
Bulletin Number: REA 04-03
Topic: PUBLICATION OF POLICY STATEMENTS
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Publication of Policy Statements

Real Estate Development Marketing Act

On November 18, 2004, the Lieutenant Governor in Council ordered that, effective January 1, 2005, the new *Real Estate Development Marketing Act*, S.B.C. 2004, c.41 and the new *Real Estate Development Marketing Regulation* are brought into force. The new legislation will come into force on January 1, 2005 and repeal the *Real Estate Act* R.S.B.C. 1996, c. 397. The Superintendent of Real Estate is now publishing eleven Policy Statements that are necessary to implement the new Act and Regulation.

The new Policy Statements will replace all existing Policy Statements issued under the *Real Estate Act*. The Policy Statements are available on the web site of the Financial Institutions Commission at www.fic.gov.bc.ca and fall into two categories: those designed to specify the form and content of disclosure statements filed under the new Act, and those designed to specify the circumstances in which the Superintendent deems actions or arrangements to be in accordance with the new Act.

Policy Statements designed to specify the form and content of disclosure statements are:

- Policy Statement 1 - Five or More Strata Lots (not contained in a bare land strata plan)
- Policy Statement 2 - Five or More Bare Land Strata Lots
- Policy Statement 3 - Five or More Subdivision Lots
- Policy Statement 8 - Five or More Time Share Interests
- Policy Statement 9 - Five or More Leasehold Units
- Policy Statement 10 - Two or More Cooperative Interests
- Policy Statement 11 - Two or More Shared Interests in Land

Policy Statements designed to specify the circumstances in which the Superintendent deems actions or arrangements to be in accordance with the new Act are:

- Policy Statement 4 - Adequate Arrangements - Title
- Policy Statement 5 - Early Marketing - Development Approval
- Policy Statement 6 - Adequate Arrangements - Utilities and Services
- Policy Statement 7 - Signing Disclosure Statements

Two further Policy Statements will be published by the Superintendent. Policy Statement #12 will address transitional issues related to the form and content of disclosure statements initially filed under *the Real Estate Act*. Policy Statement #13 will specify the form and content required for disclosure statements filed in relation to real estate securities. Developers are advised to monitor the web site of the Financial Institutions Commission at www.fic.gov.bc.ca to obtain a published copy of Policy Statements #12 and #13.

The Superintendent would like to emphasize that the Policy Statements are not yet in force. Until the new Act comes into force and the *Real Estate Act* is repealed on January 1, 2005, developers should continue to provide disclosure as required under Part 2 of the *Real Estate Act*. After January 1, 2005, new disclosure statements must be in the form and include the content required by the applicable Policy Statement. Disclosure statements that do not comply with the new requirements will be returned to the developer.

The Superintendent advises that on November 18, 2004, the Lieutenant Governor in Council also ordered that, effective January 1, 2005, the new *Real Estate Services Act*, S.B.C. 2004, c.42 and the new *Real Estate Services Regulation* are brought into force. This legislation will replace Part 1 of the existing *Real Estate Act* in relation to the licensing and conduct of real estate agents.

Further information on the new *Real Estate Services Act* is available on the web site of the Real Estate Council of British Columbia at www.recbc.ca.

Staff at the Financial Institutions Commission periodically issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Real Estate Development Marketing Act and Regulations*. While the comments in a particular part of an information bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.