

Below is a summary of changes to rules affecting the Provincially Harmonized Rule set coming into force effective January 6, 2025.

There are three core areas of rule changes, requiring minimal adjustment to most members' daily practice.

1. Rule revision related to recruiting
2. Language clarification about board-level listing audits
3. Changes to the reporting of terminations rule to coincide with a complimentary form change

These changes have been agreed to by the elected boards of all 10 Alberta Boards and Associations for the benefit and practice of all members in Alberta. Although effective January 6, 2025, these changes will be under an education period and will be enforced by way of educational notice to help members adjust to the expected alignment of the rules until April 7, 2025. On April 7, the educational period will end, and applicable penalties and processes for violation will come into effect for all Alberta members.

### **1. Rule revision related to recruiting**

These changes bring the spirit of this rule as intended into a modern real estate context. The business model, in which the broker is the only individual interested in recruiting new agents from other brokerages, has become one among many competing models in today's marketplace in Alberta.

The revised wording provides a comprehensive update to include the concept of any Member actively recruiting other Members to their brokerage using means and methods paid for by the targeted brokerage. For context, "Member" is defined in the rules as any Brokerage, Broker, Associate Broker, or Associate.

The changes are not intended to prohibit or inhibit recruiting, which is the heart of the business for most brokerages and teams, but the methods employed cannot be by using a system the targeted brokerage is paying for.

Valid means are still by non-brokerage email, agent's mobile phone, agent initiation, or any other means not involving resources of the targeted brokerage.

### **Rule Changes to Section A, Rule 3.03: Sending Recruiting Materials**

Members must not send, or cause or instruct any third party to send, any recruiting materials or messages directly to Members of other Brokerages by any delivery system including but not limited to mail, courier, fax, email, telephone or through any other service where such system or service is paid for or owned by the targeted Brokerage.

### **2. Language clarification about board-level listing audits**

The current rule contains the qualifier that audits the board conducts are random, but the reality of most audits is that they are not random, and the intention of the rule was never to limit the board's ability to audit files only at random. Generally, when a board requires the production of a listing file, it is tied to an administrative need to investigate a complaint or breach of the rules.

Removing the word random does not strengthen or weaken the term but clarifies that the board has the right to audit MLS® Listing files, random or otherwise, to ensure MLS® Rules compliance for the fair administration of the MLS® system for all its members.

### **Rule Change to Section B, Rule 3.07(a): Audit of Listings**

- (a) The Board reserves the right to conduct audits of MLS® Listings, regardless of the status of the MLS® Listings that are submitted to the Board's MLS® System by Brokerage Members. The purpose of these audits is to verify MLS® Listing-related documentation and/or the Brokerage Member's compliance with the MLS® System Listing Rules.

### **3. Changes to the reporting of terminations rule to coincide with a complimentary form change**

The Rules Change Management Group (CMG) and the AREA Forms and Practice Committee (FPC) have coordinated on enhancing both the standard termination form and the rule related to the reporting of the termination to solve a major member frustration.

The previous rule indicated that the Member must report the termination within 2 business days of “the termination agreement being signed”; however, the standard form included an additional date stating the termination being “effective as of” a certain date. This inconsistency caused some members to be in violation of the rule when the termination “effective” date did not align with the date signed.

Since the form change for all seller and Landlord representation agreements is launching in conjunction with this rule revision, the AREA board of directors approved a recommendation of the FPC to make additional changes to the Termination form itself. Those changes include clarifying which date is considered the “Effective Date” and an additional term in the document clarifying that certain terms agreed to in the original representation agreement will survive the termination agreement.

**Rule Change to Section B, Rule 3.06(a): Termination of Listings**

- (a) An MLS® Listing may be terminated by the signing of a Termination Agreement between the persons who signed the MLS® Listing Contract and the Listing Brokerage/Principal Broker Member. If the Listing Brokerage is Brokerloading, this change in status must be made in the Board’s MLS® System within two (2) Business Days of the Termination effective date. Alternatively, if the Board is making the changes in the MLS® System, this change in status must be reported to the Board within two (2) Business Days of the Termination effective date.

**Seller/Landlord Representation Termination Form Changes**

These will be published to AREAs 3<sup>rd</sup> party forms providers, including WebForms, Nexone, and Deal Simple on January 6th, 2025