

Notice requirements

This bulletin identifies the notice requirements under the legislation that brokerages and real estate agents must comply with, as well as the disclosures that agents are required to make to the brokerage under the legislation.

Agents

NOTICE TO RECO — CHANGES TO INFORMATION

Every agent must, within five (5) days after the event, provide notice to RECO of:

- Any change in the agent's address for service, including the email address.
- Any change in the information that was included in the agent's application for registration or renewal of registration.

Any information that could constitute a change to the information included in an application must be reported. This might include new charges, convictions of an offence under any Act, professional discipline proceedings under other legislation, or bankruptcy. It might also include changes to outstanding fines, unpaid judgments, or debts.

NOTICE TO RECO — TERMINATION OF EMPLOYMENT

An agent who initiates the termination of their employment with a brokerage must give the brokerage written notice of the termination, including the date the termination takes effect. The agent must forward a copy of the notice to RECO within five days after the termination takes effect.

DISCLOSURES BY AGENTS TO BROKERAGES

Agents must disclose the following matters to the brokerage that employs the agent as soon as possible after becoming aware of the matter:

- Any ownership interest that the agent has in another brokerage.
- Any conviction, absolute discharge or conditional discharge received by the agent for an offence under any Act.
- Any professional discipline proceeding under any Act that resulted in an order against the agent.

If an agent is communicating with another brokerage with respect to possible employment the agent must disclose the information identified above to the other brokerage as soon as possible after the first communication.

RECO Bulletins are a series of publications developed to provide helpful information to brokerages and real estate agents about their duties and obligations under the *Trust in Real Estate Services Act, 2002* (TRESA) and its regulations. Bulletins may be updated as required. Please check the RECO website to ensure you are referencing the most current version.

RECO Bulletins are for convenience only, they do not constitute legal advice. For complete details consult the [legislation](#).

For more information, contact:
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P: 416-207-4800
TF: 1-800-245-6910
F: 416-207-4820

Personal Real Estate Corporations

NOTICE TO RECO — CHANGES

Agents must notify RECO in writing of any change to the legal name of the personal real estate corporation or the address for service of the personal real estate corporation within five days after the change takes place.

NOTICE TO RECO — ELIGIBILITY FOR EXEMPTION FROM REGISTRATION

Agents must notify RECO in writing of any change in circumstances that would affect the personal real estate corporation's eligibility for the exemption from registration within five days after the change takes place. For details, refer to the Personal Real Estate Corporations regulation.

Brokerages

NOTICE TO RECO — CHANGES TO INFORMATION

Every brokerage must, within five (5) days after the event, provide notice to RECO of:

- Any change in the brokerage's address for service, including the email address.
- In the case of a corporation or partnership, any change in the officers or directors.
- Any change in the information that was included in a brokerage's application for registration or renewal of registration.

NOTICE TO RECO — ISSUE OR TRANSFER OF SHARES

Every brokerage that is a corporation must notify RECO in writing within 30 days after the issue or transfer of any equity shares of the corporation, if the issue or transfer results in:

Any person, or any persons that are associated with each other, acquiring, or accumulating beneficial ownership or control of 10 per cent or more of the total number of all issued and outstanding equity shares of the corporation; or

An increase in the percentage of issued and outstanding equity shares of the corporation beneficially owned or controlled by any person, or any persons who are associated with each other, where the person or the associated persons already beneficially owned or controlled 10 per cent or more of the total number of all issued and outstanding equity shares of the corporation before the issue or transfer.

NOTICE TO RECO — BROKER OF RECORD

A brokerage must notify RECO if the broker of record changes, within five days of the change.

NOTICE TO RECO — TERMINATION OF AGENT'S EMPLOYMENT

A brokerage that initiates the termination of the employment of an agent must give the agent written notice of the termination, including the date the termination takes effect.

The brokerage must complete the termination online via the registrant portal within five (5) days after the termination takes effect, and a copy of the notice the brokerage provided to the agent, together with the reasons for termination, must be included.

NOTICE TO RECO — SHORTFALL IN THE REAL ESTATE TRUST ACCOUNT

When a shortfall occurs in the real estate trust account, the brokerage must immediately notify RECO and deposit sufficient funds in the account to eliminate the shortfall.

NOTICE TO RECO — MISSING PROPERTY HELD IN TRUST

When some or all of the property that came into the brokerage's hands in trust for other persons in connection with the brokerage's business is missing, the brokerage must immediately notify RECO and replace the missing property.

NOTICE TO RECO — FINANCIAL CIRCUMSTANCES

A brokerage must promptly notify RECO, in writing, if any of the following circumstances occur:

- The brokerage's liabilities exceed the realizable value of its assets.
- The brokerage is unable to pay its liabilities as they become due.
- An insolvency proceeding is commenced by or against the brokerage.
- The brokerage is in receipt of knowledge that an insolvency proceeding is imminent.
- A court order or judgment is made against the brokerage in relation to trading in real estate, or misappropriation, fraud, or breach of trust.

For clarity, "insolvency proceeding" means,

- a proceeding initiated under the *Companies' Creditors Arrangement Act* (Canada),
- a proceeding initiated under the *Bankruptcy and Insolvency Act* (Canada), or
- any receivership, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceeding.