
Issue No. 37 – November 2022

BULLETIN

Personal Real Estate Corporation Licence

On November 25, 2022 sections 6(1)(e), 9 and 10 of the **Real Estate Trading Act, 2019** pertaining to a Personal Real Estate Corporation (PREC) licence came into effect.

Under these provisions, a licensed Real Estate Salesperson (salesperson) may have a PREC licensed and receive remuneration in relation to a trade in real estate through a PREC where:

- the salesperson and the PREC have each obtained a licence under this Act;
- the trades provided by the PREC are provided only by the salesperson associated with the PREC;
- any other persons employed by the PREC are not licensed salespersons.

For a licensed salesperson to apply for a PREC license, the salesperson must have held a salesperson licence for at least 2 of the last 5 years.

The PREC must be sponsored by the same Real Estate Broker that sponsors the salesperson's licence.

The PREC must be incorporated as a corporation with the Registry of Companies under the **Corporations Act**. The name of the PREC must contain the legal first name and surname of the salesperson followed by the words "personal real estate corporation" for example: *Pat Evans Personal Real Estate Corporation*.

The salesperson must be the sole director of the corporation and own all the voting shares of the corporation. All non-voting shares of the corporation must be owned by the salesperson or an affiliated person (ie spouse or child) of the salesperson.

The business of the PREC must be restricted to the trading of real estate and ancillary services directly associated with the trading of real estate.

For information on how to incorporate a company, please see information in the following link: <https://www.gov.nl.ca/dgsnl/registries/companies/corp-inc/>

A licensed salesperson applying for a PREC licence is required to provide the following along with the application:

- Certificate of Incorporation
- Articles of Incorporation (Form 1)
- Notice of Registered Office (Form 3)
- Notice of Directors (Form 6)
- Payment of \$250 application fee

Upon receiving the application, the Consumer and Financial Services Division will verify consent of the sponsoring Real Estate Broker for the PREC.

Applications for a personal real estate corporate license may be submitted online through the following link: <https://cfs-portal.gov.nl.ca/fsrd/sfjsp?interviewID=Login>

Additional questions and inquiries may be directed to 709-729-2595 or fsrd@gov.nl.ca.



Jean Bishop

Superintendent of Real Estate Brokers and Salespersons

November 25, 2022