

**EXCLUSIVE BROKERAGE CONTRACT – SALE  
SHARE OF A CHIEFLY RESIDENTIAL IMMOVABLE  
HELD IN UNDIVIDED CO-OWNERSHIP**

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**AMENDMENTS – HIGHLIGHTS**

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The mandatory form that had to be completed previously by the licensee representing the seller in an undivided co-ownership transaction was the form *Exclusive brokerage contract – Undivided co-ownership – Share of a chiefly residential immovable held in undivided co-ownership* (exclusive BCU). However, it was always possible to make this contract non-exclusive by using the standard clauses. Like the non-exclusive brokerage contract for residential immovables containing less than 5 dwellings, and in order to present consumers with both available options simultaneously, it was decided, in addition to the exclusive BCU, to introduce the *Non-exclusive brokerage contract – Sale – Share of a chiefly residential immovable held in undivided co-ownership* (NEBCU) form.

A mandatory note inserted at the beginning of each type of BCU summarizes the nature of the other type of contract and provides for the seller's obligation to initial his choice of contract.

Certain clauses apply only under the exclusive BCU (e.g. the 180-day clause, exclusivity regarding visits and advertising, etc.) or under the non-exclusive BCU (e.g. the seller's obligation to notify the licensee if he enters into another brokerage contract with a licensee, the availability of the seller's declarations to all licensees who have entered into a non-exclusive BCU with that seller).

Whether it is an exclusive or non-exclusive BCU, the seller retains the right to market the immovable by himself. The exclusivity concept applies only between licensees.

Under the non-exclusive BCU, remuneration is due only if the immovable is sold during the term of the contract and the licensee identified in the contract is the efficient cause of the sale.

**NOTE**

A mandatory note inserted at the beginning of the *Exclusive brokerage contract* form summarizes the main features of this contract and those of the *Non-exclusive brokerage contract*. **The licensee shall read the text of this note to the selling client.** The seller must initial his choice of contract.

**CLAUSE 2.1 – OBJECT AND TERM OF CONTRACT**

Clarifications have been made in this clause as to the reasons for the termination of the contract. The brokerage contract is for the provision of services (art. 2125, 2126, C.C.Q.) Thus, the client may terminate such a contract without reason. The licensee, who is the service provider, may not terminate the contract unilaterally except for a serious reason, and never at an inopportune moment.

**Elimination of waiver of the right to cancel**

Since June 13, 2019, a client who is a party to a brokerage contract may no longer waive his right to cancel the contract pursuant to section 28 of the *Real Estate Brokerage Act*(CQLR, c. C-73.2). This is indicated in clause 2.1.

## CLAUSE 4 – PRICE AND TERMS OF SALE (PLUS TAXES, IF APPLICABLE)

### Clause 4.3 – Existing loans

The condition requiring the buyer to obtain a loan from the financial institution indicated by the seller is removed. Although the nature of undivided co-ownership supposes that the undivided co-owners usually obtain financing from the same institution, there is no legal obligation in this regard. However, the parties may always provide for such a special condition in clause 11.1.

### Clause 4.8 – Adjustment to funds

Reference to the adjustment relating to the contingency fund has been removed, as there is no legal obligation to set up such a fund in the case of undivided co-ownership.

## CLAUSE 7 – REMUNERATION

### Clause 7.1- Remuneration

The statement regarding any transaction involving the seller's share capital (natural person) is removed. It is deemed non relevant in the context of a contract entered into with a natural person.

Clause 7.1 expressly stipulates that taxes apply to the remuneration amount. This allowed for the removal of clause 7.2 of the old form.

A few wording changes have also been made to clause 7.1.

### Clause 7.2– Assignment of remuneration

The reference to the obligation of the licensee representing the seller to assign his claim to the licensee who collaborated in the transaction is removed. This clause does not refer to the obligations of the parties to the contract, but concerns the agreement that licensees may enter into with each other. Therefore, such a clause must not be included in a brokerage contract with the seller.

## CLAUSE 8 – DECLARATIONS AND OBLIGATIONS OF THE SELLER

### Clause 8.1 par. 4 – SELLER'S DECLARATIONS

This clause is aligned with clause 10.1.6 of the form *Promise to purchase – Co-ownership – Share of a chiefly residential immovable held in undivided co-ownership*. The seller must specify whether the undivided co-owners have a pre-emptive right. The seller undertakes to obtain from the undivided co-owners a written waiver of their pre-emptive or redemption right and to remit it to his broker.

### Clause 8.5 – Certificate of location

The certificate of location of the immovable held in undivided co-ownership must reflect any operation, amendment or cadastral renovation as well as the current physical state of the premises (e.g. heat pump, terrace, fence, shed, pool), the restrictions of private law (e.g. servitude, real rights or other charges) and the restrictions of public law (e.g. municipal by-laws). An identical clause (10.3) is provided in the revised form *Promise to purchase – Co-ownership – Share of a chiefly residential immovable held in undivided co-ownership*.

### Former clause 8.9 is removed – Undertaking to provide a good ownership title

The former clause 8.9 relating to the undertaking to provide a good ownership title is eliminated as it concerns an obligation of the seller toward the buyer. In addition, the same obligation is already included in clause 10.3 of the amended form *Promise to purchase – Co-ownership – Share of a chiefly residential immovable held in undivided co-ownership*.

## CLAUSE 9 – OBLIGATIONS OF THE AGENCY OR THE BROKER

### Clause 9.1 par. 8 – Obligation to disclose any remuneration agreement

The licensee must inform the seller, in writing and without delay, of any remuneration agreement in his favour related to the object of the brokerage contract. This clause has been aligned with the new wording of section 36 of the *Regulation respecting brokerage requirements, professional conduct of brokers and advertising* (c. C-73.2, r. 1). The old wording suggested that there were remuneration agreements that could not put the licensee in a conflict of interest.

### Clause 9.1 par. 10 – Obligation to disclose any remuneration sharing

With a view to transparency and to better inform the public, the licensee must disclose to the seller in writing any sharing, other than the one mentioned in clause 7.3, which he is planning to make of his remuneration, as well as the identity of the person receiving that share and, in the case of a non-monetary benefit, the nature of the compensation. This clause is consistent with the licensee's regulatory obligation under section 38 of the *Regulation respecting brokerage requirements, professional conduct of brokers and advertising*.

### Clause 9.1 par. 12 a) – Obligation to notify the seller of any change of address of the establishment

The licensee must notify the seller, in writing and without delay, of any change of address of his establishment. This clause is consistent with the licensee's regulatory obligation under section 27 of the *Regulation respecting brokerage requirements, professional conduct of brokers and advertising*.

### Clause 9.1 par. 14 – Obligation to give the client a duplicate of the contract

The licensee must give a duplicate of the brokerage contract to the client. This clause is consistent with the licensee's obligation under section 25 of the *Real Estate Brokerage Act*.

## CLAUSE 15 – SIGNATURES

### Box before the signatures – Privacy protection

Licensees, as private entities, are governed, in the performance of their activities, by the *Act respecting the protection of personal information in the private sector* (CQLR, c. P-39.1). The purpose of the box concerning privacy protection is to remind licensees of their obligations and to inform consumers.

**IMPORTANT:** This box does not replace the licensee's obligation to always obtain valid consent when collecting, using or disclosing personal information.

### Box before the signatures – Role of the OACIQ

In accordance with section 16.2 of the *Regulation respecting brokerage requirements, professional conduct of brokers and advertising*, this box contains an informative text about the mission of the OACIQ. If the licensee provides the party with the revised exclusive BCU form containing this box, he complies with the obligation under section 16.2 and does not have to provide any other separate documents about the mission of the OACIQ.

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## OTHER CHANGES

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## CLAUSE 4 – PRICE AND TERMS OF SALE (PLUS TAXES, IF APPLICABLE)

### Clause 4.2

The reference to the taxes that may be imposed if the sale is concluded is removed, as this concerns an obligation of the buyer toward the seller. In addition, this obligation is already included in clause 4.2 of the form *Promise to purchase – Co-ownership – Share of a chiefly residential immovable held in undivided co-ownership*.

## **Clauses 4.6 and 4.7**

Clarifications introduced to make it easier for the consumer to understand.

## **CLAUSE 7 – REMUNERATION**

### **Clause 7.4 par. 3**

An addition has been made in this clause to make it easier for consumers to understand cases where no remuneration is due. The agency or broker is not entitled to any remuneration if, through the buyer's fault, the deed of sale is not signed or the purchase price is not paid. Other adjustments have been made to the wording.

**OTHER CHANGES ARE STRUCTURAL OR TECHNICAL IN NATURE.**