

**ADMINISTRATIVE AGREEMENT
BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
(HEREINAFTER REFERRED TO AS THE "CROWN")
AS REPRESENTED BY THE MINISTER OF CONSUMER SERVICES**

- AND -

**THE REAL ESTATE COUNCIL OF ONTARIO,
A NOT-FOR-PROFIT CORPORATION, WITHOUT SHARE CAPITAL
INCORPORATED UNDER THE LAWS OF CANADA
(HEREINAFTER REFERRED TO AS THE "ADMINISTRATIVE AUTHORITY")**

TABLE OF C O N T E N T S

	Page
1. Definitions	1
2. Purpose of the Agreement	2
3. Designations and Delegated Administration	3
4. Accountability Relationships	3
5. Roles and Responsibilities of the Parties	3
6. Corporate Reporting: Business Plan and Annual Report	6
7. Membership	7
8. Board and Statutory Appointments	7
9. Regulatory Governance	9
10. Financial Arrangements	10
11. Records and Access	10
12. Litigation	11
13. Wind-Up or Other Termination of Administrative Authority's Administration	12
14. Indemnity and Release	14
15. Insurance	14
16. Non-Regulatory Business	15
17. Code of Conduct for Compliance Personnel	15
18. Dispute Resolution	15
19. Communications	15
20. Entire Agreement	16
21. Jurisdiction	16
22. Conflict	16
23. Amendments	16
24. Public Document	17
25. Effective Date	17

SCHEDULES

- "A"** Regulation designating the Act and prescribing the Real Estate Council of Ontario
- "B"** Corporate Planning and Reporting
- "C"** Code of Conduct for Board of Directors
- "D"** Fee Setting Process and Criteria
- "E"** Payments by the Real Estate Council of Ontario
- "F"** Model Access and Privacy Code
- "G"** Non-Regulatory Business Policy
- "H"** Information Sharing Protocol

Recitals

WHEREAS the Minister and the Administrative Authority are required to enter into an Administrative Agreement pursuant to the *Safety and Consumer Statutes Administration Act, 1996* (“SCSAA”) as amended, to include all matters that the Minister considers necessary for delegating the administration of the delegated legislation, in this case, the *Real Estate and Business Brokers Act, 2002* (“the Act”);

AND WHEREAS the Minister is accountable to the people of Ontario as a member of the Legislative Assembly and to the Legislative Assembly as a Minister of the Crown in right of Ontario;

AND WHEREAS the Administrative Authority is accountable to the Minister and the government for its administration of the delegated legislation;

AND WHEREAS the Administrative Authority administers the Act on behalf of the Minister and as a trusted advisor provides valuable information to the government regarding the operational effectiveness of the Act and that both parties acting in the public interest are dependent on a collaborative relationship;

AND WHEREAS the Minister and the Administrative Authority recognize the benefit of building on a history of a strong collaborative relationship and the need to resolve any disagreements as amicably and expeditiously as possible;

AND WHEREAS the Administrative Authority is not funded by the government and is not self-regulating;

AND WHEREAS the Minister is responsible for recommending legislative and regulatory changes to the Lieutenant Governor in Council;

AND WHEREAS the Minister and the Administrative Authority intend to exercise their powers and duties under the SCSAA and the Act in such a manner as to protect, enhance and improve consumer protection and carry out and perform this Agreement in a manner consistent with the objective and principle of ensuring a fair, safe and informed marketplace that supports a competitive economy;

NOW THEREFORE in consideration of the promises and the mutual covenants contained in this Agreement and subject to the terms and conditions hereof, the parties hereby enter into this Administrative Agreement.

1. Definitions

- (1) In this Administrative Agreement,
 - (a) “Act” means the legislation designated by the Lieutenant Governor in Council being the *Real Estate and Business Brokers Act, 2002*, and the regulations under that Act, as amended from time to time;

- (b) “Administrative Authority” means the Real Estate Council of Ontario or such other administrative authority designated under the SCSAA to administer the Act;
- (c) “Agreement” means the Administrative Agreement, all attached schedules and any agreement or schedule in writing supplementing or amending this Administrative Agreement or any of its schedules;
- (d) “Board” means the Board of Directors of the Administrative Authority;
- (e) “Chair” means the Chair of the Board;
- (f) “Crown” means Her Majesty the Queen in Right of the Province of Ontario;
- (g) “Minister” means the Minister responsible for the administration of the Act, *or of the Safety and Consumer Statutes Administration Act, 1996*, as the case may be, acting for and on behalf of the Crown;
- (h) “SCSAA” means the *Safety and Consumer Statutes Administration Act, 1996*, and the regulations under it;
- (i) “Statutory Mandate” means the exercise of the authority delegated to the Administrative Authority pursuant to the SCSAA, excluding non-regulatory business ventures.
- (j) “Termination” means the Lieutenant Governor in Council regulation revoking the designation of the Administrative Authority to administer the Act, pursuant to section 6 of the SCSAA.

2. Purpose of the Agreement

This Administrative Agreement between the Minister and the Administrative Authority:

- (1) Sets out all matters that the Minister considers necessary for delegating the administration of the Act to the Administrative Authority in accordance with the SCSAA.
- (2) Clarifies the roles, duties and responsibilities of the Minister and the Administrative Authority in relation to the administration of the Act and the administrative matters as set out under the Act and the SCSAA.
- (3) Clarifies the administrative, financial, auditing, accountability, legislative and regulatory development, and working and reporting relationships between the parties.

3. Designations and Delegated Administration

- (1) The parties acknowledge that the administration of all the provisions of the Act, except those specifically exempted in the designation are delegated to the Administrative Authority. For greater certainty, a copy of the regulation designating the Act and the Administrative Authority is attached as Schedule “A” to this Agreement.
- (2) The Administrative Authority has assumed responsibility for the administration of all provisions in the Act except those specifically exempted in the designation.
- (3) The Statutory Mandate of the Administrative Authority is established by the Act and the SCSAA.

4. Accountability Relationships

- (1) The Minister is accountable to the Legislative Assembly for the fulfilment of the Statutory Mandate by the Administrative Authority and for reporting to the Legislative Assembly on the affairs of the Administrative Authority.
- (2) The Board is accountable to the Minister through the Chair, for the performance of the Administrative Authority.

5. Roles and Responsibilities of the Parties

The Minister

- (1) The Minister is responsible for the Administrative Authority’s fulfilment of its Statutory Mandate. The SCSAA requires the Minister to report publicly on the Administrative Authority’s activities. For this purpose, the Minister requires timely access to information from the Administrative Authority as set out in the Information Sharing Protocol, attached as Schedule “H”.
- (2) The Minister is responsible for bringing forward proposed changes to the Act and the SCSAA to the Lieutenant Governor in Council and the Legislative Assembly.
- (3) The Minister may, where the Minister deems appropriate, conduct policy, legislative and regulatory reviews.
- (4) The Minister shall make reasonable efforts to consult with the Administrative Authority in respect of current and proposed government legislation or policy which will directly impact upon the Administrative Authority’s administration of the Act.
- (5) The Minister may engage the Administrative Authority:
 - Throughout the policy development process;

- In coordinating public and stakeholder communications regarding any proposed legislative, regulatory or policy changes, and
 - In the development of communication strategies for critical and/or on-going issues.
- (6) The Minister may, where the Minister deems appropriate, delegate, make or assign to the Administrative Authority such additional authority, appointments or consents as are within the Minister's control, if the Administrative Authority requires such additional authority, appointments, or consents to carry out its delegated authority.
 - (7) The Minister may, where the Minister deems appropriate, assist the Administrative Authority in obtaining any additional authorities, appointments or consents which cannot be granted by the Minister.
 - (8) The Minister may, where the Minister deems appropriate, assist the Administrative Authority in working with other ministries to facilitate agreements and relationships with the Administrative Authority.
 - (9) The Minister may conduct performance, governance, accountability or financial reviews of the Administrative Authority after giving reasonable notice if feasible, and may recommend changes as a result.
 - (10) If the Minister agrees with the recommendations of the Administrative Authority for legislative or regulatory change to the Act, the Minister shall make reasonable efforts to support the recommendations through the legislative or regulatory process.
 - (11) The Minister may refer to the Board any matter relating to the SCSAA or to the administration of the Act.
 - (12) The Minister shall not interfere with the independent exercise of the statutory functions fulfilled by the Administrative Authority's registrar or deputy registrars, inspectors, investigators, statutory director or deputy directors, and other officers exercising statutory and regulatory duties.
 - (13) The Minister shall make best efforts to meet with the Chair from time to time.

The Administrative Authority

- (14) In accordance with subsection 7(1) of the SCSAA, the Administrative Authority shall administer its designated legislation in accordance with the law, the SCSAA, the Act and this agreement, with the purpose of protecting the public interest and advancing the principle of ensuring a fair, safe and informed marketplace that supports a competitive economy.
- (15) The Administrative Authority is responsible for ensuring that it has adequate resources, including financial resources, to comply with the Administrative Agreement, the SCSAA, the Act, and other relevant law, and in accordance with

the business plan that it has provided to the Minister under clause 6(1)(a) of this Administrative Agreement.

- (16) The Administrative Authority is responsible for maintaining an up-to-date written policies and procedure manual for each functional area of its business.
- (17) The Administrative Authority is responsible for maintaining an up-to-date written procurement policy and procedure in keeping with the spirit of the most recent Ontario Public Service *Procurement Directive* to ensure that goods and services, including consulting services and information technology are acquired through a process that is fair, open, transparent, geographically neutral, competitive and accessible to qualified vendors.
- (18) The Administrative Authority is responsible for maintaining an up-to-date written travel, meal and hospitality expenses policy and procedure in keeping with the spirit of the most recent Ontario Public Service *Travel, Meal and Hospitality Expenses Directive* in order to set out results and principles for the reimbursement of expenses to ensure fair and reasonable practices, and to provide a framework of accountability to guide the effective oversight of resources in the reimbursement of expenses.
- (19) The Administrative Authority is responsible for maintaining appropriate performance measurements, governance, and financial management processes with sound internal controls to conduct the Administrative Authority's operations effectively and efficiently. In addition, the Administrative Authority shall maintain an effective system for responding to and assisting in the resolution of consumer and other complaints received by the Administrative Authority related to its administration of the Act.
- (20) The Administrative Authority is responsible for providing the Minister with timely information in relation to any matter requested by the Minister and shall also provide the information prescribed in the Information Sharing Protocol attached as Schedule "H".
- (21) When able and appropriate, the Administrative Authority shall coordinate its enforcement activities in relation to the investigation of serious incidents with the enforcement activities of other provincial and federal enforcement authorities.
- (22) When engaged by the Minister, in accordance with subsection (5), the Administrative Authority shall participate in:
 - The policy development process;
 - Coordinating public and stakeholder communications regarding any proposed legislative, regulatory or policy changes, and
 - The development of communication strategies for critical and/or on-going issues.
- (23) The Administrative Authority shall provide timely information to the Minister of any arising issues or concerns related to the administration of the Act that may require legislative, regulatory or policy changes to resolve.

6. Corporate Reporting: Business Plan and Annual Report

- (1) The Administrative Authority shall:
 - (a) provide the Minister each year, not later than one hundred and twenty (120) days after the end of its fiscal year, a business plan for the forthcoming year (as described in Schedule “B”) in a format acceptable to the Minister;
 - (b) provide the Minister each year, not later than one hundred and twenty (120) days after the end of its fiscal year, an annual report for the preceding year (as described in Schedule “B”) in a format acceptable to the Minister;
 - (c) enable the Minister to review and comment on the business plan referred to in clause (a) within a reasonable time period, estimated to be approximately two weeks from the receipt of the document, under normal circumstances, and prior to final approval of the Board;
 - (d) enable the Minister to review and comment on the annual report referred to in clause (b) within a reasonable time period, estimated to be approximately two weeks from the receipt of the document, under normal circumstances, and prior to final approval of the Board;
 - (e) make all publications referred to in clauses (a) and (b) available to the public, including posting on the Administrative Authority’s web-site.
- (2) The Administrative Authority shall have a risk management framework and risk management plan for managing risks that the Administrative Authority may encounter in meeting its program and service delivery objectives as described in Schedule “B”.
- (3) The Administrative Authority’s business plan shall set out the means by which services related to the administration of the Act are provided in French and the Administrative Authority’s annual report shall account for how these French language services were provided.
- (4) The Administrative Authority’s business plan shall set out the means by which complaints related to the administration of the Act are responded to and resolved and the Administrative Authority’s annual report shall account for how these complaints were responded to and resolved.
- (5) The Administrative Authority shall conduct a client satisfaction/value survey of all or a sampling of its clients, consumer stakeholders and registrants at least once every two years. The client satisfaction/value survey may be facilitated by an independent third party or by in-house staff. The Administrative Authority shall share a summary of the survey results with the Minister. The Administrative Authority’s annual report and website shall also include a synopsis of the results of the client satisfaction/value survey, as conducted.

- (6) The Administrative Authority and the Minister shall agree upon performance measures regarding the administration of the Act, and the Administrative Authority shall provide the Minister such performance measures on a quarterly basis each year, as well as provide the Minister with outcome measures on an annual basis. These measures will be based on a stable set of performance metrics that will reflect the regulated sector and enable a year to year comparison. Where a year to year comparison is not possible because of a change in performance metrics, the Administrative Authority shall give the Ministry sufficient information to enable a comparison.

7. Membership

The Administrative Authority shall provide the Minister with a copy of any by-laws, as amended from time to time, respecting qualifications, terms and conditions of registration or membership and the conduct of persons required to be registered under the Act.

8. Board and Statutory Appointments

Board

- (1) The composition of the Board, the selection criteria and process and term of office of its members, other than Ministerial appointees, shall, in the discretion of the Board, be established either by by-law, that is with the approval of the membership, or by resolution of the Board alone. The Administrative Authority shall provide such by-laws or resolutions to the Minister for review and approval prior to submitting them to the Board or membership as the case may be.
 - (a) No one may sit as a member of the Board while he or she is an employee of a trade association representing the interests of the regulated industry. The by-laws shall not grant to any person who is not a director, the right to notice of meetings of the Board or the right to attend meetings of the Board.
 - (b) The Administrative Authority shall obtain the Minister's prior agreement to any change in the by-laws or resolutions respecting Board composition, the selection criteria and process and term of office of its members.
 - (c) Any motion from the floor that affects the Board composition or selection criteria or process and terms of office of its members shall not be entertained or put to the vote of the membership unless the motion has been reviewed and approved by the Minister.
- (2) The Administrative Authority shall maintain and periodically update a skills profile of current Board members, including a gap assessment of the kinds of skills that would be needed on the Board. Upon completion, the selection criteria may be made available to the public upon request.

- (a) The Board shall include members who may be appointed by the Minister in accordance with section 8 of the SCSAA. The Board shall provide the Board skills profile and selection criteria described in this subsection to the Minister who shall use the skills profile and selection criteria to assist with his or her appointment decisions.
 - (b) The Board selection criteria and process shall be inclusive and shall require reasonable efforts to include industry members who reflect a variety of perspectives.
 - (c) The Board recognizes that members appointed by the Minister in accordance with the SCSAA may include representatives of consumer groups, business, government organizations or such other interests as the Minister determines.
 - (d) The Minister shall endeavour to make appointments to the Board in a timely manner.
 - (e) Board members appointed by the Minister shall be paid by the Administrative Authority in an amount and on a basis that is equivalent to all other Board members. If a Board member is employed by the Crown, the member shall not receive any remuneration.
- (3) The annual meeting, where the Board shall present its annual report and audited financial statements, and report to the members of the Administrative Authority on the affairs of the Administrative Authority for the immediately preceding year, shall be open to the general public and the Board shall make reasonable efforts to inform the general public of such meeting.
 - (4) The Board shall adopt a binding code of conduct for its Board members to prevent the possibility of any Board member advancing his or her personal or business interests or the interests of another organization, ahead of the interests of the Administrative Authority. The code of conduct for Board members is subject to the approval of the Minister. Upon approval by the Minister, such code shall be attached to this Agreement as Schedule "C".
 - (5) The Board shall establish an advisory process for direct input to the Board on issues of importance to consumers. The terms of reference of such a process will be made public and a report on the activities and advice provided by this process will be included in the annual report.
 - (6) The Board shall conduct an evaluation for each individual Board member or for all board members as a group no less than once every two years. A summary of the review shall be provided to the Minister.

Statutory Appointments

- (7) As stated in subsection 2(1) of the Act, the Board shall appoint a director and may appoint a maximum of two deputy directors.

- (a) The director or deputy director(s) shall not:
 - (i) be a member of the Board unless the Board has approved guidelines providing for the independent exercise of the director's statutory duties
 - (ii) be a registrar or deputy registrar under the Act
 - (iii) hold a position in the Administrative Authority that is subordinate to the registrar or deputy registrar
 - (iv) be an employee of a trade association representing the interests of the regulated industry
 - (v) be a registrant under the Act.
- (8) As stated in subsection 3(1) of the Act, the Board shall appoint a registrar under the Act and may appoint a maximum of two deputy registrars.
 - (a) The registrar and deputy registrar(s) shall be employees of the Administrative Authority and they shall not be:
 - (i) a member of the Board
 - (ii) a director or deputy director under the Act
 - (iii) an employee of a trade association representing the interests of the regulated industry
 - (iv) a registrant under the Act.
- (9) The Administrative Authority acknowledges that the director and registrar under the Act and any deputy or deputies thereof exercise statutory duties which require independent decision-making and, for that purpose, the Administrative Authority agrees that the Board shall not interfere with the independent exercise of these statutory responsibilities but may review the manner in which those responsibilities are carried out, consistent with the Board's corporate and regulatory governance responsibilities.

9. Regulatory Governance

- (1) The Board shall be responsible for carrying out the following regulatory governance functions:
 - a) Reviewing the adequacy and effectiveness of the Administrative Authority's consumer protection framework to ensure compliance with the Act;
 - b) Reviewing implementation of and reporting on the consumer protection framework; and
 - c) Providing strategic advice to the Minister on potential or proposed legislative / regulatory changes.

10. Financial Arrangements

- (1) The Administrative Authority shall ensure that it has adequate resources to comply with this Agreement, the Act, and the SCSAA in accordance with the business plan that it has provided to the Minister under clause 6(1)(a) of this Agreement.
- (2) The Administrative Authority acknowledges it cannot collect or retain as revenue any fines imposed by a court further to proceedings taken by the Administrative Authority under the *Provincial Offences Act*, R.S.O. 1990, c. P.33 as amended.
- (3) The Administrative Authority may develop fees, subject to any limitations on the amount imposed by the Act and by the SCSAA, costs or other charges related to its delegated administration in accordance with the process and criteria approved by the Minister, as set out in the attached Schedule "D".
- (4) The Administrative Authority agrees to pay to the Minister such amounts as set out in the attached Schedule "E".
- (5) Any payments by the Administrative Authority to the Minister shall be made by cheques payable to the Minister of Finance drawn on the account of the Administrative Authority on a timely basis and on the terms as set out in the attached Schedule "E".
- (6) The Minister will charge interest on any late payments on the terms set out in the attached Schedule "E".
- (7) The Administrative Authority shall report to the Minister at the earliest opportunity if there is any reason for concern about the financial state of the Administrative Authority.

11. Records and Access

- (1) All records obtained from any source, created, or maintained by the Administrative Authority in the course of carrying out its delegated administration are the property of the Administrative Authority and the Administrative Authority is the sole owner and custodian of such records and information and may use them for its legitimate purposes in the administration of the Act.
- (2) All records that are the property of the Administrative Authority shall be maintained, in keeping with the records retention and destruction schedules established by the Administrative Authority.
- (3) The Administrative Authority shall have an access and privacy code addressing issues of access to public and personal information, protection of personal information, and effective procedural remedies. This code shall protect privacy and provide access in accordance with the principles of applicable privacy and access

legislation, and provide effective procedural remedies in support of these principles. This code shall follow the principles set out in the Model Access and Privacy Code attached as Schedule "F".

- (4) The Administrative Authority shall comply with the access and privacy code referred to in subsection (3), and will make the code available to the public, including posting on the Administrative Authority's web-site.
- (5) The Administrative Authority will provide the Minister with notice of, and a copy of, any changes to the access and privacy code.

12. Litigation

- (1) The following provisions address any litigation arising after and/or as a result of the Administrative Authority's designation under the SCSAA.
- (2) Civil and administrative litigation, including inquests, related to the Act in which the Crown is a defendant or an interested party, which was commenced prior to the date of designation of the Administrative Authority or which was commenced after that date but which relates in whole or in part to any event, act or omission, or to any alleged event, act or omission occurring prior to that date, shall be defended or otherwise carried out by the Crown unless the parties expressly agree otherwise, and the Crown shall be responsible for all costs of the litigation and for the payment of any settlement costs agreed to and payable, and any damages awarded against it, as a result of any act, omission or fault of the Crown subject to order of the court or agreement of the parties otherwise. The parties agree that the Administrative Authority reserves the right to defend or otherwise carry out any such litigation on its own behalf and at its own cost where it determines that it has an independent interest in the litigation.
- (3) The Administrative Authority shall cooperate with the Crown for the purpose of the Crown's defence or other participation in the litigation referred to in subsection 12(2) of this Administrative Agreement including, without limiting the generality of the foregoing, providing documentation or information and providing witnesses in such litigation, where appropriate.
- (4) Civil and administrative litigation, including inquests, related to the Act in which the Crown is a defendant or an interested party, as a result of any alleged act or omission of the Administrative Authority in its administration of the Act and which was commenced after the date of designation of the Administrative Authority, shall be defended or otherwise carried out by the Administrative Authority (with full right and power to choose legal counsel and with full right and power to reach a settlement which binds the Administrative Authority and, with the Crown's consent, binds the Crown), unless the parties expressly agree otherwise. The Administrative Authority shall be responsible for all costs of the litigation and for the payment of any settlement costs agreed to and payable by it and any damages awarded against it, as a result of any act, omission or fault of the Administrative Authority

subject to order of the court or agreement of the parties otherwise. The parties agree that the Crown reserves the right to defend or otherwise carry out any such litigation on its own behalf and at its own cost where it determines that it has an independent interest in the litigation.

- (5) Any proceedings, and any civil, criminal or administrative litigation, including inquests, not related to the Administrative Authority's administration of the Act, in which the Crown is a defendant or an interested party, arising from or in any way connected with any activity undertaken by, or alleged act or omission of the Administrative Authority, shall be defended or otherwise carried out by the Administrative Authority. The Administrative Authority shall be responsible for all costs of the proceedings or litigation and for the payment of any settlement costs agreed to and payable by it and any damages awarded against it. The parties agree that the Crown reserves its right to defend or otherwise carry out any such proceedings or litigation on its own behalf and at its own cost where it determines that it has an independent interest in the proceedings or litigation.
- (6) The Minister or the Crown shall cooperate with the Administrative Authority for the purpose of the Administrative Authority's defence or other participation in the litigation referred to in subsections 12(4) and 12(5) including, without limiting the generality of the foregoing, providing documentation or information and providing witnesses in such litigation, where appropriate.
- (7) For greater certainty, the Administrative Authority shall have authority to and may carry out all prosecutions related to the Act on behalf of and in the name of the Crown, all in accordance with, pursuant to and in furtherance of the obligations of the Administrative Authority.
- (8) The Minister shall keep the Administrative Authority informed of any litigation by or against the Crown or in which the Crown is an interested party that may affect the interests of the Administrative Authority.
- (9) The Administrative Authority shall keep the Minister informed of any litigation by or against the Administrative Authority or in which the Administrative Authority is an interested party that may affect the interests of the Crown.

13. Wind-Up or Other Termination of Administrative Authority's Administration

- (1) Without limiting the powers of the Crown under the SCSAA or otherwise, the termination of the Administrative Authority's authority to administer the Act may result from a decision of the Administrative Authority to wind-up or dissolve or cease to operate as an administrative authority, the insolvency or bankruptcy of the Administrative Authority, the failure of the Administrative Authority to comply with the SCSAA, the Act or the Administrative Agreement, or may occur if the Lieutenant Governor in Council considers it advisable in the public interest to revoke the Administrative Authority's designation.

- (2) The Administrative Authority may request the Lieutenant Governor in Council to revoke its designation and in that case the Lieutenant Governor in Council shall by regulation, revoke the designation on the terms it considers advisable in the public interest.
- (3) If the Administrative Authority fails to comply with the SCSAA, the Act or the Administrative Agreement, the Minister shall allow the Administrative Authority the opportunity of remedying its failure within the time period that the Minister considers reasonable in the circumstances.
- (4) The Minister shall advise the Lieutenant Governor in Council whether or not the Administrative Authority remedies its failure within the time period that the Minister specifies.
- (5) The Lieutenant Governor in Council shall not revoke the designation of the Administrative Authority if it remedies its failure within the time period that the Minister specifies.
- (6) If a decision is made to terminate the designation of the Administrative Authority, the Minister may appoint a person(s) to liaise with the Administrative Authority to ensure the Administrative Authority's continued effective administration of the Act, including the administration of the Authority's premium stabilization fund, pending resolution of financial and legal issues relating to the termination.
- (7) If the termination is due to the wind-up, bankruptcy, or insolvency of the Administrative Authority, the Minister may appoint a person to liaise with the persons(s) appointed by the Administrative Authority or by a secured creditor(s) or court to oversee the wind-up, bankruptcy, or insolvency of the Administrative Authority to ensure the continued effective administration of the Act.
- (8) The parties shall use their best efforts to resolve financial and other issues resulting from the termination of designation that impacts the Crown or the Administrative Authority, in keeping with the principle of fairness in light of the nature of the termination. This will include consideration of issues related to the Administrative Authority's premium stabilization fund, including industry input on how the fund should be used, taking into account the source of the funds, in keeping with the Act and the enhancement and improvement of consumer protection in real estate transactions involving brokerages, brokers and salespersons.
- (9) Any agreement under subsection 13(8) that may increase, directly or indirectly, the indebtedness or contingent liabilities of the Crown will require the prior written approval of the Minister of Finance, in accordance with section 28 of the *Financial Administration Act*, R.S.O. 1990, c. F. 12 and will be subject to approval by Treasury Board. The Minister will make best efforts to obtain this and any other necessary approvals.
- (10) The Administrative Authority or its appointee shall keep the Minister and any person appointed in accordance with subsections 13(6) and (7) of this Agreement informed to ensure the effective ongoing administration of the Act during the wind-up or other termination of the Administrative Authority.

14. Indemnity and Release

The indemnification in subsection 11(4) of the SCSAA survives termination of this Administrative Agreement for the maximum period permitted by law or contract and the Administrative Authority shall be required to have insurance and/or bonding for this purpose and shall provide the Minister with proof of same.

15. Insurance

- (1) The Administrative Authority shall at all times maintain adequate insurance against liability arising out of the Administrative Authority's carrying out the administration of the Act, its duties under the Act, and this Administrative Agreement.
- (1) The Administrative Authority shall arrange for the completion and submission of a certificate of liability insurance which shall include a provision requiring the insurer to give prior notice to the Minister in the manner set forth in the policy conditions in the event that the policy is changed or cancelled.
- (2) The Administrative Authority shall take all reasonable steps to protect itself from and against all claims which might arise from the carrying out of the administration of and carrying out of duties under the Act by the Administrative Authority, its directors, appointees, officers, employees and agents where bodily injury (including personal injury), death or property damage is caused and for this purpose shall, without restricting the generality of the foregoing, maintain comprehensive general liability insurance acceptable to the Minister and subject to limits of not less than \$10 million inclusive per occurrence of bodily injury (including personal injury), death and damage to property including loss of the use thereof, and automobile liability insurance (owned and non-owned or hired units).
- (4) The policies of liability insurance shall include as an additional insured Her Majesty the Queen in Right of Ontario as represented by the Minister but only in respect of and during the performance of the Administrative Authority of its administration of the Act or its duties under the Act and not in respect of any act or omission of the Crown including its directors, appointees, officers, employees or agents. In addition, the policy of liability insurance shall contain a cross-liability clause or endorsement. The parties recognize that the requirement for the Crown to be named as an additional named insured does not apply to a policy of insurance in respect of errors and omissions.
- (5) If the Crown imposes an obligation on the Administrative Authority by obtaining the enactment of legislation, making a regulatory change or otherwise, which gives rise to exposure to liability on the part of the Administrative Authority for which the Administrative Authority cannot reasonably obtain appropriate liability insurance, the Administrative Authority shall provide immediate notice to the Minister in writing of the uninsured risk and subject to government approvals that may be required, if any, the Administrative Authority and the Minister shall identify appropriate measures to resolve the issue to the satisfaction of both parties. Where government approval is required, the Minister will make best efforts to obtain the necessary approvals.

16. Non-Regulatory Business

- (1) The Administrative Authority shall only enter into new business ventures that promote and enhance consumer protection. For this purpose, the Administrative Authority shall comply with the principles set out in the Non-Regulatory Business Policy set out in Schedule "G".
- (2) For each new non-regulatory business venture, the Administrative Authority shall submit to the Minister a statement confirming that such new non-regulatory business venture will not negatively impact the Administrative Authority's regulatory business. The form and content of the statement shall be as detailed in Schedule "G".
- (3) The statement shall be provided to the Minister prior to the Administrative Authority entering into a business venture for the new non-regulatory business.

17. Code of Conduct for Compliance Personnel

From time to time, the government may develop new policies governing the conduct of compliance personnel. As new policies emerge, the Minister shall provide the Administrative Authority with any government directives regarding the conduct of compliance officers. The Administrative Authority shall develop its own code of conduct in accordance with the principles set out in the government directives and shall provide them to the Minister and make them available to the public and posted on the Administrative Authority's web-site.

18. Dispute Resolution

The parties agree to use reasonable efforts to resolve any disputes that may arise out of or in connection with this Agreement, or the administration of the Act. In the event of any such dispute, the parties may each identify an administrator for the purpose of dispute resolution. If the administrators are unable to do so within a reasonable time, the parties may agree to refer the dispute to a single mediator or to a three-member panel jointly selected by the parties. In the case of a three-member panel, each of the parties shall select one member and the third member shall be a neutral member jointly selected by the parties. Any recommendation of the mediator(s) for resolution of the dispute will not be binding on the party without its consent. If the parties do not accept the recommendation of the mediator(s), and the parties are unable to resolve the dispute, the parties may agree to resolve the dispute by arbitration.

19. Communications

- (1) Each of the parties shall designate an individual who will be the primary contact for all issues and communications related to this Agreement, the SCSAA and the administration of the Act.

- (2) The parties shall develop procedures for the sharing of information and the resolution of issues that may arise during the course of delegation. Upon approval by the Minister, such procedures shall be added to the Agreement as Schedule "H".

20. Entire Agreement

- (1) The Minister and the Administrative Authority agree that this Agreement and any schedules hereto, as amended from time to time in accordance with section 23 of this Agreement or subsection 4(3) of the SCSAA, form the entire Agreement between the parties and supersede any prior understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution of this Agreement.
- (2) Neither the Administrative Authority nor the Minister shall assign this Agreement in whole or in part without the express written prior consent of the other.

21. Jurisdiction

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

22. Conflict

In the event of a conflict between the provisions of the Administrative Agreement and the Act or the SCSAA, the Act and the SCSAA prevail, and in the event of a conflict between the SCSAA and any other Act, the SCSAA prevails.

23. Amendments

- (1) Subject to subsection 4(3) of the SCSAA, the terms of this Agreement may only be added to, deleted, varied or amended with the consent of both parties. Such amendments shall be in writing, dated, and signed by both parties and attached to this Agreement.
- (2) The parties shall amend this Agreement as required to accommodate any changes to the Act or to the SCSAA. Pursuant to subsection 4(3) of the SCSAA, prior to any Minister's amendments or insertions of terms in this Agreement, the Minister shall give such notice to the Administrative Authority as the Minister considers reasonable in the circumstances. The Minister shall provide the Administrative Authority with a time period that the Minister considers reasonable for the Administrative Authority to comply with the amended or inserted terms.

- (3) The parties shall conduct a review of the Administrative Agreement every five years. Despite the foregoing, either party may initiate a review of the Administrative Agreement when advisable in the public interest upon giving notice to the other.

24. Public Document

The parties agree that this Agreement, including the Schedules hereto, and any amendments, shall be made available to the public by either party upon request to that party by any member of the public, and that each party shall post the Agreement, Schedules and any amendments to that party's web-site.

25. Effective Date

This Agreement comes into effect on the later date of execution by the parties and upon that date shall replace and supersede the prior Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

Real Estate Council of Ontario

Her Majesty the Queen in Right of Ontario

Chair of the Board

SCHEDULE "A"
REGULATION 187109 (PART)
REAL ESTATE COUNCIL OF ONTARIO

Safety and Consumer Statutes Administration Act, 1996
Loi de 1996 sur l'application de certaines lois traitant de securite et de services aux consommateurs

ONTARIO REGULATION 187109, in part
PART I
ADMINISTRATION OF VARIOUS ACTS

DESIGNATED LEGISLATION

Designated legislation

1. The provisions that are specified in Column 2 of the following Table and that are provisions of the Act or regulations specified opposite in Column 1 are designated as designated legislation for the purposes of subsection 3 (1) of the Act:

Column 1	Column 2
...	...
<i>Real Estate and Business Brokers Act, 2002</i>	all provisions except for sections 50 and 51
the regulations made under the <i>Real Estate and Business Brokers Act, 2002</i> except for the regulations made under subsection 50(2) or paragraph 25 of subsection 51(1) of that Act with respect to a delegation of the power to make regulations	all provisions

DESIGNATED ADMINISTRATIVE AUTHORITIES

Real Estate and Business Brokers Act, 2002

4. For the purposes of subsection 3(2) of the Act, the Real Estate Council of Ontario, that is incorporated under the laws of Canada by letters patent dated January 24, 1997 and with which the Minister of Consumer and Commercial Relations has entered into an administrative agreement dated March 1, 1997 for the purposes of section 4 of the Act, is designated as the sole administrative authority for the purpose of administering the *Real Estate and Business Brokers Act, 2002* and the regulations that are made under that Act that are designated legislation under section 1.

Real Estate Council of Ontario

Her Majesty the Queen in right of Ontario

Chairman of the Board

Date:

Date:

**SCHEDULE “B”
CORPORATE PLANNING AND REPORTING
REAL ESTATE COUNCIL OF ONTARIO**

The Real Estate Council of Ontario’s (RECO’s) corporate planning and reporting documents are essential communications vehicles for demonstrating responsible stewardship of regulatory authority in the achievement of consumer protection. As such, RECO will strive to continuously improve and strengthen linkages between strategic planning, business planning, operational planning and reporting.

Recognizing that corporate planning and reporting documents have a broad audience that includes government, industry stakeholders and the public, RECO will use plain language so that the objectives and performance of RECO are clear and easy for the average reader to understand.

The corporate planning and reporting documents should easily allow for comparisons between them. For example, the commitments in the business plan and the outcomes contained in the annual report, over the course of the Administrative Authority’s administration of the delegated statute, should be comparable.

RECO’s corporate planning and reporting documents will support the accountability framework as laid out in the Administrative Agreement between the Minister and RECO.

In addition to the requirements specified directly in the Administrative Agreement, RECO’s corporate planning and reporting documents shall include the following information, but shall not be limited to these requirements.

1. BUSINESS PLAN REQUIREMENTS

RECO will draft a business plan annually that identifies a coordinated set of activities to achieve RECO’s strategic objectives for the next three year period. The business plan will state the specific activities that will be undertaken in the fiscal year, as well as identify resources to achieve RECO’s strategic objectives and successfully deliver consumer protection services. The business plan shall include the following information, but shall not be limited to these requirements.

Corporate Overview

A general overview of RECO, including its mandate, mission, vision and values. It will also describe RECO’s structure, services, regulated sector/industry and include a description of the nature and scope of the relationship between RECO, the government and the Ministry of Consumer Services.

Business Planning Overview

An explanation of the connection/linkages between strategic planning, the business plan and the annual report.

Objectives

In this section, RECO will make clear its strategic objectives for the next three year period, including those aimed at enhancing protections for consumers and the professionalism of registrants. Should RECO's business objectives for the planning period change at any point during a given year, RECO will notify the Ministry prior to the start of the next fiscal year so that the Ministry is informed.

RECO will list the following:

- Objectives / Priorities (key goals or outcomes that RECO proposes to achieve);
- Strategies (approaches that will be employed to achieve the objectives); and
- Activities (actions that will support the execution of the strategies to achieve the objectives).

Key outcomes or outputs shall include, but are not limited to:

- Compliance activities such as a minimum number of inspections to be performed over the period;
- Turnaround time for registrations;
- Complaint numbers and goals for mediation;
- Outcome measures such as planned client and consumer education initiatives, surveys, or other engagement;
- Anticipated service levels provided to consumers and registrants;
- Financial goals.

This section will also include the means used by RECO for handling complaints and for providing French language services to registrants, clients and consumers.

RECO shall also note that the following is available on RECO's web-site:

- Information on any industry or consumer advisory councils; and
- Information on performance reporting including compliance; and consumer protection, consumer awareness, and client/customer satisfaction outcomes.

This section should set out quantifiable/measurable targets that RECO will adopt to achieve the objectives set in administering the delegated responsibilities over the next three-year period. The plan will detail how the targets will be measured. The measures selected will be clearly linked to the objectives proposed for the period and indicate the statistics and outcomes to be reported in the annual report.

Measures should demonstrate RECO's effectiveness (in terms of both consumer protection outcomes and organizational effectiveness), efficiency and level of customer value/satisfaction. These measures will be based on a stable set of performance metrics that will enable a year to year comparison. Where a year to year comparison is not possible because of a change in performance metrics, RECO shall provide sufficient information to enable a comparison.

Resources Needed To Meet Objectives

Assess the adequacy of financial, human and other resources required by RECO to meet its objectives over the planning horizon. Provide a forecast of anticipated revenues (derived from regulatory and non-regulatory business) and planned expenditures for the next three-year period.

2. ANNUAL REPORT REQUIREMENTS

RECO will report annually on its performance. The following items will be included in RECO's annual report. An explanation of the items is given for clarity where necessary. The annual report shall include the following information, but shall not be limited to these requirements.

Organizational Overview

- Introduction
- Mandate, mission, vision, values
- Overview of the organization
- Message from the Chair
- Message from the President / CEO and Registrar

Report on Performance

RECO shall report on how successful it has been at meeting its target performance outcomes for the planning/reporting period as set out in the business plan. RECO shall indicate if the target has been met. If the target has not been met, RECO shall explain why achievement was not possible in that fiscal year.

a) Performance Statistics:

Statistical reports should be clearly set out in chart form and compared against the objectives and performance measures set out in the business plan and previous year's performance. RECO may include any statistics it considers relevant to its administration of the Act in this section, however, statistics should include:

- compliance measures such as registration, complaint resolutions, inspections, investigations, prosecutions, etc.;
- efficiency measures such as turnaround times for complaints, registrations, inspections, discipline, etc.; and
- outcome measures such as education and awareness, complaints against the industry, etc.

b) Review of Regulation, By-Law and Policy Changes:

Outline any changes made to the *Real Estate and Business Brokers Act, 2002* and regulations, by-laws or policies during the fiscal year.

c) French Language Services:

Report on the provision of services in the French language including how those with need for services in French were provided for, how many inquiries were received in the French language during the reporting period, any other statistics that RECO deems relevant.

d) Complaint Handling Process:

Review of the complaint handling and dispute resolution processes provided by RECO including appeal procedures and outcomes. This is intended to include information on how to register complaints against industry members and against the Administrative Authority.

Corporate Governance

RECO shall provide a summary of how it is governed. It will also provide the following information, which may alternatively be posted on its web-site:

- Role of the Board
- Election/appointment process
- Basic qualifications
- Committees of the Board
- Code of Conduct for Directors
- Board of Directors (including biographies)
- Directors' terms of appointment
- Officers (including biographies)
- Organization chart
- RECO contact information

Management Discussion and Analysis

A discussion and analysis intended to assist with an understanding of the material financial changes in RECO's operations over the past fiscal year, to be read along with the financial statements and accompanying notes. This discussion shall include a breakdown of regulatory and non-regulatory business.

Financial Statements and Notes

The audited financial statements and notes to the financial statements shall be published in the annual report.

3. RISK MANAGEMENT FRAMEWORK AND RISK MANAGEMENT PLAN REQUIREMENTS

The Administrative Authority will conduct a risk assessment and develop a risk management plan that will:

- 1) State the Administrative Authority's objectives;
- 2) Identify and assess risks to the achievement of objectives;

- 3) Identify a risk mitigation strategy;
- 4) Establish and maintain a system of internal controls to minimize risk; and
- 5) Document policies and procedures to manage risk.

A summary of the risk management plan shall be provided to the Ministry annually for review.

Real Estate Council of Ontario Her Majesty the Queen in Right of Ontario

Chair of the Board Minister of Consumer
Services

Date:

Date: :

SCHEDULE "C"
CODE OF CONDUCT FOR DIRECTORS
REAL ESTATE COUNCIL OF ONTARIO

Code of Conduct for Directors

1. Directors shall at all times use their best efforts to provide progressive, collective leadership and direction to RECO in support of its mandate to protect consumers and registrants through a fair, safe and informed marketplace.
2. Directors shall adhere to RECO's governance policies.
3. Directors shall adhere to RECO's Conflict of Interest Policy; avoid, in fact and perception, conflicts of interest; and immediately disclose possible conflicts to the Board.
4. Although the elected members of the Board are regionally elected, all Directors, both elected and appointed, shall endeavor to direct the activities of the organization as a whole rather than in their own interest or that of any specific group.
5. Directors shall maintain the confidentiality of the details and dynamics of Board discussions, as well as those items designated as confidential.
6. Regardless of their personal viewpoint, Directors shall not speak against, or in any way undermine Board solidarity once a Board decision has been made.
7. Directors are expected to attend all Board meetings. Directors shall be prepared to commit sufficient time and energy to attend to RECO business.
8. Directors' contributions to discussions and decision-making shall be positive and constructive and Directors' interactions in meetings shall be courteous, respectful and free of animosity.
9. Directors shall be prepared for meetings having read pre-circulated material in advance of the meeting.
10. Directors shall participate in RECO in ways other than attending Board meetings.
11. Directors shall adhere to the principle that the President/CEO is responsible to the entire Board of Directors and consequently that no single Director or committee, task force, working group or advisory group has authority over the President/CEO.
12. Directors shall adhere to the principle that the Chair of the Board of Directors is the communications link between the Board and the President/CEO.
13. Directors shall ensure that there is a current Position Description and annual work plan for the President/CEO and that there is a process for his/her annual evaluation.
14. Directors shall not attempt to exercise individual authority or undue influence over RECO.

15. The official spokespersons for REGO are the Chair of the Board of Directors and the President/CEO and consequently, all public requests for comment on REGO policies shall be referred to them.
16. The Chair may make public statements on policy matters that are within the scope of a policy approved by the Board, or a reasonable extension of a policy.

Real Estate Council of Ontario

Her Majesty the Queen in right of Ontario

Chair of the Board

**SCHEDULE “D”
FEE SETTING PROCESS AND CRITERIA
REAL ESTATE COUNCIL OF ONTARIO**

Application

This Schedule applies exclusively to fees, costs or other charges (“fees”) set by the Administrative Authority in accordance with clause 12 (1) (b) of the *Safety and Consumer Statutes Administration Act, 1996* (SCSAA) except for fines imposed by a Discipline and/or Appeals Committee, and incidental administrative fees such as non-sufficient funds charges.

Statement of Purpose

This Schedule has the following objectives:

- To comply with clause 12(1)(b) of the SCSAA in order to empower the Administrative Authority to set and collect fees, relating to the administration of the Act;
- To ensure the development of fees which are consistent with the Administrative Authority’s operating principles and obligations under this Agreement, including the obligation to ensure that the Administrative Authority has adequate resources to comply with the Agreement, the Act, and the SCSAA;
- To achieve full recovery of all delivery costs with respect to fees as defined, consistent with the ongoing viability of the Administrative Authority as a not-for-profit corporation and at the same time provide service delivery value for stakeholders; and
- To ensure that the Board of Directors considers the impact of a new fee or a fee change on consumers.
- To ensure that, in the case of new fees or fee changes in excess of the cost of inflation, stakeholders have input into the fee setting process.

Process

Where the Board of the Administrative Authority has approved a fee change no greater than the cost of inflation, the Administrative Authority shall provide the Minister with 30 days advance written notice following which, 60 days written notice will be provided to registrants. The Fee Review Analysis including the Consultation and Criteria described below is not required. The Ministry may waive this 90 day written notice provision if the Board provides evidence satisfactory to the Minister that this notice would result in the Administrative Authority not having the resources needed to comply with the Agreement, the Act, and the SCSAA.

Every proposal to establish a fee change involving a new fee, or a fee change in excess of the cost of inflation, shall be subject to a Fee Review Analysis conducted by the Administrative Authority in accordance with the process set out below.

The Board shall not approve a fee change until the steps outlined in this Schedule have been completed. The Ministry may waive this process, or steps in this process, if the Board provides

evidence satisfactory to the Minister that the requirement to undertake any or all of these steps would result in the Administrative Authority not having the resources needed to comply with the Agreement, the Act, and the SCSAA.

Fee Review Analysis

The Fee Review Analysis shall be in the form of a business case consisting of a written analysis for the fee change that shall include:

- A scan of trends that may be occurring in the industry or beyond that could impact the Administrative Authority;
- Estimated costs for new or expanded programs as outlined in the Administrative Authority's business plan;
- Estimated costs associated with new or amended legislation;
- A rationale based on the Administrative Authority's historical, actual and projected revenues and expenses as well as impact on standards of service;
- A summary of stakeholder comments solicited in accordance with the Consultation and Notice process set out below; and
- An indication of compliance with the Criteria set out below.

The Administrative Authority will inform the Ministry of the fee change proposal 45 days in advance of soliciting comments from registrants and industry stakeholder groups or the fee change proposal otherwise becoming public. The Fee Review Analysis (not including the summary of stakeholder comments) shall be submitted to the Minister at this time.

Consultation and Notice

Comments from registrants and industry stakeholder groups on the proposed fee change will be solicited by the Administrative Authority for a period of 30 days in advance of the written Notice described below. A summary of the comments, once received, shall be forwarded to the Minister for information, and shall complete the Fee Review Analysis. The Administrative Authority will also provide the Ministry with a copy of the draft Notice at this time.

Concurrent written Notice will be given to the Ministry and the Administrative Authority registrants 60 days prior to the fee change taking effect.

Criteria

In developing a proposed fee change, the Administrative Authority will give appropriate consideration to the Administrative Authority's Business Plan and to the potential impact of the fee or fee change on consumers. In addition, the following criteria will be considered and addressed:

- Fees will be set on a cost recovery basis and designed to cover all the Administrative Authority's costs including those which cannot be directly attributable to the payees,

including but not limited to, complaint handling, inspection, investigation, prosecution, consumer awareness campaigns, web-site development and maintenance, governance programs, government oversight and reporting, and general administration.

- The relative fees charged for different services/registration types will reflect:
 - the comparative costs to the Administrative Authority for processing the application or providing the services;
 - the period during which a registration will be effective; and
 - uniformity of application regardless of geographic location.
- All fees will be payable when an application is due or made or when a service is requested. A partial refund may be made (after deducting the Administrative Authority's costs) for cancelled applications/requests. Notwithstanding the above, no refund will be issued for cancellations received after an application has been processed or a service has been delivered.
- A reasonable fee may be charged for applications which are received late. Where applicable, standard business practices will be followed (e.g. interest charged on overdue accounts, etc.). Late fees are not subject to the Fee Setting Process and Criteria outlined in this Schedule.
- In establishing or revising a fee appropriate consideration will be given to deterring breaches of the Act.

Real Estate Council of Ontario

Her Majesty the Queen in right of Ontario

Chair of the Board

SCHEDULE "E"
PAYMENTS BY THE REAL ESTATE COUNCIL OF ONTARIO

RECO agrees to pay to the Minister for each Provincial fiscal year (April 1 to March 31), on the following terms:

1. An annual amount ("the payment") as determined by the Minister. The purpose of the oversight fee the Minister charges to the authority is to recoup the costs of the regulatory regime in its entirety. This includes the cost to government of oversight of RECO, oversight and development of legislation and regulations administered by RECO, and advice to the Minister in the execution of his or her duties in respect of the consumer protection regulatory regime within his or her mandate. The Ministry will share with RECO the detailed information regarding the calculation of the cost of regulatory oversight upon request.
2. For the 2011-12 to 2014-15 fiscal years, RECO agrees to pay to the Minister the following amounts:

2011-12	2012-13	2013-14	2014-15
\$141,157	\$145,298	\$175,707	\$198,707

3. For 2015-16 and subsequent fiscal years, the Minister shall determine the payment for each year and will notify RECO at least 18 months in advance of the payment being due. If during the fiscal year, the costs of regulatory oversight as determined by the Minister exceed the payment amount, the Minister may, after reasonable notice and prior consultation with RECO, increase the payment amount accordingly.
4. The payment for each fiscal year ending March 31 will be remitted to the Ministry by way of cheque payable to the Minister of Finance within 30 days of the date of the invoice sent by the Ministry each year.
5. Late payments will be subject to interest charged at the interest rate for unpaid debts to the Crown as fixed from time to time by the Lieutenant Governor in Council in accordance with subsection 10(4) of the *Financial Administration Act*, R.S.O. 1990, c. F.12.

Real Estate Council of Ontario

Chair of the Board

Date:

**SCHEDULE “F”
MODEL ACCESS AND PRIVACY CODE
REAL ESTATE COUNCIL OF ONTARIO**

1. In this Code:
 - (a) “Personal information” means any information about an identifiable individual that is recorded in any form.
 - (b) “Council” means the Real Estate Council of Ontario.

2. The Council shall develop and implement policies and practices which:
 - (a) provide public access to information held by the Council unless the release of information would:
 - (i) violate an individual’s right to privacy;
 - (ii) violate a legally recognized privilege; or
 - (iii) impair the ability of RECO to ensure a fair, safe and informed marketplace that supports a competitive economy;
 - (b) provide for protection of personal information collected by the Council in the performance of its duties;
 - (c) establish an effective procedure including time frames to deal with inquiries regarding information held by the Council;
 - (d) establish a mechanism to deal with complaints regarding the release of information or the refusal to release information to an inquirer; and
 - (e) inform staff about the Council’s policies regarding the collection and dissemination of information and provide adequate training to enable staff to properly handle requests for such information.

- 3.(1) Personal information about registrants shall at all times be collected by lawful means directly from the individual to whom it relates whenever possible and be compiled only where there is a demonstrable need for this information in order for the Council to administer the *Real Estate and Business Brokers Act, 2002*.

- 3.(2) The reasons for which personal information is required shall be made available to the individual who is the subject of the information at or before the time the information is compiled.

- 4.(1) While a number of Council staff members may be responsible for collecting and processing information, a designated member of the Council’s staff shall have responsibility for overseeing the Council’s compliance with this Code.

- 4.(2) The identity of the individual responsible for overseeing the Council's compliance shall be made known upon request.
5. Council staff involved in the collection of personal information shall communicate the reasons such information is required at the request of the individual to whom the information pertains.
6. An individual's written consent must be obtained before personal information may be collected or disclosed to third parties except for purposes related to the investigation of alleged wrongdoing and enforcement of such wrongdoing.
7. Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the individual to whom the information applies.
- 8.(1) Personal information shall be kept on record only as long as is necessary to fulfill the purposes the information was collected and used for.
- 8.(2) Guidelines shall be developed to govern the period of time personal information is retained by the Council.
- 8.(3) Personal information that is no longer required to fulfill the identified purposes should be destroyed, erased or made anonymous. Guidelines shall be developed and procedures implemented to govern the destruction of personal information.
- 9.(1) Personal information held by the Council shall be kept accurate and up to date based upon information provided by the registrants.
- 9.(2) Amendments to personal information received from registrants shall be recorded by the Council as soon as practically possible.
- 10.(1) Personal information shall be made available to third parties only where it can be demonstrated that these parties have put in place means to provide protection comparable to that provided for by the Council.
- 10.(2) Where personal information is made available to third parties on an ongoing basis, amendments to such information shall regularly be provided to them.
- 11.(1) In order to prevent unauthorized disclosure, copying, use or modification of personal information held by the Council, access to such information shall be restricted by the use of recognized security mechanisms such as passwords and other safeguards as determined by the Council.
- 11.(2) Council staff shall be made aware of the importance of maintaining the confidentiality of personal information.
- 12.(1) The Council shall publish information regarding its policies and practices relating to the management of personal information.

- 12.(2) The information referred to in subsection (1) shall include:
- (a) the name of the person responsible for the Council's policies and practices in this area;
 - (b) the name of the person to whom complaints about the management of personal information should be directed;
 - (c) the form such complaints should take;
 - (d) the means of gaining access to personal information held by the Council;
 - (e) a description of the type of personal information held by the Council; and
 - (f) brochures or other documentation describing the Council's policies, standards and codes.
- 13.(1) Upon request, the Council shall provide an individual with information concerning the existence, use and disclosure of his or her personal information and, subject to Section 15, provide to the individual the applicable personal information.
- 13.(2) Personal information shall be made available to inquiries at reasonable or no cost and shall be provided in a form that is easily understandable.
14. Where an individual disagrees with the accuracy of personal information about himself or herself, the individual has the right to challenge its accuracy and have it amended as appropriate. Where a correction was requested but not made a statement of disagreement must be attached to the information and transmitted to any third parties having access to the information.
15. Personal information shall not be made available to an individual to whom it applies where releasing personal information would:
- (a) violate another individual's right to privacy, unless that individual consents to the information's release;
 - (b) violate a legally recognized privilege; or
 - (c) compromise security or commercial proprietary concerns.
16. The Council shall develop a mechanism to address all complaints about the handling of personal information and if a complaint is found to be justified, shall take appropriate measures to rectify the problem, including where necessary, amending its policies and practices.
17. No person shall wilfully use, disclose or retain personal information obtained under the authority of an administrative agreement entered into in accordance with section 4 of the *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996 Chapter 19 in contravention of the provisions of this Schedule.

Real Estate Council of Ontario

Date:

SCHEDULE "G"
NON-REGULATORY BUSINESS POLICY
REAL ESTATE COUNCIL OF ONTARIO

AUTHORITY

The *Safety and Consumer Statutes Administration Act, 1996*, S.O. 1996, c. 19, s. 7 (2) states, "Nothing in this Act restricts a designated administrative authority from carrying out other activities in accordance with its objects."

This authorizes the Real Estate Council of Ontario to undertake non-regulatory business, that is, business in addition to its Statutory Mandate.

POLICY

The Administrative Authority will only enter into non-regulatory business arrangements that promote and enhance consumer protection and are consistent with its vision and mission. It will operate in compliance with the principles outlined in this Policy. The Administrative Authority will ensure that all of its employees are aware of and act in accordance with this policy.

POLICY PRINCIPLES

- Commitment to Core Responsibilities and Regulatory Integrity: The Administrative Authority will continue at all times to conduct itself in a manner that maintains its ability to effectively, with high standards of integrity and in a non-conflicted manner, deliver its Statutory Mandate.
- Fair Business Practices: The Administrative Authority will not use its authority as a regulator to create an unfair business advantage.
- Fair Competition: The Administrative Authority shall ensure that all contracts, agreements or understandings are consistent with competition law.
- Financial Independence: The Administrative Authority will deliver non-regulatory business services that enhance consumer protection and revenues generally to the benefit – but never to the detriment – of its regulatory responsibilities. The Administrative Authority will ensure independent financial reporting of non-regulatory business services.

COMPLIANCE

The Administrative Authority will submit to the Minister a statement for each non-regulatory business arrangement confirming that it will not negatively impact its Statutory Mandate and is consistent with this policy. This statement shall be provided to the Minister within ten (10) business days of the earlier of entering into or bidding on a legally binding contract. The statement shall contain the duration and parties of each contract, and the nature of the work. The Administrative Authority will communicate its Non-Regulatory Business Policy to its stakeholders to ensure a broad base of understanding. The Administrative Authority will monitor its business development activities to ensure this policy is being consistently applied. The Administrative Authority will implement this policy so as to ensure appropriate treatment of

confidential information, proper disclosure of the Administrative Authority's role, and decision making that is fair and sound.

Upon request of the Minister, the Administrative Authority will engage a third party to conduct review of compliance with this Policy. In addition, a summary of findings of the review will be made available to the public, including posting on the Administrative Authority's web-site.

Real Estate Council of Ontario

Her Majesty the Queen in right of Ontario

Chair of the Board
Consumer Services

Minister of

SCHEDULE "H"
INFORMATION SHARING PROTOCOL
REAL ESTATE COUNCIL OF ONTARIO

This Schedule outlines information sharing protocols recognizing that the Real Estate Council of Ontario (RECO) shall respond in an expeditious manner to all requests made by the Minister including:

- (a) the governance of the RECO;
- (b) the administration of the Act by RECO;
- (c) the Administrative Agreement.

This Schedule outlines information sharing protocols not already specified in the Administrative Agreement or other Schedules to the Administrative Agreement (e.g. Corporate Planning and Reporting, Fee Setting Process and Criteria).

When making information requests of RECO, the Ministry of Consumer Services ("Ministry") shall respect the requirements of RECO's Access and Privacy Code and section 44 of the *Real Estate and Business Brokers Act, 2002*, and shall inform RECO of the timeframe in which the information is needed, unless specifically outlined in this Schedule.

To facilitate information sharing RECO and the Ministry will seek to achieve a "one-window" policy with RECO and the Ministry's DAA Policy and Oversight Unit being the access points.

In addition, RECO and the Ministry's DAA Policy and Oversight Unit shall make reasonable efforts to meet quarterly to discuss current issues, needs and other matters necessary for the proper administration of Schedule H.

Description	Responsibility	
	Ministry	RECO
Information requests made by the Ministry of RECO	The Ministry shall make best efforts to share with RECO the context in which the request for information is being made.	RECO shall respond in an expeditious manner to all requests made by the Minister.
Cabinet Submissions		
All Issues	DAA Policy and Oversight Unit develops Cabinet submission in cooperation with other Ministry branches.	RECO is consulted where appropriate.
Correspondence		
The Ministry and RECO will work together to draft responses whenever possible, in a timely fashion, respecting the requirement for the DAA Policy and Oversight Unit to respond to all correspondence within five (5) business days.		
On all subjects directed to the Minister or Ministry	Actioned to DAA Policy and Oversight Unit which: 1. actions to RECO; or 2. drafts reply indicating referral to RECO for direct response; or 3. drafts reply.	Responds directly under RECO's signature and copies DAA Policy and Oversight Unit as appropriate, or, supplies DAA Policy and Oversight Unit with information required for Ministry to reply.

Briefing Notes		
For Minister or Ministry meetings with RECO's stakeholders	DAA Policy and Oversight Unit coordinates preparation of meeting materials, makes reasonable effort to notify RECO of meeting and discusses with RECO.	Provides DAA Policy and Oversight Unit with relevant information on stakeholders/issues.
For RECO's meetings with Ministry stakeholders (e.g. other ministries or agencies)		RECO makes reasonable efforts to notify DAA Policy and Oversight Unit of meeting, discusses outcome with DAA Policy and Oversight Unit, and provides a briefing note upon request.
Issue Notes		
The Ministry and RECO will work together to issue responses in a timely fashion respecting the requirement for the Ministry to respond to all requests for Issue Notes within specific timeframes (i.e. could be short notice or outside of regular business hours).		
On any subject (Designed for use in the Legislature)	DAA Policy and Oversight Unit prepares issue note and provide sit to the Ministry's Communications Branch. Requests for information made to RECO to develop issue note will be accompanied by a timeline for response.	RECO provides information to DAA Policy and Oversight Unit within timeframe specified.
Issues Management		
Emergencies, accidents and fatalities	When the Ministry is informed by RECO or through media reports, the DAA Policy and Oversight Unit provides the Ministry's Communications Branch with key information as quickly as possible and monitors for updates.	RECO informs DAA Policy and Oversight Unit and provides relevant details, key messages and response strategy.
Other possible contentious issues (e.g. stakeholder grievances /concerns, corporate restructuring, etc.)	DAA Policy and Oversight Unit informs the Ministry's Communications Branch.	RECO informs DAA Policy and Oversight Unit and provides relevant details, key messages and response strategy.
Media Relations		
Requests made to the Ministry for interviews and background material on RECO operational issues	Ministry's Communications Branch notifies DAA Policy and Oversight Unit which, as appropriate, refers request to RECO or obtains required information from RECO.	RECO provides the required information or responds directly and advises the DAA Policy and Oversight Unit of the outcome from the media engagement.
Media releases issued by RECO	DAA Policy and Oversight Unit shares a copy of RECO's media release with the Ministry's Communications Branch for information and review.	RECO prepares and shares a copy of its media release to the DAA Policy and Oversight Unit at its earliest opportunity and before the release is issued to media.

Marketing and Public Relations Events and Public Education Campaigns		
Collaboration on Marketing and Public Relations Events and Public Education Campaigns	<p>The Ministry's DAA Policy and Oversight Unit and Communications Branch will work collaboratively with RECO to:</p> <ul style="list-style-type: none"> plan and develop joint Ministry/RECO marketing and public relations events; and obtain information on RECO specific events, public education campaigns, industry events to be attended by RECO, communications research and best practices. <p>The DAA Policy and Oversight Unit will be the lead in contacting RECO about communications activities, respecting the one window approach, however, the Communications Branch may follow up directly with RECO while keeping the DAA Policy and Oversight Unit fully informed of discussions and planned activities.</p>	<p>RECO will work collaboratively with the Ministry's DAA Policy and Oversight Unit and Communications Branch to:</p> <ul style="list-style-type: none"> plan and develop joint RECO/Ministry marketing and public relations events; and provide information on RECO specific events, public education campaigns, industry events to be attended by RECO, communications research and best practices. <p>RECO will initially contact the DAA Policy and Oversight Unit about communications activities, respecting the one window approach, however, RECO may subsequently follow up directly with the Ministry's Communications Branch while keeping the DAA Policy and Oversight Unit fully informed of discussions and planned activities.</p>
Speeches/Speaking Notes		
All Ministry speeches/speaking notes (any topic)	Ministry's Communications Branch prepares and the DAA Policy and Oversight Unit advises RECO.	Supplies DAA Policy and Oversight Unit with information.
Performance Measures		
Metrics and performance measure results	DAA Policy and Oversight Unit will request metrics and performance measure results from RECO from time to time to facilitate oversight function and the publication of performance measures.	Supplies DAA Policy and Oversight Unit with metrics and performance measure results, as available, at the time of request.
Other		
Information concerning Board member competencies	DAA Policy and Oversight Unit will make requests for information as and when required.	RECO shall provide, at least once annually, and as requested, the Board Skills Profile.
Information concerning communications campaigns/activities undertaken by RECO	DAA Policy and Oversight Unit makes request of RECO for information regarding planned communications campaigns/activities.	RECO provides information on key communication activities to DAA Policy and Oversight Unit on a quarterly basis and on request.

Real Estate Council of Ontario

Chair of the Board