

# **Independent Advisory Group - Terms of Reference**

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## **INTRODUCTION**

On February 22, 2016, the Independent Advisory Group (IAG) was established to examine and review real estate licensee conduct and practices and the effectiveness of existing licensee regulation in the light of important issues brought to the attention of the Real Estate Council of British Columbia (RECBC) and the Superintendent of Real Estate.

The Advisory Group's mandate is to examine whether the current regulatory regime adequately protects consumers and the wider public interest from real estate licensee conduct that is inconsistent with the duties and standards of conduct required of licensees. It will make recommendations on ways to enhance consumer protection and strengthen public confidence in the regulation and practices of real estate licensees in British Columbia.

The Advisory Group has approved Terms of Reference that clarify the scope and focus of its work.

The Advisory Group recognizes that there are other issues of importance and concern to British Columbians with respect to the province's real estate market that fall outside the Advisory Group's mandate and Terms of Reference. Issues that the Advisory Group identifies, but are beyond the scope of the Group's work, will be referred to the relevant authorities for consideration and appropriate action.

## **TERMS OF REFERENCE**

In the exercise of its mandate, the Advisory Group will:

1. Examine issues identified in recent public commentary relating to the conduct and practices of real estate licensees and their associates that pose risks to consumers and the wider public interest;
2. Examine the existing rules and requirements relating to the licensee conduct identified in (1), including those relating to:
  - Contract assignments;
  - Working in a client's best interest, and the role of limited dual agency;
  - Working honestly and with reasonable care and skill;
  - Disclosure and mitigation of conflicts of interest;
  - The duty to abide by all licensee legal obligations;
  - Misleading advertising; and
  - Coercive or predatory sales practices;

3. Examine information and written submissions received by the IAG, the Superintendent of Real Estate and the RECBC on the conduct, practices and related activity that are the subject of the review;
4. Recommend any necessary improvements to the existing rules and requirements relating to licensee conduct to better protect consumers;
5. Examine the administration of the rules, requirements and professional standards for licensees, including:
  - RECBC’s processes and procedures for identifying and responding to risks to consumers;
  - RECBC’s market intelligence, investigative, and enforcement capabilities;
  - RECBC’s governance structures;
  - The interaction between RECBC, real estate boards, the Superintendent of Real Estate, and other bodies that administer licensee conduct requirements and otherwise oversee real estate practices in the province;
  - Ongoing professional conduct and ethics training and accountability mechanisms; and
  - Other initiatives to influence industry behavior and compliance, for example, licensee and public education;
6. Recommend any necessary improvements to the administration and enforcement of the existing rules and requirements, to better protect consumers;
7. Examine the public’s access to and engagement with the RECBC; and
8. Recommend any necessary improvements to strengthen the relationship between the public and the RECBC.

The Advisory Group reserves the right to modify these terms to include issues that are subsequently identified or brought to its attention, where such issues fit within the Group’s overall mandate.