

SUPERVISION OF SALESPERSONS

Under The Real Estate Brokers Act, brokers are responsible for the real estate activities of their employees, but the Act does not specifically define the extent and degree of supervision or the criteria for determining whether adequate supervision is being provided. On the recommendation of The Real Estate Advisory Council, The Manitoba Real Estate Association and The Manitoba Securities Commission are advising that the following criteria will be used in future to determine whether adequate supervision is being provided. While the criteria would not be binding on the Commission or a court in interpreting the Act, it will be instructive in establishing a reasonable industry standard. A broker or authorized official shall adequately supervise the activities of salespersons and employees for whom he or she is responsible. This responsibility includes:

- Reviewing all accepted offers to purchase in a timely manner;
- Providing written policies and procedures for salespersons to follow with respect to real estate transactions; and,
- Taking reasonable steps to ensure that the brokerage and its employees comply with the Act and Regulations thereunder.

In determining whether adequate supervision was provided, the Commission and the Association will consider the following factors but will not be limited to making a determination on these factors alone:

- Whether the broker or authorized official was physically available and able to supervise (either in person or by means of a cell phone, FAX or E-mail, etc.);
- Whether the broker had written policies and procedures to follow in real estate transactions;
- Whether reasonable steps were undertaken to ensure compliance with the broker's policies and procedures; and,
- Whether remedial and disciplinary action was taken where a violation by a salesperson or other employee was discovered.