

# EFFECTIVE JANUARY 1, 2006 AND AMENDED EFFECTIVE MAY 12, 2011 AND ALL PRIOR MLS $^{\otimes}$ RULES AND POLICIES ARE THEREFORE REVOKED

# VIRTUAL OFFICE WEBSITE (VOW) RULES AND POLICIES EFFECTIVE NOVEMBER 15, 2011

THE MLS® RULES AND POLICIES ARE PUBLISHED ALONGSIDE CREA RULE 17 AND RECO CODE OF ETHICS FOR ALL MEMBERS OF THE TORONTO REAL ESTATE BOARD

# MLS® RULES AND POLICIES

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# **INTRODUCTION**

The purpose of TREB MLS<sup>®</sup> Rules and Policies (the "MLS<sup>®</sup> Rules and Policies") is to set out the requirements for the orderly, competitive and efficient operation of TREB's MLS<sup>®</sup> System.

They are designed to reflect a high standard of practice and all Members are expected to understand and abide by the RECO Rules, the CREA Rules, the MLS® Rules and Policies, and by all applicable laws and regulatory requirements.

The authority of the Board and the requirement for all Members to comply is contained in the TREB By-law. Any breach of the MLS® Rules and Policies is a breach of the TREB By-law.

Breach of an MLS® "Rule" by a Member may result in the conduct being reported to the Professional Standards Committee.

The "Policies" section is intended to assist Members in their understanding of the processes to be followed in the administration and operation of TREB's MLS® System. The "Policies" section was previously referred to as the "Regulations". From and after the effective date of these MLS® Rules and Policies, any reference to "Regulations" in any TREB form or publication will be read as a reference to "Policies".

The "Glossary" defines certain words or phrases as an aid to interpretation of these MLS<sup>®</sup> Rules and Policies in addition to any terms defined elsewhere in these MLS<sup>®</sup> Rules and Policies.

Words importing the singular number or the masculine gender shall include the plural number or feminine gender and vice versa. (Effective May 12, 2011)

#### R 100 - GENERAL

R-100

The MLS® Rules and Policies shall be interpreted in accordance with RECO Rules, the CREA Rules, and all applicable laws and regulatory requirements.

If any  $MLS^{@}$  Rules or Policies or CREA Rules conflict with the RECO Rules or any applicable laws or regulatory requirements, the conflicting  $MLS^{@}$  Rules or Policies or CREA Rules will be considered inoperative to the extent of such conflict.

(*Effective May 12, 2011*)

#### R-101

Use of TREB's MLS® System is subject to the provisions of the Authorized User Agreement as amended, restated or replaced from time to time.

#### R-105

Information published on TREB's MLS® System shall relate directly to the listed real estate and the MLS® Listing Agreement, and accordingly shall not include any information that promotes goods and services, provided that the Brokerage Remarks field may include the name, address, telephone and/or facsimile number and/or e-mail address (but not a link to that e-mail address) of Member(s) to be contacted for more information concerning the property.

#### R-106

Information published on TREB's  $MLS^{\circledR}$  System and Virtual Tour shall contain information pertaining to the property to which the  $MLS^{\circledR}$  Listing Agreement pertains and shall not include:

- (a) any internet links, e-mail links or references to any internet links; or
- (b) any information that promotes goods or services.

Furthermore, a Virtual Tour on TREB's MLS® System shall not include any information regarding any identification of the Listing Brokerage, the Listing Broker/Salesperson or the Virtual Tour Company. (Effective November 1, 2007)

# R-108

All Members shall abide by the RECO Rules, the CREA Rules, the MLS<sup>®</sup> Rules and Policies, and by all applicable laws and regulatory requirements. No Member shall act in a manner so as to attempt to deliberately avoid or circumvent TREB's MLS<sup>®</sup> System, the RECO Rules, the CREA Rules or these MLS<sup>®</sup> Rules and Policies, or any applicable laws or regulatory requirements. (Effective May 12, 2011)

# R 200 - MLS® FORMS

R-205

Current approved TREB or TREB/OREA  $MLS^{\circledast}$  Data Information Forms are required for all  $MLS^{\circledast}$  Listings.

#### R-206

No Member shall use any MLS® Listing Form after TREB has issued a specific date for discontinuance to Members.

#### R-210

Any changes to approved TREB/OREA forms shall be clearly identified and initialled by all parties to the transaction. (For permitted changes to the MLS<sup>®</sup> Listing Agreement refer to Rule R-340).

# R 300 - MLS® LISTINGS

R-301

The Listing Brokerage is responsible for the accuracy of all information submitted by the Listing Brokerage to TREB's MLS® System. TREB is not obligated to or responsible for reviewing the accuracy or propriety of any MLS® Data Information Form, MLS® Listing Agreement or Document Attachments. It is the Listing Brokerage's responsibility to verify the accuracy of the photograph, information and documentation and to correct any inaccuracy or notify TREB of any inaccuracy immediately of same as may be necessary in the circumstances.

#### R-302

By submitting an MLS<sup>®</sup> Listing to TREB's MLS<sup>®</sup> System, the Listing Brokerage represents and warrants to TREB and to all Members that a valid, complete and accurate MLS<sup>®</sup> Listing Agreement and Document Attachments that comply with the applicable requirements of the MLS<sup>®</sup> Rules and Policies is in effect between the Seller and the Listing Brokerage. The submission of a listing to TREB's MLS<sup>®</sup> System that otherwise complies with the MLS<sup>®</sup> Rules and Policies shall not affect the Listing Brokerage's ownership rights in the Listing Brokerage's MLS<sup>®</sup> Listing Agreement and Document Attachments with the Seller including the Listing Brokerage's right to market the property in accordance with the MLS<sup>®</sup> Listing Agreement and Document Attachments.

#### R-303

Should a change to Mandatory Fields be required on an MLS<sup>®</sup> Listing, the Listing Brokerage is required to process a Re-run by the date specified in the notification to the Member provided by TREB.

#### R-304

- (a) No Member shall submit an  $MLS^{\circledR}$  Listing to TREB's  $MLS^{\circledR}$  System that contravenes the TREB  $MLS^{\circledR}$  Rules or Policies and/or the TREB By-Law. TREB may, in its sole discretion, deem any such  $MLS^{\circledR}$  Listing to be invalid and either remove it from TREB's  $MLS^{\circledR}$  System or refuse to publish such  $MLS^{\circledR}$  Listing.
- (b) Without limiting the generality of the foregoing and the other provisions of the MLS<sup>®</sup> Rules or Policies, any such MLS<sup>®</sup> Listing shall not be accepted by TREB as an MLS<sup>®</sup> Listing:
  - (i) if it excludes any Members from showing the property;
  - (ii) if it excludes any Members from acting as a Co-operating Brokerage; or
  - (iii) if all Mandatory Fields have not been completed.
- (c) If a submitted MLS<sup>®</sup> Listing is deemed invalid as hereinbefore provided, TREB shall send notice to the Listing Brokerage who shall, within two (2) TREB business days, remedy the information through a Re-run, or process a Cancellation. On an "Incomplete" MLS<sup>®</sup> Listing that requires changes to Mandatory Fields, the Listing Brokerage is required to process a Re-run by the date specified in the notification to the Member provided by TREB.

(Effective May 12, 2011)

#### R-305

When requested in writing by TREB, the Listing Brokerage shall forward to TREB a copy of any documentation pertaining to an MLS<sup>®</sup> Listing Agreement within ten (10) days.

#### R-306

A Member submitting an MLS<sup>®</sup> Listing or Cancellation or a suspension of an MLS<sup>®</sup> Listing to TREB's MLS<sup>®</sup> System represents and warrants to TREB that the Member had been so authorized by the person legally entitled to sell the property and agrees to indemnify and hold TREB harmless from all claims of third parties if this is not the case.

The information relating to an MLS® Listing which has commenced but has yet to be processed or published by TREB shall be given by the Listing Brokerage to any Co-operating Brokerage, upon request.

# R-310

All property to be traded separately shall be listed separately. A Listing Brokerage may publish a property as both residential and commercial types.

#### R-312

Only one MLS<sup>®</sup> Listing for any one Trade function signed by the same Seller may be placed on TREB's MLS<sup>®</sup> System at any one time.

# R-315

- (a) A Member shall not solicit a listing which is currently listed exclusively (hereinafter "exclusively listed" or "Exclusive Agreement" refers to an Exclusive Listing and MLS<sup>®</sup> Exclusive Listing) with another Brokerage. However, if the Listing Brokerage, when asked by a Member, refuses to disclose the expiration date and the nature of such listing (i.e. an exclusive right to sell, an exclusive relationship, an open listing or other form of contractual Agreement between the Listing Brokerage and the Client), the Member may contact the owner to secure such information and may discuss the terms upon which the Member might take a future listing.
- (b) A Member shall not solicit Buyer/tenant representation agreements from Buyer/tenants who are subject to exclusive Buyer Representation Agreements. However, if a Buyer/tenant representative, when asked by a Member, refuses to disclose the expiration date of the exclusive Buyer Representation Agreement, the Member may contact the Buyer/tenant to secure such information and may discuss the terms upon which the Member might enter into a future Buyer Representation Agreement.
- (c) The fact that an Agreement has been entered into with a Member shall not preclude or inhibit any other Member from entering into a similar Agreement after expiration of the prior Agreement.
- (d) When Members are contacted by the Client of another Member regarding the creation of a relationship to provide the same type of service, and Members have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future Agreement.
- (e) The above-mentioned rules do not preclude Members from making general announcements, messages or advertisements (hereinafter referred to as "general announcements" or "announcement") to prospective Clients describing their services and the terms of their availability even though some recipients may have entered into Representation Agreements with another Member, provided such general announcements include a clear, prominent and emphasized statement that the announcement is not intended to cause or induce breach of any existing Representation Agreement. A general canvass, general mailing or distribution addressed to all prospective Clients in a given geographical area or in a given profession, Business, club or organization, or other classification or group, is deemed "general" for the purposes of this rule if it is a mass-produced announcement in identical form to the general public, or an identifiable group of the public, whether communicated by radio, television, newspaper, flyers, form letters (even though personally addressed) or computerized telephone messages.
- (f) This rule recognizes as prohibited practices two basic types of solicitations: (a) a telephone and/or personal solicitations of property owners who have been identified by a real estate sign or information on a real estate data base service operated under the MLS® or associated trademarks, or other information, as having exclusively listed their property with another Member; and (b) mail or other forms of written solicitations of prospective Clients whose properties are exclusively listed with another Member (whether listed under an "Exclusive" or "MLS®" Agreement) when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings under MLS® or identified by "for sale" or "for rent" signs or other sources of information.

- (g) Members, prior to entering into a Representation Agreement, have an affirmative obligation to make reasonable efforts to determine whether the Client is subject to a current, valid Exclusive Agreement to provide the same type of real estate service.
- (h) This rule does not preclude Members from contacting the Client of another Brokerage for the purpose of offering to provide, or entering into a listing arrangement where the original and current listing office has negotiated a Cancellation clause with the Seller, and the Seller has not otherwise indicated he/she does not wish to be solicited during the term of that contract.
- (i) This rule does not preclude Members from contacting the Client of another Brokerage for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g. property management as opposed to brokerage). However, real estate data base information received through MLS® may not be used to target Clients of other Members to whom such offers to provide services may be made.

#### R - 320

An  $MLS^{\circledR}$  Listing shall show the name of all Brokerage Members that are party to the  $MLS^{\circledR}$  Listing Agreement.

# R-325

An MLS® Listing Agreement shall run for a period of not less than sixty (60) days from the commencement date.

#### R-330

The term of an MLS<sup>®</sup> Listing shall not be reduced to fewer than sixty (60) days, calculated from the commencement date.

#### R-340

Any exclusion shall be in writing and shall not be binding on a Co-operating Brokerage unless notice of the existence of the exclusion is published on TREB's MLS® System. An MLS® Listing Agreement and Document Attachments that includes an exclusion that has the effect of limiting a Listing Brokerage's obligations that otherwise would exist under the MLS® Rules or Policies shall be subject to refusal or removal from TREB's MLS® System.

The provisions of the MLS<sup>®</sup> Listing Agreement set out under the headings:

- (a) Warranties;
- (b) Family Law Act:
- (c) Verification of Information;
- (d) Use and Distribution of Information;
- (e) Successors and Assigns; and
- (f) Conflict or Discrepancy

are necessary for the orderly operation of TREB's MLS® System and notwithstanding any other provisions of the MLS® Rules or Policies shall not be amended or deleted.

#### R-345

MLS® Listings appearing on TREB's MLS® System shall be immediately available (subject to applicable legislation, the rights of and reasonable accommodation to the occupancy) for showings, inspections and registration of Offers.

In the event an existing listing becomes unavailable for showings, inspections or registration of Offers, the listing shall be suspended.

While under suspension a record of all requests by Co-operating Brokerages for showings, inspections and registration of Offers shall be kept by the Listing Brokerage.

Upon the Seller rescinding the suspension the Listing Brokerage shall immediately notify all Cooperating Brokerages who have requested showings, inspections or registration of Offers. (Effective May 12, 2008)

#### R-360

MLS<sup>®</sup> Listings on TREB's MLS<sup>®</sup> System shall contain all information necessary for preparing an Offer for Sale, Lease or Sub-Lease.

#### R-365

In all instances when an  $MLS^{\circledR}$  Listing Agreement commences, the Listing Brokerage shall process the  $MLS^{\circledR}$  Listing through TREB's  $MLS^{\circledR}$  System within two (2) TREB business days following the commencement date of the  $MLS^{\circledR}$  Listing Agreement.

#### R-370

Where an MLS<sup>®</sup> Listing is designated as an "Office" listing in the Listing Salesperson field, the Broker of Record/Manager's name or the name of a Member who is familiar with the property shall also appear after the word "Office".

#### R-375

If the Seller directs that the Co-operating Brokerage not be in attendance during an Offer presentation, the Listing Brokerage shall indicate such requirement as an exclusion on TREB's MLS® System and provide written direction from the Seller upon request of the Co-operating Brokerage.

#### R-380

Where the lot size of a residential property is irregular, the Listing Brokerage shall report the frontage and the smaller dimension of the depth, and include the words "lot size irregular" on TREB's MLS® System.

# R-381

The Listing Brokerage shall update TREB's MLS<sup>®</sup> System within two (2) TREB business days following Cancellation or suspension of an MLS<sup>®</sup> Listing Agreement.

#### R-385

Photographs or other graphic images of a property, with wording or other embellishments not related to the property, shall not be accepted for an  $MLS^{@}$  Listing to be serviced through TREB's  $MLS^{@}$  System.

# R-390

Where realty taxes are required to appear on TREB's MLS® System, the amount to be shown shall be the current year's annual taxes or if not available the prior year's annual taxes.

# **R 400 - ADVERTISING**

# R-410

The Listing Brokerage shall ensure that any sign placed on property listed through TREB's  $MLS^{\$}$  System shall, subject to the terms of the  $MLS^{\$}$  Listing Agreement, be the Listing Brokerage's sign and shall have  $MLS^{\$}$  identification attached to it during the currency of the  $MLS^{\$}$  Listing Agreement. If such real estate is situated outside  $MLS^{\$}$  Districts N, W, C, E, then the  $MLS^{\$}$  identification shall also indicate that the property is listed through TREB's  $MLS^{\$}$  System.

(Effective May 12, 2011)

#### R-411

No Member's MLS<sup>®</sup> sign shall be placed on the property until the commencement date of the Member's MLS<sup>®</sup> Listing Agreement.

On expiry, suspension or Cancellation of an MLS<sup>®</sup> Listing Agreement, the Listing Brokerage shall remove any MLS<sup>®</sup> sign placed on the property by the Listing Brokerage immediately. (*Effective May 12, 2011*)

# R-420

No "Sold" sign other than that of the Listing Brokerage shall be placed on real estate listed through TREB's MLS® System prior to closing, without the written permission of the Listing Brokerage.

#### R-421

When a property with an MLS<sup>®</sup> sign has been Reported sold firm, a Member shall, within two (2) TREB business days, place a "sold" sign on the property or remove the "for sale" sign.

#### R-425

A Member shall promptly remove his sign from property that becomes listed by another Member for the same Trade function.

#### R-430

Members other than the Listing Brokerage may advertise an MLS® Listing only when an MLS® Listing Agreement so indicates and Members have received specific written permission from the Listing Brokerage prior to each occasion of advertising.

# R-431

Members shall not use any marketing materials prepared by or created for another Member, including but not limited to, photographs, floor plans, virtual tours, personal marketing materials or feature sheets without the written consent of that Member who created or purchased the material.

#### R-435

No Member shall advertise or represent an MLS<sup>®</sup> Listing for any use other than as permitted by law.

# R 500 - APPOINTMENTS, SHOWINGS, KEYS AND LOCK BOXES

#### R-501

Under no circumstances shall TREB be responsible for any loss suffered by any person arising out of the use of a lock box, key or security card. A Member utilizing a lock box, key or security card thereby indemnifies and saves TREB harmless from any loss suffered by TREB arising out of any claim by any person(s) arising from the use of a lock box, key or security card.

# R-505

Subject to the terms of the MLS<sup>®</sup> Listing Agreement, all appointments with the Seller to show or inspect an MLS<sup>®</sup> Listing shall be made through the Listing Brokerage, provided however that a Seller may confirm an appointment with a Member directly.

(Effective May 12, 2011)

#### R-510

Subject to the terms of the MLS<sup>®</sup> Listing Agreement, the Listing Brokerage shall (i) make appointments and confirm them without delay; and (ii) if an appointment cannot be made, the Listing Brokerage shall immediately advise the Co-operating Brokerage requesting the appointment and continue to attempt to arrange an appointment for a time suitable to all parties if requested.

(*Effective May 12, 2011*)

#### R-515

Subject to the terms of the MLS<sup>®</sup> Listing Agreement, a Member, who is unable to keep an appointment to show or inspect an MLS<sup>®</sup> Listing, shall immediately advise the Listing Brokerage prior to the appointment, who shall in turn immediately advise the Seller or occupant. (Effective May 12, 2011)

The Co-operating Brokerage or Broker or a Salesperson of the Co-operating Brokerage shall be in continuous attendance during any showing of the property, Buyer visits or inspections necessary to fulfill conditions.

#### R-530

Keys and security cards obtained from a Listing Brokerage shall only be used by Members for the purposes of inspecting or showing property to prospective Buyers. Unauthorized use of keys/security cards shall include but not be limited to:

- (a) the duplication of a key/security card
- (b) failure to return a key/security card to the office where it was picked up immediately after an inspection or showing or within an agreed upon time; or
- (c) giving out a key/security card to an unauthorized party

#### R-535

When a Listing Brokerage utilizes a Courtesy Office to hold keys or security cards, the Listing Brokerage remains responsible for all keys and security cards provided to the Courtesy Office.

#### R-540

Subject to the terms of the MLS<sup>®</sup> Listing Agreement, Members shall not use lock boxes or keys to access any property without first obtaining permission from the Listing Brokerage to access the property on each occasion.

(Effective May 12, 2011)

#### R-545

A Member shall not interfere or tamper with a lock box of another Member.

#### R-550

A Member who is in receipt of a lock box combination shall not disclose the combination to any other person without the consent of the Seller.

# R-551

Keys shall be re-deposited in a lock box immediately upon exiting the property and the lock box shall be properly secured.

#### R-555

A Member conducting a showing or inspection is solely responsible to ensure that all security precautions are taken prior to departing the property.

#### **R 600 - REPORTING OF TRANSACTIONS**

#### R-605

When an MLS<sup>®</sup> Listing is processed as both a residential and commercial MLS® Listing on TREB's MLS<sup>®</sup> System, the trade shall be reported for both MLS<sup>®</sup> Listing numbers.

### R-610

The sale, lease or sub-lease of a residential or commercial MLS<sup>®</sup> Listing shall be reported by the Listing Brokerage through TREB's MLS<sup>®</sup> System, whether conditional or firm, to TREB within two (2) TREB business days following acceptance of an Offer.

Reporting by the Listing Brokerage of a commercial sale/lease price shall contain the unit of measurement in which the original listing was posted. All changes in the status of a previously Reported conditional sale shall be Reported to TREB within two (2) TREB business days of the change.

- (a) The residential sale price shall be Reported to TREB within two (2) TREB business days of either:
  - (i) Reporting of a firm transaction; or
  - (ii) removal of all condition(s)
- (b) A commercial sale price shall be Reported either:
  - (i) at the time of Reporting a firm transaction; or
  - (ii) at the same time as Reporting a firm transaction, and request that the price be suppressed until after closing; or
  - (iii) within five (5) TREB business days of closing of the transaction.

All changes to the status of a previously Reported conditional sale, lease or sub-lease shall be Reported to TREB within two (2) TREB business days of the change.

#### R-615

Any sale during the holdover period shall be Reported to TREB within two (2) TREB business days.

#### R-616

If a firm sale falls through, or a conditional Offer does not become a firm sale, the Listing Brokerage shall Report such event to TREB within two (2) TREB business days of the happening of the event.

# **R 700 - COMMISSIONS**

#### R-705

The commission offered by the Listing Brokerage to a Co-operating Brokerage including any exclusions, incentives and/or adjustments shall be disclosed on TREB's MLS® System and be clearly and fully stated in the "Commission to Co-operating Brokerage" field. Where necessary these remarks may be continued in the "Remarks for Brokerage" field.

#### R-706

The Listing Brokerage shall ensure that the commission offered to the Co-operating Brokerage on TREB's  $MLS^{@}$  System, including any incentive and/or adjustment is in accordance with the  $MLS^{@}$  Listing Agreement.

#### R-710

The publication of an MLS<sup>®</sup> Listing on TREB's MLS<sup>®</sup> System constitutes an offer by the Listing Brokerage to any Co-operating Brokerage that upon obtaining an Offer that is accepted for the MLS<sup>®</sup> Listing the Co-operating Brokerage shall be entitled to earn the commission on TREB's MLS<sup>®</sup> System, subject to the arbitration provisions of the TREB By-law and MLS<sup>®</sup> Rules or Policies. Publication does not constitute an offer by such Listing Brokerage to pay commission as principal except as set out in Rules R-711, R-712 and R-713.

#### R-711

A Member who has a Co-brokerage Agreement with a non-Member to place a listing on TREB's MLS<sup>®</sup> System shall be acting as principal and shall, notwithstanding Rule R-710, be deemed to be making an offer as principal regarding commission to all Members.

#### R-712

When an MLS<sup>®</sup> Listing Agreement is taken for real estate located outside the Province of Ontario, the Listing Brokerage shall be acting as principal and shall, notwithstanding Rule R-710, be deemed to be making an Offer as principal regarding commission to all Members.

Where an MLS<sup>®</sup> Listing is taken for real estate in which a Member has an interest, the Member, notwithstanding Rule R-710, shall be deemed to be making an offer as principal regarding commission to all Members.

### R-715

HST shall be in addition to the amount of commission payable unless otherwise noted in the "Commission to Co-operating Brokerage" field.

(Effective May 12, 2011)

#### R-720

If HST applies to a sale then commission to the Co-operating Brokerage shall be based on the sale price less HST, unless otherwise stated on TREB's MLS® System.

(Effective May 12, 2011)

#### R-725

For a commercial lease or sub-lease transaction, the commission offered to the Co-operating Brokerage shall indicate whether commission is calculated on gross, semi-gross or net basis, and whether based on usable or rentable area.

#### R-730

If a Member is unwilling to accept the commission offered on TREB's MLS® System, such Member may request a change before an Offer is signed, and shall not use the terms of an Offer or an Agreement of Purchase and Sale to include or modify such commission. Any agreed upon change shall be separate and in writing. A Listing Brokerage may unilaterally refuse to change such commission.

#### R-740

Commission offered to a Co-operating Brokerage on TREB's MLS® System shall not be altered between the time of registration of an Offer and final acceptance of that Offer.

#### R-745

If a full commission otherwise earned by a Member is not received within ten (10) days of the completion of the transaction, and where the deposit holder is a Member, the deposit shall be disbursed proportionately, forthwith unless otherwise agreed to in writing by the Co-operating Brokerage. At the time of such payment the Listing Brokerage shall fully disclose in writing to the Co-operating Brokerage the total commission provided for in the Listing Agreement and all facts and circumstances relating to non-payment of the full commission.

#### R-750

The commission earned by a Co-operating Brokerage is due and payable within ten (10) days of receipt of funds by a Listing Brokerage.

# R-755

Unless a Co-operating Brokerage is pursuing a Claim as defined in Rule R-760, a Co-operating Brokerage shall not, subject to the terms of the MLS<sup>®</sup> Listing Agreement, communicate directly or indirectly with the Seller or the Seller's solicitor with respect to collecting a commission without the written permission of the Listing Brokerage.

(Effective May 12, 2011)

When the full commission is not paid to the Listing Brokerage in accordance with the amount stated on the MLS® Listing Agreement (or as amended, if applicable), the Listing Brokerage and the Co-operating Brokerage shall decide whether to pursue legal or other action against the Seller and/or others in connection with the collection of the balance of the commission. If they agree to pursue a claim they will share costs of the claim on a basis proportionate to the sharing of commission unless they otherwise agree in writing.

If the Listing Brokerage does not agree to pursue a claim as provided in the immediately preceding paragraph, the Co-operating Brokerage may, within thirty (30) days of the closing of the transaction, by written notice (the "Notice") to the Listing Brokerage requiring the Listing Brokerage to either (a) make immediate payment to the Co-operating Brokerage of the full amount of the commission payable to the Co-operating Brokerage indicated on TREB's MLS® System (the "Co-operating Brokerage's Commission") or (b) take such steps as are necessary for the Co-operating Brokerage to pursue a claim (a "Claim") for the commission provided for in TREB's MLS® Listing Agreement (the "Full Commission").

The Listing Brokerage shall, within ten (10) days following receipt of the Notice (the "Notice Period") (a) either pay the Co-operating Brokerage's Commission or (b) take the necessary steps in writing in all circumstances for the Co-operating Brokerage to pursue a Claim. Such steps may include but shall not necessarily be limited to permitting the Co-operating Brokerage to sue in the name of the Listing Brokerage and/or an assignment for nominal consideration by the Listing Brokerage to the Co-operating Brokerage of the debt represented by the unpaid commission provided for in TREB's MLS® Listing Agreement.

If the Listing Brokerage fails to respond to the Notice within the Notice Period or if the Listing Brokerage elects to take steps to enable the Co-operating Brokerage to pursue a Claim but thereafter fails to take all steps reasonably necessary to facilitate the Claim, the Listing Brokerage shall be deemed to have elected to pay the Co-operating Brokerage's Commission to Co-operating Brokerage and shall forthwith make such payment.

If Co-operating Brokerage pursues a Claim, it shall have sole carriage of the Claim, including, without limitation, the right to select and instruct counsel, to accept any settlement and compromise of the claim and to discontinue the claim at any time. All costs incurred by Co-operating Brokerage in connection with pursuing a Claim shall be solely for the account of the Co-operating Brokerage. Any costs incurred by the Listing Brokerage in facilitating the Claim will be solely for the account of the Listing Brokerage.

All amounts actually received by the Co-operating Brokerage as result of pursuing a Claim shall be applied to the extent available first to the Co-operating Brokerage's costs of pursuing the Claim, second to the satisfaction of the Co-operating Brokerage's Commission (including any HST thereon) with any amount remaining thereafter to be shared 50% to the Co-operating Brokerage as compensation for having carriage of the claim and 50% to the Listing Brokerage. (Effective October 2008)

# R-765

If the holdover clause in an MLS® Listing Agreement is enforced and commission is paid, such commission, after deduction of legal and collection costs, shall be divided between the Brokerages involved in the transaction on a basis proportionate to the sharing of commission unless they otherwise agree in writing.

# R 800 – VIRTUAL OFFICE WEBSITES (Effective November 15, 2011)

R\_801

Unless defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Glossary contained in the MLS® Rules and Policies.

A "Virtual Office Website" or "VOW" is a Member's secure password-protected internet website, or a feature of a Member's internet website, through which the Member is capable of providing real estate brokerage services to consumers with whom the Member has first established a broker-consumer relationship (as may be designated by provincial and/or federal law) where the consumer has the opportunity to search Listing Information, subject to the Member's oversight, supervision, and accountability. A broker or salesperson registered with a Member may, with his broker of record's consent, operate a VOW. Any VOW of a broker or salesperson is subject to the Member's oversight, supervision, and accountability.

"Member" shall have the meaning designated in Article 2 of the By-laws and shall also include a Member's brokers and salespersons (with the exception of references to "Member's consent", and "Member's oversight, supervision, and accountability"). References to "VOW" and "VOWs" include all VOWs, whether operated by a Member, by a Member's broker or salesperson, or by an AVP on behalf of a Member.

"Affiliated VOW Partner" or "AVP" refers to an entity or person designated by a Member to operate a VOW on behalf of the Member, subject to the Member's supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the TREB MLS® by virtue of its right to receive information on behalf of a Member. No AVP has the right to use Listing Information except in connection with operation of a VOW on behalf of one or more Members. Access by an AVP to Listing Information is derivative of the rights of the Member on whose behalf the AVP operates a VOW.

# R-802

The right of a Member's VOW to display Listing Information in response to Consumer searches is limited to the display of MLS® data supplied by TREB, in accordance with the VOW Policy and VOW Rules, and in which MLS® data the Member has member rights. However, a Member with offices participating in different real estate boards or associations may operate a master website with links to the VOWs of its other offices.

# R-803

Subject to the provisions of the VOW Policy and these VOW Rules, a Member's VOW, including any VOW operated on behalf of a Member by an AVP, may provide other features, information, or functions in addition to VOWs including the Internet Data Exchange ("IDX") function.

#### R-804

Except as otherwise provided in the VOW Policy or in these VOW Rules, a Member need not obtain separate permission from other TREB Members whose Listings will be displayed on the Member's VOW.

# R-805

Before permitting any Consumer to search for or retrieve any Listing Information on a Member's VOW, the Member must take each of the following steps:

(i) The Member must first establish with that Consumer a lawful broker-consumer relationship (as may be designated by provincial and/or federal law), including, where necessary, completion of any actions required by provincial and/or federal law in connection with providing real estate brokerage services to clients and customers ("Consumer" or "Consumers"). Such actions may include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

- (ii) The Member must obtain the name of, and a valid email address for, each Consumer. The Member must send an email to the address provided by the Consumer confirming that the Consumer has agreed to the Terms of Use (described in Rule 809 below). The Member must verify that the email address provided by the Consumer is valid and that the Consumer has agreed to the Terms of Use.
- (iii) The Member must require each Consumer to have a username and a password, the combination of which is different from those of all other Consumers on the VOW. The Member may, at the Member's option, supply the username and password or may allow Consumers to establish their username and password. The Member must also assure that any email address is associated with only one username and password.

The Member must ensure that each Consumer's password is valid for no more than 90 days but may provide for renewal of the password. The Member must, at all times, maintain a record of the name, email address, username, and current password of each Consumer. The Member must keep such records for not less than 180 days after the expiration of the validity of the Consumer's password.

#### R-807

A Member's VOW shall include any copyright notice as may be provided by TREB from time to time regarding TREB's copyright in MLS<sup>®</sup> data.

# R-808

If TREB has reason to believe that a Member's VOW has been the cause of, or permitted a breach in, the security of Listing Information or a violation of MLS<sup>®</sup> Rules and Policies (including the VOW Rules), the Member shall, upon request of TREB, provide the name, email address, username, and current password, of any Consumer suspected of involvement in the breach or violation. The Member shall also, if requested by TREB, provide an audit trail of activity by any such Consumer.

#### R-809

The Member shall require each Consumer to review, and to affirmatively express agreement (by mouse click or otherwise) to, a "Terms of Use" agreement that provides at least the following:

- (i) That the Consumer acknowledges entering into a lawful broker-consumer relationship with the Member.
- (ii) That all Listing Information obtained by the Consumer from the VOW is intended only for the Consumer's personal, non-commercial use.
- (iii) That the Consumer has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW.
- (iv) That the Consumer will not copy, redistribute, retransmit, or otherwise use any of the data or Listing Information provided, except in connection with the Consumer's consideration of the purchase or sale of an individual property.
- (v) That the Consumer will not, directly or indirectly, display, post, disseminate, distribute, publish, broadcast, transfer, sell or sublicense any Listing Information to another individual or entity. The prohibited uses expressly include "scraping" (including "screen scraping" and "database scraping"), "data mining" or any other activity intended to collect, store, re-organize, summarize or manipulate any Listing Information or any related data.
- (vi) That the Consumer acknowledges TREB's ownership of, and the validity of TREB's proprietary rights and copyright in, the MLS<sup>®</sup> database, TREB's MLS<sup>®</sup> System, Listing Information and any related information.

The Terms of Use agreement may not impose a financial obligation on the Consumer or create any representation agreement between the Consumer and the Member. Any agreement entered into at any time between the Member and Consumer imposing a financial obligation on the Consumer or creating representation of the Consumer by the Member must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

#### R-811

The Terms of Use agreement shall also expressly authorize TREB, and other Members of TREB or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS® Rules and Policies (including the VOW Rules) and monitoring the display of Members' Listings by the VOW. The Terms of Use agreement may also include such other provisions as may be agreed to between the Member and the Consumer.

#### R-812

A Member's VOW must prominently display an email address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a Consumer can contact the Member to ask questions, or get more information, about any property displayed on the VOW. The Member, or a broker or salesperson registered with the Member, must be willing and able to respond knowledgeably to inquiries from Consumers about Listings within the market area served by that Member and displayed on the VOW.

#### R-813

A Member's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", "data mining" and other unauthorized, access, reproduction, or use of Listing Information, the MLS® database, MLS® data and any related information. A Member's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by TREB; and shall maintain an audit trail of Consumers' activity on the VOW and make that information available to TREB if TREB has reason to believe that any VOW has been the cause of, or permitted a breach in, the security of the MLS® data or a violation of applicable MLS® Rules and Policies (including the VOW Rules).

# R-814

- (a) A Member's VOW shall not display Listings or property addresses of any seller who has affirmatively directed the listing brokerage to withhold the seller's Listing or property address from display on the internet. The listing brokerage shall communicate to TREB that the seller has elected not to permit display of the Listing or property address on the internet. Notwithstanding the foregoing, a Member who operates a VOW may provide to Consumers via other delivery mechanisms, such as email, fax, or otherwise, the Listings of sellers who have determined not to have the Listing for their property displayed on the internet.
- (b) A Member who lists a property for a seller who has elected not to have the Listing or the property address displayed on the internet shall cause the seller to execute a document that so indicates.
- (c) The Member shall retain such documents for at least one year from the date they are signed, or one year from the date the Listing expires or is terminated, whichever is later.

- (a) Subject to subsections (b) and (c), a Member's VOW may allow third-parties to: (i) write comments or reviews about particular Listings or display a hyperlink to such comments or reviews in immediate conjunction with particular Listings, or (ii) display an automated estimate of the market value of the Listing (or hyperlink to such estimate) in immediate conjunction with the Listing.
- (b) Notwithstanding the foregoing, at the request of a seller, the Member shall disable or discontinue either or both of those features described in subsection (a) as to any Listing of the seller. The listing brokerage or salesperson shall communicate to TREB that the seller has elected to have one or both of these features disabled or discontinued on all Members' websites. Subject to the foregoing and to Rule 816, a Member's VOW may communicate the Member's professional judgment concerning any Listing. A Member's VOW may notify its Consumers that a particular feature has been disabled "at the request of the seller."
- (c) In the event that a Member's VOW allows third parties to post comments or reviews on its VOW, or to display a hyperlink to such comments or reviews, the Member's Terms of Use shall include the following:
  - i) that the Consumer agrees not to assert any ownership rights of any kind in Listing Information or any related data;
  - ii) that TREB shall not be responsible or liable, directly or indirectly, in any way, for any loss or damage of any kind incurred as a result of, or in connection with a Consumer's use of, or reliance on Listing Information, any related data, and/or posted or hyperlinked comments or reviews; and
  - iii) that TREB does not endorse any posted or hyperlinked comments or reviews.

#### R-816

A Member's VOW shall maintain a means (e.g., email address, telephone number) to receive comments from the listing brokerage about the accuracy of any information that is added by or on behalf of the Member beyond that supplied by TREB and that relates to a specific property displayed on the VOW. The Member shall correct or remove any untrue, deceptive or misleading information relating to a specific property within 48 hours following receipt of a communication from TREB or the listing brokerage explaining why the data or information is untrue, deceptive or misleading. The Member shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

# R-817

A Member shall cause the Listing Information available on its VOW to be refreshed at least once every 24 hours.

#### R-818

Except as provided in these VOW Rules, the VOW Policy, or any other applicable MLS® Rules and Policies, no Member shall distribute, provide, or make accessible any portion of the MLS® database or Listing Information to any person or entity.

#### R-819

A Member's VOW must display the Member's privacy policy boldly informing Consumers of, and obtaining Consumers' consent to, all of the ways in which Personal Information that they provide may be collected, used, or disclosed including the fact that Personal Information may be shared with TREB for auditing and/or legal purposes.

#### R-820

A Member's VOW may exclude Listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price and type of property.

A Member who intends to operate a VOW to display Listing Information must notify TREB in writing of its intention to establish a VOW and must make the VOW readily accessible to TREB and to all TREB Members for purposes of verifying compliance with these VOW Rules, the VOW Policy, and any other applicable MLS® Rules and Policies.

#### R-822

A Member may operate more than one VOW himself or herself or through an AVP. A Member that operates its own VOW may contract with an AVP to have the AVP operate other VOWs on its behalf. However, any VOW operated on behalf of a Member by an AVP is subject to the Member's oversight, supervision, accountability and the terms of the VOW Policy.

#### R-823

A Member, whether through a Member's VOW or by any other means, may not make available for search by, or display to, Consumers the following MLS® data intended exclusively for other Members and their brokers and salespersons, subject to applicable laws, regulations and the RECO Rules:

- (a) Expired, withdrawn, suspended or terminated Listings, and pending solds or leases, including Listings where sellers and buyers have entered into an agreement that has not yet closed;
- (b) The compensation offered to other Members;
- (c) The seller's name and contact information, unless otherwise directed by the seller to do so;
- (d) Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property; and
- (e) Sold data, unless the method of use of actual sales price of completed transactions is in compliance with RECO Rules and applicable privacy laws.

#### R-824

A Member shall not change the content of any Listing Information that is displayed on a VOW from the content as it is provided in TREB's MLS<sup>®</sup> System. The Member may, however, augment Listing Information with additional information not otherwise prohibited from display by these VOW Rules or by other applicable MLS<sup>®</sup> Rules and Policies (including the VOW Rules) as long as the source of such other information is clearly identified. This rule does not restrict the format of display of Listing Information on VOWs or the display on VOWs of fewer than all of the Listings or fewer than all of the authorized information fields

#### R-825

A Member shall cause to be placed on the Member's VOW a notice indicating that the Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by TREB. A Member's VOW shall include other appropriate disclaimers necessary to protect the Member and/or TREB from liability.

# R-826

A Member shall cause any Listing that is displayed on the Member's VOW to identify the name of the listing brokerage or salesperson in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the typeface used in the display of Listing Information.

#### R-827

A Member shall limit the number of Listings that a Consumer may view or retrieve, to not more than 100 Listings in response to any inquiry.

A Member shall cause any listing displayed on the Member's VOW that is obtained from other sources to identify the source of the Listing.

#### R-829

A Member shall cause any listing displayed on the Member's VOW obtained from other sources to be searched separately from Listings in the  $MLS^{\otimes}$  database.

# R-830

Members and the AVPs operating VOWs on their behalf must execute the license agreement required by TREB.

# R-831

Where a seller affirmatively directs their listing brokerage to withhold either the seller's Listing or the address of the seller's Listing from display on the internet, a copy of the seller's affirmative direction shall be provided to TREB upon request, within 48 hours.

# R-832

In the event of any conflict between any VOW Rule/VOW Policy and any other MLS<sup>®</sup> Rules or Policies, the VOW Rule/VOW Policy shall govern, subject to applicable laws, regulations, and the RECO Rules.

#### **POLICIES**

#### P 100 - GENERAL

P-102

MLS<sup>®</sup> Listing information will not be deleted from TREB's MLS<sup>®</sup> Online System unless TREB is notified in writing that the address shown on the MLS<sup>®</sup> Listing Agreement is incorrect and/or the MLS<sup>®</sup> Listing is invalid.

#### P-103

Following the Reported date of closing, any inaccurate information that appeared in the  $MLS^{\circledR}$  Listing will be changed upon request.

Before any changes occur a written direction under the signature of the signing authority (Broker of Record/Manager) of the Listing Brokerage must be received with a specific request and reasons for the change. The request will be date stamped, assigned a document number by the TREB offices and signed off by the CEO or Staff Director responsible for the Department.

On the basis of the signed authority, and under the authorized TREB signature, staff will edit the data. The edits will be very distinctive and indicate the changed item on the historical listing data. In addition, a distinction shall be permanently displayed on the listing itemizing the edit and date of the edit (e.g. "price was changed from \$144,000 to \$184,000 on May 14, 2005") and a reference to the numbered document authorizing the edit which will be kept on file at TREB for no less than seven (7) years. The distinctions made will be in consultation with an MLS® provider as to what is feasible.

No other changes will be made in the historical data

# P 200 - MLS® FORMS

P-201

Notice shall be given of any change in or addition to the standard forms by publication in the MLS® Notice Pages. A Sample Standard Forms Binder will also be provided to each Member Office.

# P 300 - MLS® LISTINGS

P-301

Errors made by TREB in Boardloading an MLS<sup>®</sup> Listing will be corrected and re-run in the MLS<sup>®</sup> Daily Listings at no charge.

#### P-303

Boardload MLS<sup>®</sup> Listings may be extended to a new expiry date provided that before the original expiry date, the Board has received a copy of the extension on the form provided for the purpose by the Board, duly signed by the person who signed the MLS<sup>®</sup> Listing, or by his/her/their lawfully authorized representatives.

#### P-304

TREB will not delay or cancel the processing of an MLS<sup>®</sup> Listing Agreement, re-run or extension at the request of a Member once the MLS<sup>®</sup> Data Information Form has been received by TREB and/or the information has been entered into TREB's MLS<sup>®</sup> Online System.

# P-305

Any special edits to be done by TREB to TREB's data information for Brokerage loaded MLS<sup>®</sup> Listings must be submitted in writing to MLS<sup>®</sup> processing with an explanation and authorization from the Broker of Record/Manager.

#### P 400 - PHOTOGRAPHS

P-401

Where available, a photo will be provided from TREB's photo library. Members may accept this selection or:

- request a new photo be taken provided the property is within the TREB photo service area. The photo will be taken the next business day and a fee will be applied;
- (b) supply their own photo(s) or sketch;
- (c) select "No Photo For This Listing".

# P-402

Photos will only be re-taken free of charge if the property has undergone exterior renovations or if the wrong property has been photographed or if the wrong photo appears on MLS<sup>®</sup>.

#### P-403

All photographs of the property are taken "as is" when the photographer arrives at the property.

- (a) The photographer may not be instructed to do any of the following:
  - (i) photograph at a particular time of day;
  - (ii) adjust garage doors, move garbage cans, wait for cars to be moved, etc;
  - (iii) take interior photos of shopping malls.
- (b) Photographers are not allowed to enter onto private property except for the purpose of taking split photos;
- (c) split photographs will be taken if requested, unless:
  - (i) the gate is locked;
  - (ii) there is excess rain, ice or snow in the back yard;
  - (ii) there are unattended animals within the yard;
  - (iv) there is a ravine (photographer's discretion)
- (d) Vertical photographs or specific angles may be requested, but will be taken only at the photographer's discretion.

# P-404

If a Seller stops the photographer from taking a photo, the MLS® Listing will be published with the notation "Photo Not Available".

# P-406

Extra colour prints may be ordered through TorontoMLS® or by submitting a Print Order Form (Form 294) and Photographer's Slip (Form 293).

#### P-407

TREB photographers will only take a virtual tour of a listed property when:

- (a) The Listing Brokerage, Broker, Salesperson of the Listing Brokerage, Representative of the Listing Brokerage or the Sellers are present; or
- (b) If the property is completely vacant of all contents and a lock box is located on the subject property, the photographer will enter the property provided the Listing Brokerage, Broker, Salesperson of the Listing Brokerage or Representative of the Listing Brokerage supplies a combination of the lock box to the photographer.

#### **P 500 - TREB COMPUTER SYSTEM**

P-501

Any Member wishing to obtain access to any MLS<sup>®</sup> data (whether for office use or individual use by a Broker or Salesperson registered with a Brokerage) shall enter into an MLS<sup>®</sup> Access Agreement, or such other agreement as TREB may require from time to time.

### P-502

One user name and password and use of an Authenticator is issued for each Member accessing TREB's MLS® Online System. (Effective October 2008)

#### P-503

The Broker of Record/Manager of a Brokerage may be issued one or more administrative user names for use by office administrators or support staff to a maximum of one (1) administrative password for every ten (10) salespersons or part thereof, based on the registered Members in that office to a maximum of ten (10) passwords. Upon receipt by TREB of a properly completed application, the Brokerage shall pay a one-time fee, as determined by the Board of Directors from time to time, for each administrative user name that is issued.

#### P-504

The password associated with an administrative user name may be changed only by the Broker of Record/Manager of the Brokerage to which it is issued. Access to TREB's MLS® System through an administrative user name and/or through the use of an Authenticator shall be restricted, and may be terminated by TREB at any time without notice if, in the sole opinion of TREB, such change is necessary to protect the integrity of TREB's MLS® System. (Effective October 2008)

#### P-505

Every password shall be changed from time to time as determined by TREB.

#### P-506

A Member may also elect to change his or her password at any time directly on TREB's  $MLS^{\circledast}$  Online System.

#### P-507

Absolutely no double logons to TREB's MLS® Online System will be permitted.

#### P-508

TREB in its sole discretion, may terminate or suspend a Member's user name and Password code and/or authorized use of an Authenticator in the event of any unauthorized or improper use of TREB's MLS® Online System. (Effective October 2008)

# P-509

When transferring to another Brokerage, a Member may retain the same user name and password.

# VIRTUAL OFFICE WEBSITE POLICY (VOW) (Effective November 15, 2011)

# I. Definitions and Scope of Vow Policy

- 1. For purposes of this VOW Policy, "Virtual Office Website" ("VOW") refers to a Member's secure, password-protected internet website, or a feature of a Member's internet website, through which the Member is capable of providing real estate brokerage services to consumers with whom the Member has first established a broker-consumer relationship (as may be designated by provincial and/or federal law) where the consumer has the opportunity to search MLS<sup>®</sup> data, subject to the Member's oversight, supervision, and accountability.
  - a) A Member may designate an Affiliated VOW Partner ("AVP") to operate a VOW on behalf of the Member, subject to the Member's oversight, supervision and accountability and the terms of this VOW Policy.
  - b) A broker or salesperson registered with a Member may, with the Member's consent, operate a VOW or have a VOW operated on the Member's behalf by an AVP. Such a VOW is subject to the Member's oversight, supervision and accountability and the terms of this VOW Policy.
  - Each use of the term "Member" in this VOW Policy shall have the meaning designated in Article 2 of the By-laws and shall also include a Member's brokers and salespersons (with the exception of references to "Member's consent", "Member's oversight, supervision, and accountability," and in paragraph 22(a), below, to "Member acknowledges"). Each reference to "VOW" or "VOWs" herein refers to all VOWs, whether operated by a Member, by a Member's broker or salesperson, or by an AVP on behalf of a Member.
- 2. The right of a Member's VOW to display Listings in response to Consumer searches is limited to the display of MLS<sup>®</sup> data supplied by TREB in which the Member has member rights. This does not preclude a Member with offices participating in different real estate boards or associations from operating a master website with links to the VOWs of its other offices.
- 3. Members' VOWs, including those operated for Members by AVPs, may also provide other features, information, or functions in addition to VOWs (including the Internet Data Exchange ("IDX") function).
- 4. The display of Listing Information on a VOW does not require separate permission from the Member whose Listings will be available on the VOW.
- 5. Any capitalized term used herein shall have the same meaning as contained in the MLS® Rules and Policies Glossary, unless otherwise expressly defined in this VOW Policy.

# II. Policies Applicable to Members' VOWs

6. A Member may provide brokerage services via a VOW that include making Listing Information available, but only to consumers with whom the Member has first established a lawful broker-consumer relationship, including, where necessary, completion of any actions required by provincial and/or federal law in connection with providing real estate brokerage services to clients and customers ("Consumer" or "Consumers"). Such actions may include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreement(s).

- 7. A Member's VOW must obtain the identity of each Consumer and obtain each Consumer's agreement to Terms of Use of the VOW, as follows:
  - a) Consumers must provide their name and a valid email address. The Member must send an email to the address provided by the Consumer confirming that the Consumer has agreed to the Terms of Use (described in paragraph 7(c) below). The Consumer may be permitted to access the VOW only after the Member has verified that the email address provided is valid and that the Consumer agreed to the Terms of Use.
  - b) The Consumer must supply a username and a password, the combination of which must be different from those of all other Consumers on the VOW, before being permitted to search and retrieve Listing Information via the VOW. The username and password may be established by the Consumer or may be supplied by the Member, at the option of the Member. An email address may be associated with only one username and password. Consumers' passwords may be valid for up to 90 days, after which such passwords must be renewed or reconfirmed. The Member must, at all times, maintain a record of the name and email address supplied by the Consumer, and the username and current password of each Consumer. Such records must be kept for not less than 180 days after the expiration of the validity of the Consumer's password. If TREB has reason to believe that a Member's VOW has been the cause of, or permitted a breach in the security of the MLS<sup>®</sup> data or a violation of this VOW Policy, or the MLS<sup>®</sup> Rules and Policies (including the VOW Rules) related to use by one or more Consumers, the Member shall, upon request of TREB, provide to TREB a copy of the record of the name, email address, username, current password, and audit trail, if required, of any Consumer identified by TREB to be suspected of involvement in the breach or violation.
  - c) The Consumer must be required to affirmatively express agreement to a "Terms of Use" agreement that requires the Consumer to open and review an agreement that provides at least the following:
    - i) That the Consumer acknowledges entering into a lawful broker-consumer relationship with the Member.
    - ii) That all MLS<sup>®</sup> data obtained from the VOW is intended only for the Consumer's personal, non-commercial use.
    - iii) That the Consumer has a *bona fide* interest in the purchase, sale, or lease of real estate of the type being offered through the VOW.
    - iv) That the Consumer will not copy, redistribute, retransmit, or otherwise use any of the data or Listing Information provided, except in connection with the Consumer's consideration of the purchase, sale, or lease of an individual property.
    - v) That the Consumer acknowledges TREB's ownership of, and the validity of TREB's proprietary rights and copyright in the MLS<sup>®</sup> database, MLS<sup>®</sup> data, TREB's MLS<sup>®</sup> System, and Listing Information.
    - vi) That the Consumer will not, directly or indirectly, display, post, disseminate, distribute, publish, broadcast, transfer, sell or sublicense any Listing Information to another individual or entity. The prohibited uses expressly include "scraping" (including "screen scraping" and "database scraping"), "data mining" or any other activity intended to collect, store, re-organize, summarize or manipulate any Listing Information or any related data.

- vii) After the Consumer has opened for viewing the Terms of Use agreement, a "mouse click" is sufficient to acknowledge agreement to those terms. The Terms of Use agreement may not impose a financial obligation on the Consumer or create any representation agreement between the Consumer and the Member.
- viii) The Terms of Use agreement shall also expressly authorize TREB, and other TREB Members or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS<sup>®</sup> Rules and Policies (including the VOW Rules) and monitoring the display of Members' Listings by the VOW.
- ix) Every VOW must display a privacy policy that boldly informs Consumers of, and obtains Consumers' consent to, all the ways in which Personal Information that they provide may be collected, used or disclosed, including the fact that Personal Information may be shared with TREB for auditing and/or legal purposes.
- d) An agreement entered into at any time between the Member and Consumer imposing a financial obligation on the Consumer or creating representation of the Consumer by the Member must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- 8. A Member's VOW shall include any copyright notice as may be provided by TREB from time to time regarding TREB's copyright in MLS<sup>®</sup> data.
- 9. A Member's VOW must prominently display an email address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a Consumer can contact the Member to ask questions, or get more information, about Listings displayed on the VOW. The Member, or such Member's broker or salesperson, must be willing and able to respond knowledgeably to inquiries from Consumers about Listings within the market area served by that Member and displayed on the VOW.
- 10. A Member's VOW must protect the MLS® data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping", data mining, and other unauthorized access, reproduction, or use of the MLS® database, MLS® data and/or any related information.
- 11. A Member's VOW must comply with the following additional requirements:
  - a) No VOW shall display Listing or property address of any seller who has affirmatively directed the listing brokerage to withhold their Listing or property address from display on the internet. The listing brokerage or salesperson shall communicate to TREB that a seller has elected not to permit display of the Listing or property address on the internet. Notwithstanding the foregoing, a Member who operates a VOW may provide to Consumers via other delivery mechanisms, such as email, fax, or otherwise, the Listing or property address of sellers who have determined not to have the Listing or address for their property displayed on the internet.
  - b) A Member who lists a property for a seller who has elected not to have the Listing or the property address displayed on the internet shall cause the seller to execute a document that so indicates. The Member shall retain such documents for at least one year from the date they are signed, or one year from the date the Listing expires or is terminated, whichever is later.
  - c) With respect to any VOW that:
    - i) allows third-parties to write comments or reviews about particular Listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular Listings, or

ii) displays an automated estimate of the market value of the Listing (or hyperlink to such estimate) in immediate conjunction with the Listing,

the VOW shall disable or discontinue either or both of those features as to the seller's Listing at the request of the seller. The listing brokerage shall communicate to TREB that the seller has elected to have one or both of these features disabled or discontinued on all Members' websites. Except for the foregoing and subject to subparagraph 11(d), a Member's VOW may communicate the Member's professional judgment concerning any Listing. Nothing shall prevent a VOW from notifying its Consumers that a particular feature has been disabled "at the request of the seller".

- d) A VOW shall maintain a means (e.g., email address, telephone number) to receive comments about the accuracy of any MLS® data or information that is added by or on behalf of the VOW Member beyond that supplied by TREB and that relates to a specific property displayed on the VOW. The VOW Member shall correct or remove any untrue, deceptive or misleading data or information relating to a specific property within 48 hours of receipt of a communication from TREB or the listing brokerage for that property explaining why the data or information is untrue, deceptive or misleading. However, the VOW Member shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.
- e) Each VOW shall refresh MLS® data available on the VOW not less frequently than every 24 hours.
- f) Except as provided elsewhere in this VOW Policy, or in MLS® Rules and Policies (including the VOW Rules), no portion of the MLS® database or Listing Information may be distributed, provided, or made accessible to any person or entity.
- g) A VOW may exclude Listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, and type of property.
- 12. A Member who intends to operate a VOW to display Listing Information must notify TREB in writing of its intention to establish a VOW and must make the VOW readily accessible to TREB and to all Members for purposes of verifying compliance with this VOW Policy, and any other applicable MLS® Rules and Policies (including the VOW Rules).
- 13. A Member may operate more than one VOW itself or through an AVP. A Member who operates a VOW itself shall not be precluded from also operating VOWs in conjunction with AVPs.

# III. Policies respecting Data Feeds, Security, AVPs and related matters

- 14. TREB will permit Members to operate VOWs, or to have VOWs operated for them by AVPs, subject to the requirements of all provincial and/or federal laws, including all RECO Rules, PIPEDA and this VOW Policy and the VOW Rules.
- 15. TREB will, if requested by a Member, provide basic "downloading" of non-confidential MLS® data, including without limitation address fields, listing types, photographs, and links to virtual tours. "Confidential data" includes that which Members are prohibited from providing to Consumers orally and by all other delivery mechanisms. They include fields containing the information described in paragraph 24 of this VOW Policy, provided that sold data (i.e., Listing Information relating to properties that have sold) shall be deemed confidential and withheld from a download if the actual sales prices of completed transactions are not readily publicly accessible or if the method of use is contrary to provincial or federal law, including all RECO Rules and PIPEDA.

For purposes of this VOW Policy, "downloading" means electronic transmission of data (i.e., data feed) from TREB servers to a Member's or AVP's server on a persistent basis via RETS feed, FTP download, or in such format as may be determined by TREB from time to time. TREB may also offer a transient download. In such case, it shall also, if requested, provide a persistent download, provided that it may impose on users of such download the approximate additional costs incurred by it to do so.

- 16. This VOW Policy does not require TREB to establish publicly accessible websites displaying Members' Listings.
- 17. The VOW data feed will include all of the non-confidential MLS® data included in the data feed described in paragraph 15 above except for Listings or property addresses of sellers who have elected not to have their Listings or addresses displayed on the internet.
- 18. TREB may pass on to those Members who request downloading of Listing Information the reasonably estimated costs incurred by TREB in adding or enhancing its "downloading" capacity to enable such Members to operate VOWs.
- 19. TREB will require that Members (1) utilize appropriate security protection, such as firewalls, as long as such requirement does not impose security obligations greater than those employed concurrently by TREB; and (2) maintain an audit trail of Consumers' activity on the VOW and make that information available to TREB if TREB has reason to believe that any VOW has been the cause of, or permitted a breach in, the security of the MLS® data or a violation of applicable MLS® Rules and Policies (including the VOW Rules).
- 20. Except as provided in this VOW Policy, TREB will not prohibit Members from enhancing their VOWs by providing, information obtained from sources other than TREB, additional technological services (such as mapping functionality), or information derived from non-confidential MLS® data (such as an estimated monthly payment derived from the listed price), or regulating the use or display of such information or technological services on any VOW.
- 21. TREB will not restrict the format of MLS® data displayed on a VOW or regulate the appearance of VOWs.
- 22. Subject to the provisions below, TREB will make MLS<sup>®</sup> data available to an AVP for the exclusive purpose of operating a VOW on behalf of a Member and will make MLS<sup>®</sup> data available to an AVP under the same terms and conditions as those applicable to Members. No AVP has independent member rights in TREB or MLS<sup>®</sup> data by virtue of its right to receive MLS<sup>®</sup> data on behalf of a Member, or the right to use MLS<sup>®</sup> data except in connection with operation of a VOW for a Member. AVP access to MLS<sup>®</sup> data is derivative of the rights of the Member on whose behalf the AVP is downloading MLS<sup>®</sup> data.
  - a) A Member or AVP may establish the AVP's right to receive and use MLS<sup>®</sup> data by providing to TREB a document in which the Member acknowledges its selection of the AVP to operate a VOW on its behalf.
  - b) TREB will not charge an AVP, or a Member on whose behalf an AVP operates a VOW, more than a Member that chooses to operate a VOW itself (including any fees or costs associated with a license to receive MLS<sup>®</sup> data, as described in paragraph 22(g), below), except to the extent that TREB incurs greater costs in providing MLS<sup>®</sup> data to the AVP than TREB incurs in providing MLS<sup>®</sup> data to a Member.
  - c) TREB will not place data security requirements or restrictions on use of MLS® data by an AVP that are not also imposed on Members.

- d) TREB will permit an AVP to download Listing Information in the same manner (e.g., via a RETS feed, FTP download, or in such format as may be determined by TREB from time to time), at the same times and with the same frequency that TREB permits Members to download Listing Information to Members' VOWs.
- e) TREB will deal directly with an AVP in order to resolve technical problems with the data feed. However, TREB may require that the Member on whose behalf the AVP is operating the VOW participate in such communications if TREB reasonably believes that the involvement of the Member would be helpful in order to resolve the problem.
- f) TREB will not condition an AVP's access to a data feed on the financial terms on which the AVP provides the website for the Member.
- g) TREB will require Members and AVPs to execute a license or similar agreements sufficient to ensure that Members and AVPs understand and agree that MLS<sup>®</sup> data provided by TREB may be used only to establish and operate a VOW on behalf of the Member and not for any other purpose.
- h) TREB will not (i) prohibit an AVP from operating VOWs on behalf of more than one Member, and several Members may designate an AVP to operate a single VOW for them collectively, (ii) limit the number of entities that Members may designate as AVPs for purposes of operating VOWs, or (iii) prohibit Members from designating particular entities as AVPs except that, if an AVP's access has been suspended or terminated by TREB, TREB may prevent an entity from being designated an AVP by another Member during the period of the AVP's suspension or termination.
- i) Except as stated below, TREB may not suspend or terminate an AVP's access to MLS® data (a) for reasons other than those that would allow TREB to suspend or terminate a Member's access to MLS® data, or (b) without giving the AVP and the associated Member(s) prior notice and the process set forth in the applicable provisions of the By-laws or MLS® Rules and Policies for suspension or termination of a Member's access. Notwithstanding the foregoing, TREB will immediately terminate an AVP's access to MLS® data (a) if the AVP is no longer designated to provide VOW services to any Member, (b) if the Member for whom the AVP operates a VOW ceases to maintain its status with TREB, (c) if the AVP has downloaded MLS® data in a manner not authorized for Members and that hinders the ability of Members to download MLS® data to Members' VOWs, or (d) if the associated Member or AVP has failed to make required payments to TREB in accordance with TREB's generally applicable payment policies and practices.
- 23. TREB will not prohibit, restrict, or impede a Member from referring Consumers to any person or from obtaining a fee for such referral.

# IV. Requirements on the Operation of VOWs and Members

- 24. A Member, whether through a Member's VOW or by any other means, may not make available for search by, or display to, Consumers the following MLS<sup>®</sup> data intended exclusively for other Members and their brokers and salespersons, subject to applicable laws, regulations and the RECO Rules:
  - Expired, withdrawn, suspended or terminated Listings and pending solds or leases, including Listings where sellers and buyers have entered into an agreement that has not yet closed;

- b) Sold data, unless the method of use of actual sales price of completed transactions is in compliance with RECO Rules and applicable privacy laws;
- c) The compensation offered to other Members;
- d) The seller's name and contact information, unless otherwise directed by the seller to do so; and
- e) Instructions or remarks intended for cooperating brokers only, such as those regarding showing or security of the listed property.
- 25. The content of MLS<sup>®</sup> data that is displayed on a VOW may not be changed from the content as it is provided in TREB's MLS<sup>®</sup> System. MLS<sup>®</sup> data may be augmented with additional data or information not otherwise prohibited from display as long as the source of such other data or information is clearly identified. This requirement does not restrict the format of MLS<sup>®</sup> data displayed on VOWs or the display on VOWs of fewer than all of the Listings or fewer than all of the authorized data fields.
- 26. There shall be a notice on all MLS® data displayed indicating that the data is deemed reliable but is not guaranteed accurate by TREB. A Member's VOW may also include other appropriate disclaimers necessary to protect the Member and/or TREB from liability.
- 27. Any Listing displayed on a VOW shall identify the name of the listing brokerage or salesperson in a readily visible color, and reasonably prominent location, and in typeface not smaller than the typeface used in the display of Listing data.
- 28. The number of Listings that Consumers may view or retrieve on or from a VOW in response to an inquiry will be limited to 100 Listings.
- 29. TREB will not prohibit Members from downloading and displaying or framing listings obtained from other sources, e.g., other real estate boards or associations or from brokers not participating in TREB, etc., but may require either that (i) such information be searched separately from listings obtained from other sources, including other real estate boards or associations, or (ii) if such other sources are searched in conjunction with searches of the Listings available on the VOW, require that any display of listings from other sources identify such other source.

#### **GLOSSARY**

- In these MLS® Rules and Policies and this Glossary unless the context requires otherwise words or terms having a commonly understood meaning in the real estate brokerage industry and not otherwise defined herein shall be given that meaning provided that the terms set out below shall have the following meanings:
- "Act" means the Real Estate and Business Brokers Act S.O. 2002, Chapter 30, as amended, or any successor legislation as may be amended from time to time;
- "Affiliated VOW Partner" or "AVP" has the meaning ascribed thereto in R-801 of the VOW Rules. (Effective November 15, 2011)
- "Agency" means that relationship between principal and agent wherein the agent is considered in law to represent the principal;
- "Agreement of Purchase and Sale" is a document giving evidence of a contract which exists between the parties involved and includes an "Agreement to Lease", "Offer to Sub-Lease", "Agreement of Purchase and Sale Under the Bulk Sales Act", "Option to Purchase", "Offer to Exchange", "Agreement of Purchase and Sale Condominium Resale":
- "as principal" means acting as Seller and therefore directly liable to other Members for compensation;
- "Authenticator" means any handheld random password generator(s) that may be provided by TREB from time to time; (Effective October 2008)
- "Authorized User Agreement" is a confidentiality agreement in a form provided by TREB from time to time to be signed by every Member of TREB and the authorized Broker of Record/Manager of the Brokerage;
- "Board" means the Toronto Real Estate Board;
- **"Boardload"** means the entry of listing information from the MLS<sup>®</sup> Data Information Form onto TREB's MLS<sup>®</sup> Online System by TREB staff;
- "Board of Directors" means the Board of Directors of TREB;
- **"Broker"** means an individual who has the prescribed qualifications to be registered as a Broker under the Act and who is employed by a Brokerage to trade in real estate and is authorized to use the MLS® System;
- **"Brokerage"** (Listing/Co-operating) means a corporation, partnership, sole proprietor, association or other organization or entity that, on behalf of others and for compensation or reward or the expectation of such, trades in real estate or holds himself, herself or itself out as such;
- **"Brokerload"** means the entry of listing information from the MLS<sup>®</sup> Data Information Form onto TREB's MLS<sup>®</sup> Online System by the Listing Brokerage's office;
- "Broker of Record" has the meaning ascribed to that term in the TREB By-law;
- "Business" means an undertaking carried on for gain or profit and includes an interest in such undertaking;
- **"Buyer Representation Agreement"** means a Representation Agreement between a Brokerage and a Buyer;
- "Buver" includes a purchaser, a tenant, and a prospective purchaser or tenant;

- "By-laws" means the By-law of the TREB as may be amended from time to time;
- "Cancellation" (of an MLS<sup>®</sup> Listing), means a written agreement between the Listing Brokerage and the Seller or the Seller's legally authorized representative which terminates an existing MLS<sup>®</sup> Listing Agreement;
- "commence" when used with reference to an MLS<sup>®</sup> Listing Agreement means the date the Agency between the Listing Brokerage and the Seller is to begin and may be a date that is different from the date the MLS<sup>®</sup> Listing Agreement was signed by the Seller and "commencement" shall have a corresponding meaning;
- "Courtesy Office" is an office other than the Listing Brokerage's office, where keys and security cards may be held;
- "CREA Rules" means all applicable CREA By-laws, rules and policies, including the REALTOR® Code of Ethics;

(*Effective May 12, 2011*)

- **"Directload"** includes the entry of information from the MLS<sup>®</sup> Data Information Form, Reporting of Trades, Cancellations and suspensions to TREB's MLS<sup>®</sup> Online System by the Listing Brokerage's office (Brokerload) or Salesperson (Repload). Any MLS<sup>®</sup> Listing information entered through Directload shall be considered to be a reproduction of information contained on the MLS<sup>®</sup> Data Information Form;
- **"Document Attachment"** is a facsimile of an actual document or image that is supplementary to the specific MLS<sup>®</sup> Listing Agreement it is attached to and forms part of that Listing;
- "exclusion" means any material fact that may affect the Co-operating Brokerage;
- "HST" means the Harmonized Sales Tax imposed by the *Excise Tax Act* (Canada) as may be amended or replaced from time to time; (Effective May 12, 2011)
- "**Listing(s)**" shall include MLS<sup>®</sup> Listing(s); (Effective November 15, 2011)
- "Listing Information" or "MLS® data" means all information that is contained in a Listing uploaded on the TREB MLS® System and maintained in the TREB MLS® database regarding the Listings of Members, and any subsequent additions or changes to that information, including current information about the property;

(Effective November 15, 2011)

- "Manager" means the Registrant in effective control and management of a Brokerage office;
- "Mandatory Fields" are designated as the dark shaded fields on the Freehold, Condominium and Commercial MLS® Data Information Forms and are to be correctly completed;

"may" is construed as permissive:

- "Member" includes all types of Members of TREB as defined in the By-Laws and those who TREB has authorized to have access to TREB's MLS<sup>®</sup> System;
- "Member Office" means a Business office maintained by a Brokerage and used for the real estate Business, serving the public on a regular and consistent basis;
- "MLS<sup>®</sup>" is a registered trademark of The Canadian Real Estate Association:

- "MLS® database" means the aggregation of all MLS® data as well as its selection, assembly and arrangement, and any successor database owned and operated by or on behalf of TREB; (Effective November 15, 2011)
- **"MLS<sup>®</sup> Data Information Form"** means a printed or electronic document containing information required by TREB from time to time about an MLS<sup>®</sup> Listing or the property listed on an MLS<sup>®</sup> Listing;
- "MLS® Forms" means all forms (regardless of media employed) prescribed by TREB for use by Members in connection with TREB's MLS® System;
- "MLS® Listing" is property offered for sale, lease, sub-lease, exchange or option through TREB's MLS® System and, where the context permits, includes the information concerning the property submitted to or published on TREB's MLS® System including the MLS® Data Information Form;
- "MLS<sup>®</sup> Listing Agreement" means the agreement between the Listing Brokerage and a Seller as prescribed by TREB from time to time and Document Attachment is supplementary to the specific MLS<sup>®</sup> Listing it is attached to and forms part of the MLS<sup>®</sup> Listing Agreement;
- "MLS® Notice Pages" includes the pages of notices published by TREB on TREB's MLS® System containing solds, conditional sales, suspensions, Cancellations, extensions and deals that fell through;
- "notify TREB" is the delivery of information regarding MLS<sup>®</sup> Listings to TREB either by Directload or telephone, or as determined by TREB;
- "Offer" is an Agreement of Purchase and Sale, including a counter-offer, which has been executed by the offeror, but not yet accepted by the offeree;
- "Personal Information" shall have the meaning attributed to such term in the Personal Information and Electronic Documents Act (Canada), S.C. 2000, c. 5, as such legislation may be amended from time to time; (Effective November 15, 2011)
- "PIPEDA" means the *Personal Information and Electronic Documents Act* (Canada), S.C. 2000, c. 5, as such legislation may be amended from time to time; (*Effective November 15, 2011*)
- "property" means real estate;
- **"real estate"** includes leasehold interests and Business, whether with or without premises, and fixtures, stock-in-trade, goods connected with the operation of Business. For greater clarity, "real estate" may include less than a 100% interest in the foregoing, and shall include mobile homes and travel trailers that have become real property as a fixture;
- "RECO" means the Real Estate Council of Ontario;
- "RECO Rules" means the Real Estate and *Business Brokers Act, 2002*, and all regulations thereto, including the Code of Ethics, as well as all applicable RECO rules and policies; (Effective May 12, 2011)
- "Registrant" means a Brokerage that is registered under the Act or a Broker or Salesperson who is registered under the Act;
- "Reporting" means notification of information regarding MLS<sup>®</sup> Listings to TREB either by Directload or telephone, or as determined by TREB from time to time and "Reported" and "Report" shall have a corresponding meaning;
- "Re-run" is the re-appearance of an  $MLS^{\circledR}$  Listing on TREB's  $MLS^{\circledR}$  Online System and in the  $MLS^{\circledR}$  daily listings;

<sup>&</sup>quot;sale" shall include all forms of Trade;

- **"Salesperson"** means an individual who has the prescribed qualifications to be registered as a Salesperson under the Act and who is employed by a Brokerage to trade in real estate;
- "Seller" includes a vendor or landlord or a prospective vendor or landlord;
- "shall" is construed as imperative;
- "suspension" is notice from the Listing Brokerage which renders a current MLS<sup>®</sup> Listing inactive. Suspension includes the terms "Off the Market", "No Showings" and "No Further Appointments" but does not constitute a Cancellation of an MLS<sup>®</sup> Listing Agreement; and "suspend" and "suspended" shall have a corresponding meaning;
- "Terms of Use" means a written series of terms displayed on a VOW to which a Consumer may agree in order to obtain access to the Listings on the VOW; (Effective November 15, 2011)
- "Trade" as defined in the Real Estate and Business Broker's Act (REBBA);
- "TREB" means the Toronto Real Estate Board;
- "TREB business day" means a day on which the offices of TREB are open to serve Members;
- "TREB's MLS® Online System" is a computer system as operated by TREB from time to time for TREB's MLS® System;
- "TREB's MLS® System" means the multiple listing service as owned and operated by or on behalf of TREB and includes, without limitation, all MLS® data, the MLS® database, the MLS® Data Information Forms and TREB's MLS® Online System;
- **"Virtual Office Website"** or **"VOW"** has the meaning ascribed thereto in R-801 of the VOW Rules. (*Effective November 15, 2011*)
- **"VOW Rules"** means the series of rules found in the R-800 section of the MLS<sup>®</sup> Rules and Policies. (*Effective November 15, 2011*)

# RULE 17: OPERATION OF A BOARD'S MLS® SYSTEM

# 17.1: Acceptance of Listings

#### 17.1.1:

The Three (3) Pillars of the MLS® Mark

Only listings that comply with the following three (3) pillars of the MLS® Mark can be placed on Board/Association's MLS® System.

#### 17.1.1.1:

Membership

Only REALTORS® may place a listing on a Board/Association's MLS® System.

#### 17.1.1.2:

A listing REALTOR®/Brokerage must act as agent for the seller to post, amend or remove a property listing in a Board's MLS® System. The nature of any additional services to be provided by the listing REALTOR®/Brokerage to the seller is determined by agreement between the listing REALTOR®/Brokerage and the seller.

#### 17.1.1.3:

Compensation to Co-operating Broker

The listing REALTOR® agrees to pay to the co-operating (i.e. selling) REALTOR® compensation for the co-operative selling of the property. An offer of compensation of zero is not acceptable.

# 17.2: Interpretations of the Three Pillars of the MLS® Mark

#### 17.2.1:

The listing REALTOR® shall be available to provide professional advice and counsel to the seller on all offers and counter offers unless otherwise directed by the seller in writing.

# 17.2.2:

The listing REALTOR® is responsible and accountable for the accuracy of information submitted to a Board/Association for inclusion in the Board's MLS® System, and the Board/ Association is responsible for ensuring that the data submitted to it meets reasonable standards of quality.

#### 17.2.3:

Only REALTORS® are permitted to display the MLS® trademarks in signage, advertising, etc.

#### 17.2.4:

Where the seller directs the listing REALTOR® in writing to do so, the seller's contact information may appear in the REALTOR® only remarks (non-public) section of a listing on a Board/Association's MLS® System. The seller's contact information shall not appear on REALTOR.ca or in the general (public) remarks section of a listing on a Board/Association's MLS® System. The listing REALTOR® may include a direction in the General Description section on REALTOR.ca or on websites operated by CREA or a Board/Association to visit the REALTOR® website to obtain additional information about the listing (but the nature of such additional information shall not be specified).

# 17.2.5:

Where the seller has reserved the right to sell the property himself/herself, that fact shall be specified in the Board/Association's MLS® System.

# 17.3: Out of Jurisdiction Listings

# 17.3.1:

A Board/Association may, as its option, accept a listing of a property located outside the Board's corporate jurisdiction, including property located in another province or territory, or another country, provided that:

#### 17.3.1.1:

The REALTOR®, in taking the listing, does not violate the provisions of applicable provincial/territorial licensing legislation; and

#### 17.3.1.2:

The listing complies with all other requirements of the Rules of CREA and the Board/Association, including the three (3) pillars of the MLS<sup>®</sup> Mark.

# 17.4: Real Estate Component

# 17.4.1:

Only properties with a real estate component may be listed on a Board/Association's MLS® System.

#### 17.4.2:

The term "real estate" includes real property, a leasehold or other interest in real property less than a fee simple, and a time share agreement with regard to real property.

#### 17.4.3:

Provided they conform to the provisions of the provincial/territorial licensing legislation, a Board/Association may also, at its option, accept listings for:

#### 17 4 3 1

A moveable dwelling that is designed for use as a permanent residence;

#### 17.4.3.2:

A business, including an interest or share of a business, with or without premises, and the fixtures, stock-in-trade, goods and chattels associated with the business, provided such items are sold in bulk as part of the business operation.

# 17.5: Processing of Listings

# 17.5.1:

**Listing Contracts** 

#### 17.5.1.1:

A Board/Association may, at its option, require either listing contracts or data input forms to be submitted within a reasonable period of time (as determined by the Board/Association MLS® Rules) after execution of the listing contract. A Board/Association has the right to require production of the executed listing contract prior to processing the listing.

# 17.5.1.2:

All unconditional sales, and any changes to listing information, must be submitted to a Board/Association within a reasonable period of time (as defined by the Board/Association  $MLS^{\otimes}$  Rules). Boards/Associations may, at their option, require conditional sales to be reported.

### 17.5.1.3:

All forms submitted to a Board/Association in relation to a listing must be complete and accurate.

# 17.6: Non-Member Access to Limited Information

# 17.6.1:

Information on a Board/Association's  $MLS^{\circledR}$  System is intended for the exclusive use of REALTORS $^{\circledR}$ . However, a Board/Association may, at its option, permit limited access to such information by third parties other than REALTORS $^{\circledR}$  whose objectives support the interests of the Board/Association and its members, provided that such access:

#### 17.6.1.1:

Is granted only by way of a written contract and not as a privilege of membership; and

#### 17.6.1.2:

Is otherwise in compliance with the law.

# 17.7: Board/Association Obligations

#### 17.7.1:

All Boards and Associations that operate MLS® Systems must:

#### 17.7.1.1:

Include in their rules and regulations, provisions that give general effect to the provisions of this Rule.

#### 17.7.1.2:

Ensure the high quality of listing information on the  $MLS^{@}$  Systems and promote data integrity to ensure that  $MLS^{@}$  Systems throughout Canada remain a reliable source of accurate information.

# 17.7.1.3:

Every two (2) years submit to CREA a form certifying that they have complied with CREA's By-laws, Rules and Policies dealing with proper use, reproduction and display of CREA's Marks and have taken reasonable measures to ensure that users of their MLS<sup>®</sup> Systems have also complied with CREA's By-laws, Rules and Policies.

(*Effective May 12, 2011*)

# **ONTARIO REGULATION 580/05**

## made under the

# REAL ESTATE AND BUSINESS BROKERS ACT, 2002

Made: November 9, 2005 Filed: November 10, 2005

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# **CODE OF ETHICS**

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#### **COMMENCEMENT**

54 Commencement

#### **INTERPRETATION**

1. (1) In this Regulation,

**"buy"** means acquire or seek to acquire an interest in real estate, and "buyer" has a corresponding meaning; ("acheter; acheteur")

**"buyer representation agreement"** means a representation agreement between a brokerage and a buyer; ("convention de représentation de l'acheteur")

"material fact" means, with respect to the acquisition or disposition of an interest in real estate, a fact that would affect a reasonable person's decision to acquire or dispose of the interest; ("fait important")

"seller representation agreement" means a representation agreement between a brokerage and a seller, and includes a listing agreement that is a representation agreement; ("convention de représentation du vendeur")

- (2) A person is related to another person for the purposes of this Regulation if,
  - (a) one person is associated with the other person within the meaning of subsection 1(2) of the Act; or
  - (b) one person is related to the other person by blood, adoption or conjugal relationship.
- (3) For the purposes of this Regulation,
  - (a) a person is related to another person by blood if,
    - (i) one is the child or other descendant of the other, or
    - (ii) one is the brother or sister of the other;
  - (b) a person is related to another person by adoption if.
    - (i) neither is related to the other by blood, and
    - (ii) one would be related to the other by blood if all adopted children where deemed to be the natural children of their adoptive parents; and

- (c) a person is related to another person by conjugal relationship if,
  - (i) one is married to the other or to a person who is related by blood or adoption to the other, or
  - (ii) one lives in a conjugal relationship outside marriage with the other or with a person who is related by blood or adoption to the other.

#### **OBLIGATIONS OF REGISTRANTS**

# **Brokers and salespersons**

- **2.** (1) A broker or salesperson shall not do or omit to do anything that causes the brokerage that employs the broker or salesperson to contravene this Regulation.
  - (2) Subsection (1) does not apply to a contravention by the brokerage of section 32, 33 or 41.

#### Fairness, honesty, etc.

**3.** A registrant shall treat every person the registrant deals with in the course of a trade in real estate fairly, honestly and with integrity.

#### **Best interests**

**4.** A registrant shall promote and protect the best interests of the registrant's clients.

#### Conscientious and competent service, etc.

**5.** A registrant shall provide conscientious service to the registrant's clients and customers and shall demonstrate reasonable knowledge, skill, judgment and competence in providing those services.

## Providing opinions, etc.

- **6.** (1) A registrant shall demonstrate reasonable knowledge, skill, judgment and competence in providing opinions, advice or information to any person in respect of a trade in real estate.
  - (2) Without limiting the generality of subsection (1) or section 5,
  - (a) a brokerage shall not provide an opinion or advice about the value of real estate to any person unless the opinion or advice is provided on behalf of the brokerage by a broker or salesperson who has education or experience related to the valuation of real estate; and
  - (b) a broker or salesperson shall not provide an opinion or advice about the value of real estate to any person unless the broker or salesperson has education or experience related to the valuation of real estate.

#### **Dealings with other registrants**

- 7. (1) A registrant who knows or ought to know that a person is a client of another registrant shall communicate information to the person for the purpose of a trade in real estate only through the other registrant, unless the other registrant has consented in writing.
  - (2) If a broker or salesperson knows or ought to know that a buyer or seller is a party to an agreement in connection with a trade in real estate with a brokerage other than the brokerage that employs the broker or salesperson, the broker or salesperson shall not induce the buyer or seller to break the agreement.

#### **Services from others**

- **8.** (1) A registrant shall advise a client or customer to obtain services from another person if the registrant is not able to provide the services with reasonable knowledge, skill, judgment and competence or is not authorized by law to provide the services.
  - (2) A registrant shall not discourage a client or customer from seeking a particular kind of service if the registrant is not able to provide the service with reasonable knowledge, skill, judgment and competence or is not authorized by law to provide the service

#### Commissions, etc.

**9.** A registrant shall not indicate to any person, directly or indirectly, that commissions or other remuneration are fixed or approved by the administrative authority, any government authority, or any real estate board or real estate association.

#### **Information before agreements**

- 10. (1) Before entering into an agreement with a buyer or seller in respect of trading in real estate, a brokerage shall, at the earliest practicable opportunity, inform the buyer or seller of the following:
  - 1. The types of service alternatives that are available in the circumstances, including a representation agreement or another type of agreement.
  - 2. The services that the brokerage would provide under the agreement.
  - 3. The fact that circumstances could arise in which the brokerage could represent more than one client in respect of the same trade in real estate, but that the brokerage could not do this unless all of the clients represented by the brokerage in respect of that trade consented in writing.
  - 4. The nature of the services that the brokerage would provide to each client if the brokerage represents more than one client in respect of the same trade in real estate.
  - 5. The fact that circumstances could arise in which the brokerage could provide services to more than one customer in respect of the same trade in real estate.
  - 6. The fact that circumstances could arise in which the brokerage could, in respect of the same trade in real estate, both represent clients and provide services to customers.
  - 7. The restricted nature of the services that the brokerage would provide to a customer in respect of a trade in real estate if the brokerage also represents a client in respect of that trade.
  - (2) The brokerage shall, at the earliest practicable opportunity and before an offer is made, use the brokerage's best efforts to obtain from the buyer or seller a written acknowledgement that the buyer or seller received all the information referred to in subsection (1).

#### **Contents of written agreements**

- 11. (1) A brokerage shall not enter into a written agreement with a buyer or seller for the purpose of trading in real estate unless the agreement clearly, comprehensibly and prominently,
  - (a) specifies the date on which the agreement takes effect and the date on which it expires
  - (b) specifies or describes the method for determining,
    - (i) the amount of any commission or other remuneration payable to the brokerage, and
    - (ii) in the case of an agreement with a seller, the amount of any commission or other remuneration payable to any other brokerage;
  - (c) describes how any commission or other remuneration payable to the brokerage will be paid; and
  - (d) sets out the services that the brokerage will provide under the agreement.
  - (2) A brokerage shall not, for the purpose of trading in real estate, enter into a written agreement with a buyer or seller that provides that the date on which the agreement expires is more than six months after the date on which the agreement takes effect unless,

- (a) the date on which the agreement expires is prominently displayed on the first page of the agreement; and
- (b) the buyer or seller has initialled the agreement next to the date referred to in clause (a).
- (3) A brokerage shall ensure that a written agreement that is entered into between the brokerage and a buyer or seller for the purpose of trading in real estate contains only one date on which the agreement expires.

### **Copies of written agreements**

12. If a brokerage and one or more other persons enter into a written agreement in connection with a trade in real estate, the brokerage shall ensure that each of the other persons is immediately given a copy of the agreement.

# **Seller representation agreements**

13. If a brokerage enters into a seller representation agreement with a seller and the agreement is not in writing, the brokerage shall, at the earliest practicable opportunity and before any buyer makes an offer, reduce the agreement to writing, have it signed on behalf of the brokerage and submit it to the seller for signature.

#### **Buyer representation agreements**

14. If a brokerage enters into a buyer representation agreement with a buyer and the agreement is not in writing, the brokerage shall, before the buyer makes an offer, reduce the agreement to writing, have it signed on behalf of the brokerage and submit it to the buyer for signature.

#### **Agreements with customers**

15. If a brokerage enters into an agreement with a customer in respect of a trade in real estate and the agreement is not in writing, the brokerage shall, at the earliest practicable opportunity, reduce the agreement to writing, have it signed on behalf of the brokerage and submit it to the customer for signature.

## Disclosure before multiple representation

- 16. A brokerage shall not represent more than one client in respect of the same trade in real estate unless it has disclosed the following matters to the clients or prospective clients at the earliest practicable opportunity:
  - 1. The fact that the brokerage proposes to represent more than one client in respect of the same trade.
  - 2. The differences between the obligations the brokerage would have if it represented only one client in respect of the trade and the obligations the brokerage would have if it represented more than one client in respect of the trade, including any differences relating to the disclosure of information or the services that the brokerage would provide.

### Nature of relationship

17. If a registrant represents or provides services to more than one buyer or seller in respect of the same trade in real estate, the registrant shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all buyers and sellers involved in that trade of the nature of the registrant's relationship to each buyer and seller.

#### **Disclosure of interest**

- 18. (1) A registrant shall, at the earliest practicable opportunity and before any offer is made in respect of the acquisition or disposition of an interest in real estate, disclose in writing the following matters to every client represented by the registrant in respect of the acquisition or disposition:
  - 1. Any property interest that the registrant has in the real estate.
  - 2. Any property interest that a person related to the registrant has in the real estate, if the registrant knows or ought to know of the interest.
  - (2) A brokerage shall, at the earliest practicable opportunity and before any offer is made in respect of the acquisition or disposition of an interest in real estate, disclose in writing the matters referred to in paragraphs 1 and 2 of subsection (1) to every customer with whom the brokerage has entered into an agreement in respect of the acquisition or disposition.
  - (3) A broker or salesperson shall, at the earliest practicable opportunity and before any offer is made in respect of the acquisition or disposition of an interest in real estate, disclose in writing the matters referred to in paragraphs 1 and 2 of subsection (1) to every customer of the broker or salesperson with whom the brokerage that employs the broker or salesperson has entered into an agreement in respect of the acquisition or disposition.
  - (4) A registrant shall disclose in writing to a client, at the earliest practicable opportunity, any direct or indirect financial benefit that the registrant or a person related to the registrant may receive from another person in connection with services provided by the registrant to the client, including any commission or other remuneration that may be received from another person.
  - (5) A brokerage that has entered into an agreement with a buyer or seller that requires the buyer or seller to pay the brokerage a commission or other remuneration in respect of a trade in real estate shall not charge or collect any commission or other remuneration under another agreement entered into with another person in respect of the same trade unless,
    - (a) the brokerage discloses at the earliest practicable opportunity to the other person, in writing, the terms of the agreement with the buyer or seller that require the payment of a commission or other remuneration; and
    - (b) the brokerage discloses at the earliest practicable opportunity to the buyer or seller, the terms of the agreement with the other person that require the payment of commission or other remuneration.

#### Properties that meet buyer's criteria

19. If a brokerage has entered into a representation agreement with a buyer, a broker or salesperson who acts on behalf of the buyer pursuant to the agreement shall inform the buyer of properties that meet the buyer's criteria without having any regard to the amount of commission or other remuneration, if any, to which the brokerage might be entitled.

#### **Seller property information statement**

- 20. If a broker or salesperson has a seller as a client and knows that the seller has completed a written statement that is intended to provide information to buyers about the real estate that is available for acquisition, the broker or salesperson shall, unless the seller directs otherwise,
  - (a) disclose the existence of the statement to every buyer who expresses an interest in the real estate; and

(b) on request, make the statement available to a buyer at the earliest practicable opportunity after the request is made.

#### **Material facts**

- 21. (1) A broker or salesperson who has a client in respect of the acquisition or disposition of a particular interest in real estate shall take reasonable steps to determine the material facts relating to the acquisition or disposition and, at the earliest practicable opportunity, shall disclose the material facts to the client.
  - (2) A broker or salesperson who has a customer in respect of the acquisition or disposition of a particular interest in real estate shall, at the earliest practicable opportunity, disclose to the customer the material facts relating to the acquisition or disposition that are known by or ought to be known by the broker or salesperson.

### Agreements with third parties

- A registrant shall not, on behalf of a client of the registrant, enter into an agreement with a third party for the provision of goods or services to the client unless,
  - (a) the registrant has disclosed in writing to the client the subject-matter of the agreement with the third party and the identity of the person responsible for paying for the provision of the goods or services;
  - (b) the client has consented to the registrant entering into the agreement with the third party; and
  - (c) the registrant has disclosed in writing to the third party the identity of the person responsible for paying for the provision of the goods or services.

#### Steps taken by registrant

23. A registrant shall inform a client of all significant steps that the registrant takes in the course of representing the client.

## **Conveying offers**

- 24. (1) A registrant shall convey any written offer received by the registrant to the registrant's client at the earliest practicable opportunity.
  - (2) A broker or salesperson shall establish a method of ensuring that,
    - (a) written offers are received by someone on behalf of the broker or salesperson, if a broker or salesperson is not available at the time an offer is submitted; and
    - (b) written offers are conveyed to the client of the broker or salesperson at the earliest practicable opportunity, even if the broker or salesperson is not available at the time an offer is submitted.
  - (3) Without limiting the generality of subsections (1) and (2), those subsections apply regardless of the identity of the person making the offer, the contents of the offer or the nature of any arrangements for commissions or other remuneration.
  - (4) Subsections (1) to (3) are subject to any written directions given by a client.
  - (5) Subsections (1) to (4) also apply, with necessary modifications, to,
    - (a) written amendments to written offers and any other written document directly related to a written offer; and

- (b) written assignments of agreements that relate to interests in real estate, written waivers of conditions in agreements that relate to interests in real estate, and any other written document directly related to a written agreement that relates to an interest in real estate.
- (6) Subsections (1) to (5) apply, with necessary modifications, if a brokerage and a customer have an agreement that provides for the brokerage to receive written offers.
- (7) Subsections (1) to (5) apply, with necessary modifications, to brokers and salespersons employed by a brokerage, if the brokerage and a customer have an agreement that provides for the brokerage to receive written offers.

# Agreements relating to commission

- 25. (1) If a brokerage has a seller as a client and an agreement between the brokerage and the seller contains terms that relate to a commission or other remuneration and that may affect whether an offer to buy is accepted, the brokerage shall disclose the existence of and the details of those terms to any person who makes a written offer to buy, at the earliest practicable opportunity and before any offer is accepted.
  - (2) Subsection (1) applies, with necessary modifications, to a brokerage that has a seller as a customer, if the brokerage and the seller have an agreement that provides for the brokerage to receive written offers to buy.

## **Competing offers**

- 26. (1) If a brokerage that has a seller as a client receives a competing written offer, the brokerage shall disclose the number of competing written offers to every person who is making one of the competing offers, but shall not disclose the substance of the competing offers.
  - (2) Subsection (1) applies, with necessary modifications, to a brokerage that has a seller as a customer, if the brokerage and the seller have an agreement that provides for the brokerage to receive written offers to buy.

### Written and legible agreements

- 27. (1) A registrant who represents a client in respect of a trade in real estate shall use the registrant's best efforts to ensure that,
  - (a) any agreement that deals with the conveyance of an interest in real estate is in writing; and
  - (b) any written agreement that deals with the conveyance of an interest in real estate is legible.
  - (2) Subsection (1) applies, with necessary modifications, if a brokerage and a customer have an agreement that provides for the brokerage to provide services to the customer in respect of any agreement that deals with the conveyance of an interest in real estate.

#### Copies of agreements

28. (1) If a registrant represents a client who enters into a written agreement that deals with the conveyance of an interest in real estate, the registrant shall use the registrant's best efforts to ensure that all parties to the agreement receive a copy of the agreement at the earliest practicable opportunity.

(2) Subsection (1) applies, with necessary modifications, if a brokerage and a customer have an agreement that provides for the brokerage to provide services to the customer in respect of any agreement that deals with the conveyance of an interest in real estate.

## **Delivery of deposits and documents**

29. Except as otherwise provided by law, if a registrant is representing a client or providing services to a customer in connection with a trade in real estate, and the client or customer has entered into an agreement in connection with the trade that requires the registrant to deliver a deposit or documents, the registrant shall deliver the deposit or documents in accordance with the agreement.

#### **Business records**

**30.** In addition to the records required by Ontario Regulation 579/05 (Educational Requirements, Insurance, Records and Other Matters) made under the Act, a brokerage shall make and keep such records as are reasonably required for the conduct of the brokerage's business of trading in real estate.

### Certificate of registration: broker or salesperson

31. Every broker or salesperson shall carry his or her certificate of registration and, on the request of any person, shall show it to the person.

#### Certificate of registration: brokerage

- 32. (1) A brokerage shall ensure that every certificate of registration issued to the brokerage is kept at the office to which the certificate relates.
  - (2) A brokerage shall, on the request of any person, show to the person any certificate of registration issued to the brokerage.

#### Certificates of registration for brokers and salespersons kept by brokerage

- 33. (1) A brokerage shall ensure that all duplicate original certificates of registration given to the brokerage in respect of brokers and salespersons employed by the brokerage are kept in a safe place.
  - (2) A brokerage shall, on the request of any person, show the duplicate original certificate of registration given to the brokerage in respect of a broker or salesperson employed by the brokerage to the person.

#### **Current forms**

34. A registrant shall ensure that forms used by the registrant in the course of a trade in real estate are current.

# Financial responsibility

**35.** A registrant shall be financially responsible in the conduct of business.

### Advertising

- **36.** (1) A registrant shall clearly and prominently disclose the name in which the registrant is registered in all the registrant's advertisements.
  - (2) A brokerage that identifies a broker or salesperson by name in an advertisement shall use the name in which the broker or salesperson is registered.
  - (3) A broker or salesperson shall not advertise in any manner unless the advertisement clearly and prominently identifies the brokerage that employs the broker or salesperson, using the name in which the brokerage is registered.

- (4) A registrant who advertises shall:
  - (a) use the term "brokerage", "real estate brokerage", "maison de courtage" or "maison de courtage immobilier" to describe any brokerage that is referred to in the advertisement;
  - (b) use the term "broker of record", "real estate broker of record", "courtier responsible" or "courtier immobilier responsible" to describe any broker of record who is referred to in the advertisement;
  - (c) use the term "broker", "real estate broker", "courtier" or courtier immobilier" to describe any broker who is referred to in the advertisement; and
  - (d) use the term "salesperson", "real estate salesperson", "sales representative", "real estate sales representative", "agent immobilier", "reprèsentant commercial" or "reprèsentant immobilier" to describe any salesperson who is referred to in the advertisement.
- (5) Despite clause (4) (c), a registrant who advertises may, before April 1, 2008, use the term "associate broker", "associate real estate broker", "courtier associè" or "courtier immobilier associè" to describe any broker who is referred to in the advertisement.
- (6) A registrant who advertises shall not use a term to describe any registrant that is referred to in the advertisement if the term could reasonably be confused with a term that is required or authorized by subsection (4) or (5).
- (7) A registrant shall not include anything in an advertisement that could reasonably be used to identify a party to the acquisition or disposition of an interest in real estate unless the party has consented in writing.
- (8) A registrant shall not include anything in an advertisement that could reasonably be used to identify specific real estate unless the owner of the real estate has consented in writing.
- (9) A registrant shall not include anything in an advertisement that could reasonably be used to determine any of the contents of an agreement that deals with the conveyance of an interest in real estate, including any provision of the agreement relating to the price, unless the parties to the agreement have consented in writing.

## **Inaccurate representations**

- 37. (1) A registrant shall not knowingly make an inaccurate representation in respect of a trade in real estate.
  - (2) A registrant shall not knowingly make an inaccurate representation about services provided by the registrant.

#### Error, misrepresentation, fraud, etc.

**38.** A registrant shall use the registrant's best efforts to prevent error, misrepresentation, fraud or any unethical practice in respect of a trade in real estate.

#### Unprofessional conduct, etc.

39. A registrant shall not, in the course of trading in real estate, engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as disgraceful, dishonourable, unprofessional or unbecoming a registrant.

#### Abuse and harassment

**40.** A registrant shall not abuse or harass any person in the course of trading in real estate.

#### **Duty to ensure compliance**

- 41. (1) A brokerage shall ensure that every salesperson and broker that the brokerage employs is carrying out their duties in compliance with this Regulation.
  - (2) A broker of record shall ensure that the brokerage complies with this Regulation.

#### PROCEDURES OF DISCIPLINE COMMITTEE AND APPEALS COMMITTEE

## Composition and appointment of committees

- 42. (1) The discipline committee and appeals committee shall each consist of at least five members, at least one of whom has never been a registrant or a shareholder, officer, director or employee of a registrant or former registrant.
  - (2) A person may be appointed under subsection 21 (3) of the Act as a member of both committees.
  - (3) A member of the board of the administrative authority shall not be appointed under subsection 21 (3) of the Act as a member of the discipline committee or the appeals committee.
  - (4) An appointment under subsection 21 (3) of the Act expires at the end of the day on the day before the second anniversary of the day the appointment took effect.
  - (5) If the term of office of a member of the discipline committee or appeals committee who ;has participated in a hearing expires before the hearing is completed or a decision is given, the term shall be deemed to continue, but only for the purpose of completing the hearing and participating in the decision and for no other purpose.
  - (6) The board of the administrative authority may at any time terminate an appointment under subsection 21 (3) of the Act for cause.
  - (7) Subsection (5) does not apply to a member whose appointment is terminated for cause under subsection (6).
  - (8) The board of the administrative authority shall appoint,
    - (a) from among the members of the discipline committee, one person as chair of the discipline committee and one person as vice-chair of the discipline committee; and
    - (b) from among the members of the appeals committee, one person as chair of the appeals committee and one person as vice-chair of the appeals committee.
  - (9) Subsection (4) and (6) apply, with necessary modifications, to an appointment under subsection (8).
  - (10) The vice-chair of a committee may exercise and perform the powers and duties of the chair on the request of the chair or if the chair is absent or unable to act.
  - (11) Every person appointed under subsection (8) or under subsection 21 (3) of the Act as a chair, vice-chair or Member of a committee shall, before beginning his or her duties, take and sign the following oath or affirmation in either English or French:

So help me God. (Omit this line in an affirmation)

#### Assignment of discipline committee panels

- 43. (1) When a matter is referred to the discipline committee, the chair of the committee shall assign a panel in accordance with this section to hear and determine the matter.
  - (2) The panel has all the jurisdiction and powers of the discipline committee with respect to hearing and determining the matter.
  - (3) Subject to subsection 4.2.1 (1) of the *Statutory Powers Procedure Act*, the panel must be composed of at least three members of the discipline committee.
  - (4) If the panel is composed of three or more members of the discipline committee,
    - (a) at least two of the members of the panel must be registrants;
    - (b) if a broker of record is the subject of the proceeding, at least one of the registrants must be a broker of record;
    - (c) if a broker is the subject of the proceeding, at least one of the registrants must be a broker
    - (d) if a salesperson is the subject of the proceeding, at least one of the registrants must be a salesperson; and
    - (e) at least one of the members of the panel must never have been a registrant or a shareholder, officer, director or employee of a registrant or former registrant.

#### Parties: discipline committee

44. The parties to a proceeding before the discipline committee are the registrant who is the subject of the proceeding, the administrative authority and any other person added as a party by the discipline committee.

#### **Notice of hearing**

45. Subject to section 6 of the *Statutory Powers Procedure Act*, the discipline committee shall give the parties to a proceeding at least 45 days notice of a hearing by the committee.

## Disclosure of evidence

- **46.** (1) A party who intends to tender evidence at a hearing before the discipline committee shall, not later than the date specified by subsection (3), disclose the following to every other party:
  - 1. In the case of written or documentary evidence, a copy of the evidence.
  - 2. In the case of oral evidence of a witness, the identity of the witness and a written statement containing the substance of the witness' anticipated oral evidence.
  - 3. In the case of oral evidence of an expert, the identity of the expert and a copy of a written report signed by the expert containing the substance of the expert's anticipated oral evidence.

- 4. In the case of evidence that is not oral, written or documentary evidence, a written description of the evidence.
- (2) A party who intends to tender written or documentary evidence or other evidence that is not oral evidence, at a hearing before the discipline committee shall give every party a reasonable opportunity to examine the original evidence before the hearing.
- (3) The date referred to in subsection (1) is,
- (a) in the case of evidence tendered by the administrative authority, the date that is 30 days before the date the hearing begins; and
- (b) in the case of evidence tendered by any other party, the date that is 15 days before the date the hearing begins.

### Disclosure from closed hearing

47. If a hearing before the disciplinary committee is closed to the public, the committee may order that evidence given and submissions made at the hearing not be disclosed to any member of the public.

#### Notice of decision to complainant

48. If a proceeding before the discipline committee arises from a complaint by a person who is not a party to the proceeding, the committee shall send the person a copy of its final decision or order, including the reasons if any have been given, at the same time that it complies with section 18 of the *Statutory Powers Procedure Act*.

### Notice of appeal rights

When the discipline committee sends a copy of its final decision or order to a party who participated in the proceeding, or the party's counsel or agent, under section 8 of the *Statutory Powers Procedure Act*, it shall also send a notice outlining the party's right to appeal under subsection 21 (5) of the *Real Estate and Business Brokers Act*, 2002 and the procedures applicable to an appeal.

#### Commencement of appeals

- 50. (1) A party may commence an appeal under subsection 21 (5) of the *Real Estate and Business Brokers Act*, 2002 by delivering the following to the appeals committee within 30 days after the discipline committee sends notice, under section 18 of the *Statutory Powers Procedure Act*, of the order being appealed:
  - 1. A notice of appeal that:
    - i. identifies the appellant and the other parties to the appeal,
    - ii) identifies the order being appealed,
    - iii) sets out the grounds for the appeal, and
    - iv) sets out the relief that is sought.
  - 2. The fee for commencing the appeal, as set by the administrative authority under clause 12 (1) (b) of the *Safety and Consumer Statutes Administration Act, 1996*, payable to the administrative authority.

- (2) The appellant shall, within the 30-day period referred to in subsection (1), deliver a copy of the notice of appeal referred to in paragraph 1 of subsection (1),
- (a) to the other parties to the appeal, and
- (b) to the discipline committee.
- (3) When a party commences an appeal under section 21 (5) of the *Real Estate and Business Brokers Act*, 2002, the discipline committee shall at the earliest practical opportunity forward to the appeals committee the record compiled under section 20 of the *Statutory Powers Procedure Act*.

### Assignment of appeal committee panels

- 51. (1) The chair of the appeals committee shall assign a panel in accordance with this section to hear and determine an appeal to the committee under subsection 21 (5) of the Act.
  - (2) The panel has all the jurisdiction and powers of the appeals committee with respect to hearing and determining the appeal.
  - (3) Subject to subsection 4.2.1 (1) of the *Statutory Powers Procedure Act*, the panel must be composed of at least three members of the appeals committee.
  - (4) If the panel is composed of three or more members of the appeals committee,
  - (a) at least tow of the members of the panel must be registrants;
  - (b) if a broker of record is the subject of the proceeding, at least one of the registrants must be a broker of record;
  - (c) if a broker is the subject of the proceeding, at least one of the registrants must be a broker;
  - (d) if a salesperson is the subject of the proceeding, at least one of the registrants must be a salesperson; and
  - (e) at least one of the members of the panel must never have been a registrant or a shareholder, officer, director or employee of a registrant or former registrant.
  - (5) A person who was a member of the panel of the discipline committee that made the order being appealed must not be assigned to the panel of the appeals committee that hears and determines the appeal.

#### Parties: appeals committee

52. The parties to a proceeding before the appeals committee are the appellant, the other persons who were parties to the proceeding before the discipline committee, and any other person added as a party by the appeals committee.

#### Application of ss. 45 to 48

53. Sections 45 to 48 apply, with necessary modifications, to proceedings before the appeals committee.

# **COMMENCEMENT**

## Commencement

54. This Regulation comes into force on March 31, 2006.

Mad	le	by:
Pris	p	ar:

Le Ministre des Services gouvernementaux,

GERRY PHILLIPS
Minister of Government Services

Date made: November 9, 2005 Pris le: 9 novembre 2005