

Summary: A broker may delegate the broker's duties and responsibilities to another industry member registered with the brokerage under certain conditions. [See: *Real Estate Act* Rules, s.52, s.68]

Note: For the purposes of this Information Bulletin, and where the context permits, "broker" means an individual who holds a "real estate broker" or "mortgage broker" licence issued by the Real Estate Council of Alberta.

The Real Estate Council of Alberta recognizes there are many different models of operation and management. How individual brokerages are structured and organized are decisions made by the owners and brokers. In today's environment, a broker may decide some of the duties or responsibilities of the broker specified in the *Real Estate Act* Rules will be delegated and carried out by other industry members within the brokerage.

When a broker delegates his duties or responsibilities, he remains accountable for the conduct of the delegate and all associate brokers, associates and employees of the brokerage. Additionally, brokers must be aware the requirement to provide accounting reports to RECA cannot be delegated.

The following list provides highlights of how this delegation fits within the Rules:

- The particulars of the delegation of responsibilities by the broker must be clear and in writing. They must be agreed to and understood by the broker and the delegate.
- The particulars of the delegation must be communicated to the employees and associates of the brokerage.
- The delegate must be qualified to carry out the responsibilities that have been delegated.
- The broker must have a system in place to monitor the delegate and verify that adequate supervision is being maintained.

RECA requests that brokers report the delegation to RECA in writing.

If a broker decides delegation is appropriate for the particular brokerage, the broker must maintain a reasonable level of monitoring and supervision of the delegate. This should reduce problems both from a business and regulatory perspective. The broker is still ultimately accountable for the delegate, all associate brokers, associates and employees in the brokerage.

Example

A broker who has delegated authority to an associate broker or another associate for the responsibility of recruiting and training new associates on behalf of the brokerage is still ultimately accountable for making sure the activities of the new associates are carried out in accordance with the *Real Estate Act*.