



## **Policy: Closing/merging brokerages**

### **BOD Approval: June 14, 2012**

Close or merge your brokerage in accordance with the following instructions to ensure agency and recordkeeping requirements are maintained.

#### **Merging common law to common law or designated agency to designated agency**

When two brokerages merge, one brokerage closes and the other brokerage takes over some or all of the closing brokerage's staff and business.

The closing brokerage is responsible for, in the exact order listed:

##### **1. Notifying clients**

When merging two brokerages, the closing brokerage must notify clients under contract and provide them with two options:

1. assign their brokerage agreement to the new brokerage; or
2. cancel their brokerage agreement.

##### **2. Assigning or cancelling brokerage agreements**

Use Form 223, Assignment of Brokerage Agreement, to assign the brokerage agreements to the new brokerage. Use Form 221, Temporary Withdrawal or Cancellation, to cancel brokerage agreements.

##### **3. Notifying cooperating brokerages**

For pending/confirmed (not closed) deals, after the brokerage agreements are assigned, give the cooperating brokerage written notification of the change in brokerage representation.

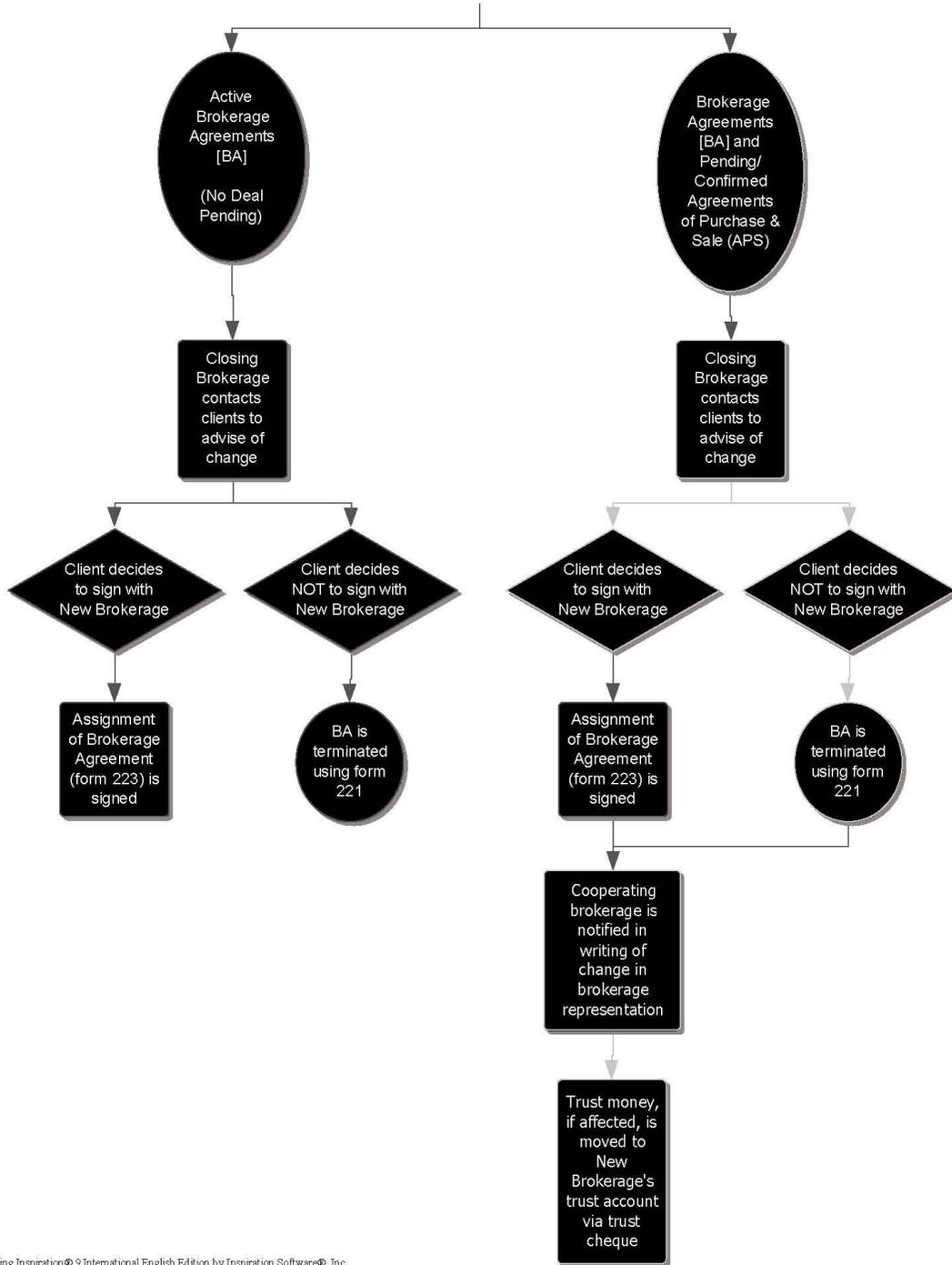
##### **4. Moving trust money**

After the brokerage agreements are assigned, move the trust deposits associated with the trades to the new brokerage's trust account via trust cheque, as per By-law 614.

##### **5. Reviewing brokerage agreement files**

For clients with the brokerage for more than a year, have new agency brochures signed and in the case of sellers who completed PCDS forms, have the sellers review the form to ensure the information is current.

**Common Law to Common Law / Designated Agency to Designated Agency  
(Merging Two Brokerages)**





## **Merging common law to designated agency or designated agency to common law**

When two brokerages merge, one brokerage closes and the other brokerage takes over some or all of the closing brokerage's staff and business. When the merge involves different agency models, additional paperwork is required to contract in or contract out of designated agency.

The closing brokerage is responsible for, in the exact order listed:

### **1. Notifying clients**

When merging two brokerages, the closing brokerage must notify clients under contract and provide them with two options:

1. Cancel their existing brokerage agreement and enter into a brokerage agreement with the new brokerage.
2. Cancel their brokerage agreement.

When the agency model changes from the old brokerage to the new brokerage, you cannot assign the brokerage agreements. You must cancel the old brokerage agreements and enter into new ones under the new agency model.

### **2. Cancelling brokerage agreements**

Use Form 221, Temporary Withdrawal or Cancellation, to cancel brokerage agreements.

### **3. Entering into new brokerage agreements**

For buyers, use Form 300G Buyer Brokerage Agreement or Form 301G Buyer Designated Brokerage Agreement. For sellers, use Form 200G Seller Brokerage Agreement or Form 201G Seller Designated Brokerage Agreement.

### **4. Notifying cooperating brokerages**

For pending/confirmed (not closed) deals, after new brokerage agreements are signed, give the cooperating brokerage written notification of the change in brokerage representation.

### **5. Moving trust money**

After the brokerage agreements are assigned, move the trust deposits associated with the trades to the new brokerage's trust account via trust cheque, as per By-law 614.

### **6. Reviewing brokerage agreement files**

For clients with the brokerage for more than a year, have new agency brochures signed and in the case of sellers who completed PCDS forms, have the sellers review the form to ensure the information is current.

**Common Law to  
Designated Agency  
(Merging Two Brokerages)**

