

June 21, 2018



### **Buyer Brokerage/Designated Brokerage Remuneration Procedure**

The remuneration clause is the same in both the BBA and the BDBA. In the BBA it is clause 4.1, and in the BDBA it is clause 6.1. The changes clarify under what situations an amendment is required when dealing with changes in remuneration.

If the remuneration offered by the seller is less than what was agreed to in clause 4.1/6.1, and that remuneration is acceptable to the brokerage, this change does not require an amendment. Written notification (for an example an email from the buyer's brokerage to the buyer) is required before an offer is prepared.

However, if the brokerage is not prepared to accept the lower remuneration offered by the seller, and the buyer agrees to pay the difference, this will require an amendment to the BBA/BDBA (based on what is negotiated)—see clause 4.1 (b)/6.1 (b). An amendment is required in this case because according to clause 4.1 (a)/6.1 (a) it was agreed that the “seller or seller’s brokerage” would pay the remuneration, and the buyer has agreed to pay the difference.

If the remuneration offered by the seller is more than what was agreed in clause 4.1/6.1, the brokerage will keep the difference (see clause 4.1 (c)/6.1 (c)) and no amendment is required. However, written notification (an email from the brokerage to the buyer) of the amount the seller is offering must be provided to the buyer before an offer is prepared (see 4.1 (d)/6.1 (d)).

Clause 4.1 (d)/6.1 (d) states that if the remuneration changes at any time after the offer is accepted and on or before closing, written notification must be provided to the buyer.

Licensees are to maintain a copy of all written notifications in the brokerage transaction file.