



Ministry of Finance
Financial Institutions Commission
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BULLETIN

- Superintendent of Financial Institutions
- Registrar of Mortgage Brokers
- Superintendent of Pensions

- Credit Union Deposit Insurance Corporation of British Columbia
- Superintendent of Real Estate

Please Note:

As of **April 2005** the **Financial Institutions Commission of BC** address changed to:
1200 – 13450 – 102 Avenue Surrey BC V3T 5X3
Phone: 604-953-5300
Fax: 604-953-5301

BULLETIN NUMBER: REA-04-02

TITLE: PUBLICATION FOR COMMENT OF POLICY STATEMENTS

LEGISLATION: REAL ESTATE DEVELOPMENT MARKETING ACT

DATE: SEPTEMBER 1, 2004

**Publication for Comment of
Policy Statements
Related to the New *Real Estate Development Marketing Act***

On May 11, 2004, the new *Real Estate Development Marketing Act* (Bill 42) received royal assent. The Act will come into force on proclamation (expected at the end of this year or early in 2005) and will repeal the *Real Estate Act* R.S.B.C. 1996, c. 397. The Superintendent of Real Estate is publishing, for comment, the proposed Policy Statements that are necessary to implement the new legislation.

The proposed Policy Statements would replace all existing Policy Statements issued under the *Real Estate Act*. **The proposed Policy Statements are available for review 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 *Real Estate Development Marketing Act*, and those designed to specify the circumstances in which the Superintendent deems actions or arrangements to be in accordance with the Act.

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

- Policy Statement 10 - Five or More Strata Lots (not contained in a bare land strata plan)
- Policy Statement 11 - Five or More Bare Land Strata Lots
- Policy Statement 12 - Two or More Cooperative Interests
- Policy Statement 13 - Five or More Subdivision Lots
- Policy Statement 14 - Five or More Time Share Interests
- Policy Statement 15 - Two or More Shared Interests in Land
- Policy Statement 16 - Five or More Leasehold Units

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

- Policy Statement 1 - Adequate Arrangements
- Policy Statement 5 - Early Marketing
- Policy Statement 6 - Marketing of Development Units Before Obtaining Financing
- Policy Statement 7 - Signing Disclosure Statements

The Superintendent would like to emphasize that the proposed Policy Statements are not yet in force and that he intends to publish finalized copies of the Policy Statements on the web site of the Financial Institutions Commission in advance of the date on which the *Real Estate Development Marketing Act* comes into force. In addition, proposed Policy Statement 10 is published on the assumption that the new *Securities Act* will come into force before the *Real Estate Development Marketing Act*. Until the new Act does come into force and the *Real Estate Act* is repealed, developers should continue to provide disclosure as required under the *Real Estate Act*.

When reviewing the Policy Statements, we ask you to focus your attention and comments on whether the Policy Statements are effective in assisting developers to comply with the substantive aspects of the *Real Estate Development Marketing Act*. We also ask you to address the following questions:

1. *Do the Policy Statements help ensure that the facts or proposals that affect, or could reasonably be expected to affect, the value, price or use of real estate developments are disclosed to purchasers?*
2. *Do the Policy Statements assist in implementing a streamlined and simplified disclosure process while maintaining or enhancing consumer confidence?*

Comments may be submitted to the Superintendent of Real Estate at the Financial Institutions Commission by any of the following methods:

- by e-mail to: FICOM@FICOMBC.CA
- by fax to: 604 953-5301
- by mail to: Superintendent of Real Estate
Financial Institutions Commission
1200 – 13450 102nd Avenue
Surrey, BC V3T 5X3

All comments received by **September 30, 2004** will be considered. Please note any comments received may be subject to the *Freedom of Information and Protection of Privacy Act*.