant to be private or internal knowledge of the company.
8. Company logos and trademarks may not be used without written consent.
9. Be respectful of others. Do not use ethnic slurs, personal insults, obscenities, or engage in any conduct that would not be acceptable in the workplace or elsewhere.
10. Do not *friend* anyone through a social network whom you do not actually know and/or have not previously corresponded with.



