



IN THE MATTER OF THE REAL ESTATE SERVICES ACT
S.B.C. 2004, C. 42

-AND-

SHANGREN VANCOUVER SETTLEMENT SERVICE LTD.

-AND-

FENG NI also known FANNY

-AND-

XIAO WEN YE also known as WENDY YE

ORDERS UNDER SECTIONS 46, 48, 49 and 51 OF THE REAL ESTATE SERVICES ACT

UPON REVIEWING the submissions and exhibits contained in the Investigation Report prepared by the staff of the Superintendent of Real Estate ("Staff"), I am of the opinion that:

BACKGROUND

1. Shangren Vancouver Settlement Service Ltd. ("SHANGREN") is a British Columbia Company, having an incorporation number of BC0984305, and a records office at 6651 Comstock Road, Richmond, BC V7C 2X5.
2. Feng Ni also known as Fanny ("NI") is the president, secretary and sole director of SHANGREN. A Motor Vehicle Branch search lists NI's usual address to be in Richmond BC. NI is also a former officer and director of Sunway Investment Ltd. and a former Director of Sunway Realty Ltd.
3. Xiao Wen Ye also known as Wendy Ye ("YE") is an employee of Vanfun.com (described below). A Motor Vehicle Branch search lists YE's usual address to be in Richmond BC.
4. Sunway Investment Ltd. ("SUNWAY INVESTMENT") is a company previously incorporated in British Columbia under number BC0952289, having a records office of 7460 Grandy Road, Richmond BC V7C 3T6. SUNWAY INVESTMENT dissolved on March 31, 2014. The directors of SUNWAY INVESTMENT were NI and Jing Tang ("TANG").

5. Sunway Realty Ltd. ("SUNWAY REALTY") is a company previously incorporated in British Columbia under incorporation number BC0956192, having a records office located at 415-5900 No. 3 Road, Richmond BC V6X 3P7. SUNWAY REALTY dissolved on November 15, 2013. The directors of SUNWAY REALTY were NI and TANG.
6. The Real Estate Council of British Columbia (the "Council") has confirmed that none of SHANGREN, NI, nor YE are currently, nor have they ever been, licensed to provide real estate services in British Columbia.
7. www.vanfun.com and www.vanfun.net (together, "VANFUN") are Chinese language websites that advertise properties for sale that are located in British Columbia. The websites provide comprehensive information on BC properties including the Multiple Listing Service Number, type of property, price, location, number of days on the market, school catchment information, and historical transactions. However, there is no listing brokerage information and potential clients must use the advertised phone number in order to inquire about property listed on the VANFUN websites.
8. As indicated below, there is evidence that NI was involved in creating the VANFUN websites and is able to control the content of the websites. Potential purchasers call the contact number on the VANFUN websites. NI has answered the VANFUN phone numbers, collects information on potential purchasers and the property they are interested in and arranges for purchasers to meet with both real estate licensees and unlicensed individuals to see the properties and if appropriate complete a purchase transaction. NI also solicits the licensees that assist the potential purchasers. Licensees then pay a referral fee to SHANGREN once the transaction has completed.

APPLICABLE LEGISLATION

9. Section 1 of the *Real Estate Services Act* ("RESA") provides the following definitions:

"providing", in relation to real estate services, includes:

- (a) offering to provide such services,
- (b) holding oneself out as a person who provides such services, or
- (c) soliciting for the purposes of the provision of such services;

"real estate" means:

- (a) real property,
- (b) regardless of whether it is or is not an interest in real property, a cooperative interest, shared interest in land or time share interest, as these are defined in the *Real Estate Development Marketing Act*, and
- (c) a right in relation to real property that is defined by regulation to be real estate, but does not include a right in relation to real property that is excluded by regulation;

"real estate services" means:

- (a) rental property management services,

- (b) strata management services, or
- (c) trading services;

"trade in real estate" means:

- (a) a transaction for the purchase or sale of real estate, for the leasing of real estate or for any other form of acquisition or disposition of real estate,
- (b) an assignment of a contract for purchase, sale or lease of real estate, or a transaction in relation to such an assignment, or
- (c) a prospective trade in real estate within the meaning of paragraph (a) or (b);

"trading services" means any of the following services provided to or on behalf of a party to a trade in real estate:

- (a) advising on the appropriate price for the real estate;
- (b) making representations about the real estate;
- (c) finding the real estate for a party to acquire;
- (d) finding a party to acquire the real estate;
- (e) showing the real estate;
- (f) negotiating the price of the real estate or the terms of the trade in real estate;
- (g) presenting offers to dispose of or acquire the real estate;
- (h) receiving deposit money paid in respect of the real estate but does not include an activity excluded by regulation;

10. Section 3(1) of *RESA* states:

Requirement for licence to provide real estate services:

- 3 (1) A person must not provide real estate services to or on behalf of another, for or in expectation of remuneration, unless the person is
- (a) licensed under this Part to provide those real estate services, or
 - (b) exempted by subsection (3) or the regulations from the requirement to be licensed under this Part in relation to the provision of those real estate services.
- (2) A licence required by this Part is additional to any licence, registration, certificate, enrollment or qualification required under any other Act.
- (3) In addition to any exemption provided by regulation, the following are exempt from the requirement to be licensed under this Part:
- (a) a person acting under the authority of a court;
 - (b) a trustee in bankruptcy, custodian, receiver, receiver manager or liquidator who is appointed under a provincial or federal enactment, in respect of real estate services undertaken by the person in that capacity;
 - (c) an executor or administrator of an estate, in respect of real estate services provided in relation to real estate owned or held by the estate;
 - (d) a trustee, in respect of real estate services provided under the terms of a will, marriage settlement or deed of trust;

(e) a financial institution that has a trust business authorization under the *Financial Institutions Act*, in respect of real estate services provided in relation to real estate that it owns, holds or administers;

(f) a practising lawyer as defined in section 1 of the *Legal Profession Act*, in respect of real estate services provided in the course of the person's practice.

11. The exemptions to the requirements for licensing are set out in the *RESA Regulations*, and the relevant provisions are attached as Schedule A.

12. *RESA Regulations* 2.11 states that:

2.11 A person who is providing trading services only by referring a party to a trade in real estate to a licensee, or by referring a licensee to a party, for the purpose of the licensee providing trading services, is exempt from the requirement to be licensed under Part 2 of the Act in relation to the person's provision of those referral services if

(a) the person does not engage, for the purpose of making a referral, in activities to solicit the names of persons who may be interested in acquiring or disposing of real estate, and

(b) the practice of making referrals and receiving referral fees is incidental to the main business of the person.

COMPLAINT HISTORY

13. In 2013 Staff investigated complaints received from the public, real estate licensees and the Council regarding allegations of unlicensed real estate activities by SUNWAY REALTY and www.vanfun.com and www.vanfun.net. In December 2013, information received from the Council indicated that SUNWAY REALTY, NI and www.vanfun.com may have been providing unlicensed real estate services. Further investigation revealed that SUNWAY INVESTMENT, SUNWAY REALTY, NI and another individual were providing real estate trading services, offering to provide real estate trading services, holding themselves out as a person who provides real estate trading services, and soliciting for the purposes of providing real estate trading services, while not being licensed under *RESA* to do so.

14. After the investigation, NI advised that Sunway ceased operating in December 2013, and the SUNWAY business had closed. NI informed Staff that she opened a new company, SHANGREN, which was in the business of new immigrant settlement services. SHANGREN offered clients (who were new to Canada) airport pick-up, hotel recommendations, assistance in purchasing vehicles, assistance in obtaining SIN numbers, MSP, furniture purchases, applications to schools, and city tours. NI stated that SHANGREN did not and would not provide real estate services.

15. A follow-up investigation indicated that neither NI nor either of the SUNWAY businesses were engaged in real estate trading services, and Staff closed the investigation based on voluntary compliance on October 24, 2014.

CURRENT INVESTIGATION

Council Information

16. On May 5, 2015 Staff received statements and information from Council showing that SHANGREN and NI were providing real estate services. In particular:
- a. D.X.; a real estate services licensee provided a statement to Council that he received referrals from SHANGREN; and
 - b. SHANGREN, through NI referred clients to D.X., a real estate services licensee, in exchange for a portion of the commissions earned by D.X. The details of the transactions, as indicated by the purchase and sale contracts and related documents are as follows (personal information has been excluded):

Contract of Purchase and Sale Details	Property Address	Gross/Net Commission Earned	Amount of Commission remitted to SHANGREN	Details of Payment to SHANGREN
Dated: June, XX 2014 Completion Date: September xx, 2014	Richmond, BC	Gross: \$25,XXX.XX Net: \$24,XXX.XX GST: \$1,XXX.XX	\$12,510.00	Paid by personal real estate corporation cheque to SHANGREN in October XX, 2014 Cheque No. X Memo: "Refer fee" Acct. No. ending in 09019
Dated: May XX, 2014 Completion Date: June XX, 2014	Richmond, BC	Gross: \$15,XXX.XX Net: \$14,XXX.XX GST: \$7XX.XX	\$7,161.50	Paid by personal cheque to SHANGREN on June XX, 2014 Cheque No. XXX Memo: "Refer Fee" ... "XXXX...S" Acct. No. ending in 269

17. The Council provided Staff with screenshots of www.vanfun.com, advertising that clients will be accompanied to property showings, and will receive assistance in finding a property. Specifically the screenshots indicated that:
- a. "Our Shanghai – Canadian team will work for Chinese customers to build a bridge to invest in real estate in Vancouver, to provide customers with one-stop professional services."

- b. "The company's business staff will pick up at the airport for free, professional property consultant will accompany you to the next showings and to analyze each one of the House." and
 - c. "...trying to find the perfect home for you" is the company's purpose."
18. On April 29, 2016 the Council forwarded further information indicating that NI and SHANGREN were providing services that require a license under the RESA and after NI voluntarily agreed to cease providing unlicensed real estate services. In particular, the Council provided the following information regarding the following licensees (personal information excluded):

H.G.

- a. **Letter dated January 12, 2015, from H.G. to Council** stating that H.G. attended at an office located at 415-5900 No.3 Road, Richmond, to receive real estate training on meeting clients, to pick up name and telephone number information for referral clients and to meet them. H.G. included a copy of his business card which includes the www.vanfun.com historical telephone number 778-653-5501 as his contact number and the SHANGREN office address, 415 – 5900 No.3 Road, Richmond, BC V6X 3P7, which at the time, was the location of the office of SHANGREN. (personal information has been anonymized)

- i. "... On July 18, 2014, I got a phone call from a lady to ask me if I am interested in joining a team to a real estate business. She asked if I wanted to some business together. As a new agent, I really want to get some experience, so, I accepted an appointment to go to an interview. She then asked me go to an interview on the following Monday which was July 21, 2014 at 415-5900 No.3 Road, Richmond..."

- ii. "...The same lady then phoned me again in the afternoon and mentioned I have been accepted to their team and asked me to go back to do some training.

I got some training represented by J (a man) on July 22 and July 23, 2014, about how to meet clients and how to identify the value of the customer (qualify the customer). There were three people in this class. J requested me and the other two people (one of them is R.Y. 604-XXX-XXXX) to go meet at that office twice a week in order to introduce clients to us; give us the name and their telephone number..."

Xiao Ming 'Alban' WANG (WANG)

- b. **Email message and attachments to NI dated October 12, 2013.** This email indicates that NI has the authority to remove listings from the www.vanfun.net and www.vanfun.com websites. The body of the email reads as follows:

"Hi Feng Ni,
Please take out all my listings from vanfun.net immediately.
Thanks!
Alban Wang
Amex-Sunrich Realty
#212-4800 No.3 Road
Richmond, BC V6X 3A6
Cell: 778-386-7668
E-mail: albanwang@gmail.com"

c. **Statement of Involvement, November 1, 2014, from WANG to Council:**

- i. WANG stated that he met NI around mid-September 2012 at her home located at 6651 Comstock Rd, Richmond, BC;
- ii. NI introduced him to A.S., a computer expert, NI informed him they were launching a real-estate related Chinese website called Vanfun.net with headquarters in Shanghai;
- iii. NI informed WANG that because her house was very big with many bedrooms, she could receive new landed immigrants to stay temporarily until they purchased property;
- iv. NI showed WANG a demo of the www.vanfun.net website;
- v. www.vanfun.net included comprehensive housing data, including location, school district, housing area, structure, price, number of days on the market, historical record of transactions, and was entirely in simplified Chinese;
- vi. NI was helping clients on the site research and look for houses, and NI was already cooperating with other real estate licensees;
- vii. WANG was introduced to some clients, but those clients had determined in advance which properties they were going to buy, and WANG helped arrange the showings and then presented the offer;
- viii. WANG returned 90% of commission (to SUNWAY) after completion; and
- ix. WANG stated that the prices of his listings on the www.vanfun.net website were wrong.

d. **Council Consent Order with WANG**

- i. On July 19, 2016, the Council entered into a Consent Order with WANG that included an Agreed Statement of Facts. The Agreed Statement of Facts includes statements from WANG regarding NI's participation in the creation and activation of the Vanfun real estate website consistent with the statements made above. NI has not confirmed the statements made by WANG.

PRETEXT INVESTIGATIONS

19. On February 15, 2016 the Council forwarded a complaint from a licensee concerned that the www.vanfun.com website did not display listing brokerage information for the listings advertised on the website.
20. On March 24, 2016 a further complaint was received by Staff alleging that the www.vanfun.net websites appeared to be based in China, advertised properties in British Columbia that were searchable by MLS number, and did not have a listing brokerage associated with the advertisements.
21. Further information provided by the Council to Staff on April 29, 2016, indicated that NI and another individual were operating both SHANGREN and the VANFUN websites. A further anonymous complaint was forwarded to Staff by Council on May 31, 2016 regarding the VANFUN websites.
22. On April 5, 2016 at 14:55 hours, Staff called the Canadian contact telephone number from the VANFUN websites, 778-898-6188. The call was answered by a Mandarin speaking female who identified herself as Fanny. Fanny collected information on the type of property sought and budget. Fanny informed Staff that she would not be assisting them to look at the properties, but would pass on their information on to a licensee, P.Z.
23. On April 13, 2016, Staff called the Canadian contact telephone number from the VANFUN websites, 778-898-6188. During the call, Staff initiated a pretext situation under the identity of Ms. Zhu in order to ascertain what services are being offered and provided to the public through the VANFUN websites. Staff spoke in Mandarin to a woman who identified herself as Fanny. Fanny took information from Staff on the type of property Ms. Zhu was interested in, the location of interest and the price range.
24. Staff determined that in Mandarin "Feng Ni" can be pronounced "Fan Ni". In addition, on September 9, 2016, Staff phoned the number on the VANFUN website, 778-233-6578 and asked to speak to Ms. Ni, or Feng Ni or Ni Feng. A woman stated that Feng Ni was currently in China, but she would have Feng Ni call Staff back. Staff listened to a recorded interview provided by Council, dated February 27, 2014, and the recorded pretext call of April 13, 2016 and determined that the person identified as Feng Ni in the February 27, 2014 interview was the same as the person who identified as Fanny in the April 13, 2016 pretext call.
25. On April 13, 2016 at 12:15 pm, a woman who identified herself as Wendy from www.vanfun.com called Staff and discussed Staff's criteria for purchasing a home, including the type of property, the desired location, and the price range.
26. Wendy later provided her last name as "YE". YE made arrangements to meet with Staff and show them houses for sale. Staff provided YE with an email address for contact and YE provided Staff with her WeChat contact information. YE agreed to forward more listings by email to Staff. YE also provided her business card, indicating her name as "Wendy Ye" in English and "Xiao Wen Ye" was written in Chinese characters. In addition Staff contacted the phone number on the business card provided to Staff and confirmed Xiao Wen Ye's name.

27. On April 14, 2016, YE contacted Staff via WeChat and made arrangements to meet with Staff the following day to view property. During the conversation, YE provided two addresses to Staff and forwarded 3 listings from the www.vanfun.com website for them to view the following day.
28. On April 15, 2016, Staff met with YE and licensee, A.C. YE and A.C. arrived together and introduced themselves as 'YE of Vanfun' and A.C. from a real estate brokerage. Both provided their business cards.
29. Staff then followed YE and A.C. to view four Vancouver properties.
30. During the showings of the properties, YE made representations to Staff about the real estate including the properties' square footage, location, and positive and negative attributes. YE also told Staff she could negotiate the price of the properties and advised whether GST was applicable on the properties.
31. On April 20, 2016, Staff spoke with YE over the phone about obtaining a copy of a purchase contract. During this conversation, YE discussed:
 - a. The property that Staff are interested in;
 - b. Prices with Staff and the need to negotiate them, stating "...we must protect your interests. It would be great if could negotiate a lower price, you know?"
 - c. GST;
 - d. Making an offer on real estate with Staff;
 - e. Signing the purchase contract or scanning it over and asking the parents to sign it, noting that they can explain the contract to her parents later; and
 - f. The benefits of negotiating the price while Staff's father is reviewing the contract.

STAFF REVIEW OF VANFUN.COM

32. On July 18, 2016, Staff reviewed the www.vanfun.com website and found that the website offered a large number of BC properties for sale, 11,239. The website is written in Mandarin, the properties have MLS numbers listed, and the only local contact information is the single listed www.vanfun.com phone number, 778-233-6578. There is no listing agent information on the site.
33. On July 18, 2016, Staff reviewed the www.vanfun.net website and found that this website was a mirror of the www.vanfun.com website for content and format. The www.vanfun.net website is also written in Mandarin Chinese, the properties have MLS numbers listed and the only local contact information is the current www.vanfun.com, www.vanfun.net phone number, 778-233-6578. There is also no listing agent information on this website.

34. Staff further determined that the websites www.vanfun.com and www.vanfun.net both resolve to the same IP address, and are hosted in Dallas, Texas, and are owned by entities and/or individuals located in China.
35. Of the approximately 11,160 properties listed on the www.vanfun.com website on July 12, 2016, Staff randomly selected 20 properties and searches were conducted by address of the records of the BC Assessment Authority and the MLS listings. The results of the searches indicate that each of the 20 BC properties has a different owner, is listed on the www.realtor.ca website as an MLS listing, and that the identifying MLS listing number is quoted on the www.vanfun.com website. None of the owners were the subject of Staff's investigation and none of the listing agents or their contact information was available on the www.vanfun.com website.
36. On July 15, 2016, Staff conducted searches on the BC Assessment Authority database to determine whether the subjects of this investigation could own the property listed on the www.vanfun.com or www.vanfun.net websites. The results show that:
 - a. SHANGREN is not the registered owner of any property in BC;
 - b. VANFUN is not the registered owner of any property in BC;
 - c. NI is the registered owner of two properties at:
 - i. [REDACTED] and
 - ii. [REDACTED]
 - d. YE is not the registered owner of any property in BC.

AND WHEREAS I FIND THAT:

37. None of SHANGREN, NI, nor YE are licensed under *RESA* to provide real estate services within the province of British Columbia. A license is required pursuant to section 3 of *RESA* for a person to provide real estate services to or on behalf of another.
38. YE is providing real estate trading services, to or on behalf of others, for or in expectation of remuneration, without being licensed to do so and without being exempt from the licensing requirements, contrary to section 3(1) of *RESA* in that she:
 - a. Discusses property for sale and its merits with potential purchasers;
 - b. Helps potential purchaser's identify the criteria they are looking for in a property, finds and presents those possible purchasers with property options;
 - c. After showing property to potential purchasers, YE forwards them to a real estate licensee to have Purchaser Agreements signed and completed;
 - d. Shows real estate to potential purchasers;

- e. Offers to negotiate better prices for property of interest and explains the process of purchasing, taxes and price lowering to potential purchasers; and
 - f. Offers to present offers and negotiate on behalf of potential purchasers.
39. SHANGREN provides real estate trading services to or on behalf of another, for or in expectation of remuneration, without being licensed to do so and without being exempt from the licensing requirements, contrary to section 3(1) of *RESA*, in that it:
- a. Is remunerated for making referrals to real estate licensees of individuals interested in completing a property purchase in BC;
 - b. Finds parties who are looking to purchase real estate through the websites; www.vanfun.net and www.vanfun.com, operated by SHANGREN's principal, NI; and
 - c. Finds real estate for a party to acquire through the websites; www.vanfun.net and www.vanfun.com, operated by SHANGREN's principal, NI. The VANFUN websites contain listings currently marketed on the MLS website.
40. NI provides real estate trading services to or on behalf of another, for or in expectation of remuneration, without being licensed to do so and without being exempt from the licensing requirements, contrary to section 3(1) of *RESA*, in that she:
- a. Makes representations about real estate through the websites www.vanfun.net and www.vanfun.com;
 - b. Finds parties who are looking to purchase real estate through the websites www.vanfun.net and www.vanfun.com;
 - c. Finds real estate for a party to acquire through the websites www.vanfun.net and www.vanfun.com; and
 - d. In her capacity as a director of SHANGREN she has accepted remuneration in the form of referral fees paid by licensees to SHANGREN, a company that is in the business of soliciting clients for the purpose of offering real estate services and/or providing referrals.
41. I find that NI's conduct is particularly egregious, given that NI had been previously informed by Staff regarding the provision of unlicensed real estate services. Staff clearly advised NI of the requirements under *RESA*, and in particular that she (and SUNWAY) must be licensed to provide real estate services. This was acknowledged by NI, who advised that she and SUNWAY had ceased all real estate services, and assured Staff that SHANGREN would not be providing real estate services. It is clear that both NI and SHANGREN continued to provide real estate services despite this previous knowledge. SUNWAY may have dissolved as a company, but it appears that SHANGREN simply stepped into its shoes.

42. NI's activities are also a concern as NI previously advised Staff that she had nothing to do with the VANFUN websites. From the statements of WANG it is clear that NI not only is aware of the VANFUN sites, but was possibly involved in creating the sites, and appears to control the content that is displayed on the sites. NI was dishonest with Staff during the first investigation regarding her involvement with VANFUN.
43. Of further concern is WANG's statement that he did not authorize either NI or SHANGREN to advertise his listings on the VANFUN sites, and furthermore that the prices on the VANFUN website for his listings were incorrect. This is a very serious allegation and speaks to the heart of why licensing of real estate service providers is vital for public protection. Potential buyers may be led to believe that a property is listed at a certain price, and they may negotiate and make offers to purchase a property based on the list price. This undermines the real estate industry, deceives the public as to the price of real estate, and places the public at great risk.
44. NI and SHANGREN have willfully and consistently placed the public at risk by continuing to provide unlicensed real estate activities. In addition, by providing MLS listing information to their clients that is ordinarily only available to licensees, NI and SHANGREN offer a false sense of security that the representations made regarding the property are correct.
45. The conduct of NI and SHANGREN also undermines the regulatory scheme meant to protect the public as some licensees who accept referrals from SHANGREN or NI or their representatives do not comply with *RESA* in that:
 - a. Licensees pay remuneration in the form of referral fees to SHANGREN, which is not licensed and is in the business of soliciting clients for the purpose of providing real estate services;
 - b. Licensees have failed to disclose to clients that they have paid referral fees to SHANGREN; and
 - c. Licensees encourage unlicensed activity by providing real estate services to SHANGREN and paying a referral fee to SHANGREN, an unlicensed entity.
46. None of NI, SHANGREN, or YE are exempted from the requirement to be licensed by the *Real Estate Services Regulation*. NI, SHANGREN and YE are engaging in real estate services for which a license under *RESA* is required, although none of them has the required license.

I THEREFORE CONSIDER that NI, SHANGREN, and YE are conducting themselves in a manner that would enable me to make an order under section 49 of *RESA*.

I AGREE with Staff that a hearing would require at least 11 witnesses and would take approximately 5 days to complete, and could not be held for at least 5 months due to scheduling of parties, witnesses, counsel and a hearing officer.

I FIND that the length of time that would be required to hold a hearing in order to make an order under section 49 of *RESA* would be detrimental to the public interest and due administration of *RESA* given that it would likely result in further non-compliance with the provisions of *RESA*. Of particular concern is the past history of complaints, previous expressions of compliance by NI and the subsequent violations of *RESA* and disregard for the authority of the Superintendent of Real Estate to protect the public interest by NI.

I AM FURTHER OF THE OPINION that it is in the public interest to make a summary order under section 51 of *RESA* so that the public is protected against further non-compliance with *RESA*.

I THEREFORE ORDER pursuant to sections 51(2)(a) and 49(2)(a) of *RESA* as follows:

1. That FENG NI, also known as FANNY, SHANGREN SETTLEMENT SERVICES LTD. and WENDY YE also known as XIAO WEN YE cease and desist conducting, directly or indirectly, real estate services in British Columbia, effective immediately, unless and until they become licensed to do so under the provisions of the *Real Estate Services Act*.

TAKE NOTICE THAT NI, SHANGREN and YE may appeal this Order to the Financial Services Tribunal UNDER SECTION 54(1) OF *RESA*, or require a hearing before the Superintendent under sections 51(3) and 45(6) of *RESA*.

Issued this 13th day of September, 2016
At Vancouver, British Columbia



Chris Carter
Acting Superintendent of Real Estate

Notice to: Feng "Fanny" Ni


Notice to: Shangren Vancouver
Settlement Service Ltd.
6651 Comstock Rd
Richmond, BC V7C 2X5

Notice to: Xiao Wen 'Wendy' Ye


Notice to: Financial Services Tribunal
4th Floor – 747 Fort Street
Victoria, BC V8W 9V1

“Schedule A”

Real Estate Services Regulation

Part 2 — Licensing

Division 1 — Exemptions in Relation to Real Estate Services Generally Exemption for employees of principal

- 2.1 (1) An individual is exempt from the requirement to be licensed under Part 2 of the Act in respect of real estate services if all the following apply:
- (a) the real estate services are provided to or on behalf of a principal in relation to those services;
 - (b) the individual is the employee of the principal referred to in paragraph (a);
 - (c) the individual is not providing real estate services to or on behalf of any person other than the principal referred to in paragraph (a).
- (2) Subsection (1) does not apply in respect of the provision of trading services if
- (a) the trading services are provided with respect to a development unit, as defined in the *Real Estate Development Marketing Act*, and
 - (b) the principal to or on behalf of whom the services are provided is a developer, as defined in the *Real Estate Development Marketing Act*, of that development unit.

Exemption for collection agents

- 2.2 A person who is a collection agent licensed under the *Business Practices and Consumer Protection Act* is exempt from the requirement to be licensed under Part 2 of the Act in relation to real estate services provided in the course of the person's business as a collection agent within the meaning of the *Business Practices and Consumer Protection Act*.

Exemption respecting mining

- 2.3 A person providing real estate services in respect of any of the following is exempt from the requirement to be licensed under Part 2 of the Act in relation to the provision of those services:
- (a) a mine, as that term is defined in the *Mines Act*, to which the *Coal Act* or the *Mineral Tenure Act* applies;
 - (b) a well to which the *Geothermal Resources Act* applies;
 - (c) a claim, grant, lease or licence under the *Mineral Tenure Act*;
 - (d) a licence, lease or permit under the *Coal Act*, the *Petroleum and Natural Gas Act*, the *Oil and Gas Activities Act* or the *Geothermal Resources Act*.
- [am. B.C. Reg. 269/2010, Sch. s. 23.]

Exemptions for government and government corporations

2.4 (1) The government is exempt from the requirement to be licensed under Part 2 of the Act.

(2) A government corporation, within the meaning of the *Financial Administration Act*, is exempt from the requirement to be licensed under Part 2 of the Act in relation to real estate services provided to or on behalf of the government or another government corporation.

Division 2 — Exemptions in Relation to Trading Services

Exemption for employees of developers

2.5 (1) An individual is exempt from the requirement to be licensed under Part 2 of the Act in respect of trading services if all the following apply:

- (a) the trading services are provided with respect to a development unit, as defined in the *Real Estate Development Marketing Act*;
- (b) the trading services are provided to or on behalf of one or more developers, as defined in the *Real Estate Development Marketing Act*, of that development unit;
- (c) the individual is the employee of
 - (i) one or more of the developers referred to in paragraph (b), or
 - (ii) a holding corporation of one or more of those developers;
- (d) the individual is not providing real estate services to or on behalf of any person other than
 - (i) one or more of the developers referred to in paragraph (b),
 - (ii) a holding corporation of one or more of those developers, or
 - (iii) another developer, as defined in the *Real Estate Development Marketing Act*, that is a subsidiary of a holding corporation referred to in subparagraph (ii);
- (e) the individual discloses to each principal, other than one referred to in paragraph (d),
 - (i) that the individual is not licensed under the *Real Estate Services Act*,
 - (ii) who the individual is employed by, and
 - (iii) that the individual is acting on behalf of one or more developers referred to in paragraph (b), or a holding corporation of one or more of those developers, and not on behalf of the principal.

(2) The disclosure referred to in subsection (1) (e) must

- (a) be made promptly but in any case before any agreement for the acquisition or disposition of the real estate is entered into, and
- (b) be in writing and separate from
 - (i) any agreement for the acquisition or disposition of the real estate, and
 - (ii) any disclosure statement required under the *Real Estate Development Marketing Act*.

(3) The following apply for the purposes of this section:

- (a) a corporation is a subsidiary of another corporation if it is controlled by that other corporation;
- (b) a corporation is controlled by another corporation if shares held by that other corporation are sufficient to elect or appoint a majority of the directors of the first corporation;
- (c) a corporation is the holding corporation of a corporation that is its subsidiary.

Exemption for notaries

2.6 A person who is

- (a) enrolled as a member of the Society of Notaries Public of British Columbia, and
- (b) in good standing as such a member is exempt from the requirement to be licensed under Part 2 of the Act in respect of trading services referred to in paragraphs (f) and (h) of the definition of "trading services" in section 1 of the Act if the trading services are provided in the course of and as part of the provision of services permitted under section 18 of the *Notaries Act*.

Exemption for accountants in relation to purchase and sale of business

2.7 A person who is authorized to practice public accounting under the *Chartered Professional Accountants Act* is exempt from the requirement to be licensed under Part 2 of the Act in respect of trading services if all the following apply:

- (a) the trading services relate to the purchase or sale of a business;
 - (b) the purchase and sale arises in the course of the practice of public accounting;
 - (c) the trading services are provided in the course of and as part of the practice of public accounting.
- [am. B.C. Reg. 185/2015, s. 5.]

Exemption for appraisers and property inspectors

2.8 A person who is providing trading services only by

- (a) providing an appraisal of value of real estate and consulting services relating to the value of real estate, or
- (b) inspecting and reporting on the condition of real estate

is exempt from the requirement to be licensed under Part 2 of the Act if those services are provided in the course of the person's business as an appraiser or real estate inspector.

Exemption for auctioneers

2.9 An auctioneer is exempt from the requirement to be licensed under Part 2 of the Act in relation to the provision of trading services respecting the auction of real estate if all the following apply:

- (a) the auctioneer does not show the real estate;
- (b) the auctioneer does not
 - (i) engage in discussion with a party to a trade in real estate, or
 - (ii) provide information to a party to a trade in real estate, respecting the real estate or any aspect concerning its disposition, other than to explain the procedures for the conduct of the auction;
- (c) all advertising of the auction specifies, as applicable,
 - (i) if no licensee acts on the seller's behalf in the matter,
 - (A) the name of the seller of the real estate, and
 - (B) the means by which the seller may be contacted for information about the real estate, or
 - (ii) if a licensee acts on the seller's behalf in the matter,
 - (A) the name of the licensee, and
 - (B) the means by which the licensee may be contacted for information about the real estate;
- (d) no deposit or other money payable by the person buying or otherwise acquiring the real estate in respect of that acquisition is paid to the auctioneer.

Exemption for persons providing information only

2.10 (1) A person who is providing trading services only by providing information is exempt from the requirement to be licensed under Part 2 of the Act.

(2) Without limiting subsection (1), that subsection applies to

- (a) the provision of material and other information of a general nature that is produced to assist owners to sell or otherwise dispose of their own real estate by themselves, and
- (b) the publication of information contained in an advertisement of specific real estate.

Exemption for persons providing referral services

2.11 A person who is providing trading services only by referring a party to a trade in real estate to a licensee, or by referring a licensee to a party, for the purpose of the licensee providing trading services, is exempt from the requirement to be licensed under Part 2 of the Act in relation to the person's provision of those referral services if

- (a) the person does not engage, for the purpose of making a referral, in activities to solicit the names of persons who may be interested in acquiring or disposing of real estate, and
- (b) the practice of making referrals and receiving referral fees is incidental to the main business of the person.

Exemption for agents of expropriating authorities

2.12 (1) In this section, "expropriating authority" means

- (a) an expropriating authority as defined in the *Expropriation Act*, or
- (b) the Crown as defined in the *Expropriation Act* (Canada).

(2) A person who is providing trading services to or on behalf of an expropriating authority, in relation to the expropriating authority's acquisition of real estate it is authorized to expropriate, is exempt from the requirement to be licensed under Part 2 of the Act in respect of those services if all the following apply:

- (a) the person receives only remuneration that consists of a fixed fee, per diem rate or hourly rate;
- (b) the person does not receive or hold deposits or other money payable in respect of the acquisition of real estate;
- (c) the person discloses to each party, other than the expropriating authority,
 - (i) that the person is not licensed under the *Real Estate Services Act*,
 - (ii) that the person is acting for or on behalf of the expropriating authority and not for or on behalf of any other party, and
 - (iii) if applicable, the identity of the person's employer.