

Advisory

BCFSA LAUNCHES CONSULTATION ON REAL ESTATE DEVELOPER FEES

Date: August 9, 2023
Distribution: Real Estate Developers
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PURPOSE

BCFSA is seeking your feedback on proposed changes to the fees it collects from real estate development companies captured under the *Real Estate Development Marketing Act* (“REDMA”). The proposed fee changes will enable BCFSA to continue to deliver on its mandate of instilling confidence in B.C.’s financial services sector through its oversight of sector safety and soundness and protecting consumers.

BCFSA has not changed its fees associated with REDMA since January 2019. REDMA requires real estate developers to pay a fee to file a disclosure statement, a disclosure statement amendment, or an application for an exemption from certain provisions of the Act. Fees paid under the Act support the administration and enforcement of the Act.

BCFSA operates on a cost-recovery basis to deliver modern, effective, and efficient oversight through fees collected from its regulated segments. The proposed fee adjustment addresses BCFSA’s need to administer the REDMA program on a cost recovery basis and will support intended enhanced education, risk management, and oversight initiatives to facilitate consumer protection and regulatory compliance.

In the past two years, BCFSA has expanded REDMA work across several departments, incurring additional costs to support a larger team of investigators for complaints involving REDMA; an in-house team of legal counsel who enforce a larger number of REDMA discipline files; expanded stakeholder engagement and communications; and practice standards advisors who respond to industry and consumer enquiries regarding REDMA.

If approved, the changes to fees for real estate developers are proposed to take effect April 1, 2024.

You can learn more about the proposed changes to fees for real estate developers and participate in this consultation by reviewing the materials in our consultation document and responding to the questions in our online feedback form:

- [Real Estate Fees Consultation Document and Feedback Form](#)

The consultation will be open from August 9, 2023, to September 9, 2023.

ADDITIONAL INFORMATION

BCFSA receives no public funding. As a self-funded Crown corporation accountable to the public through the Minister of Finance, BCFSA’s mandate is to operate on a cost-recovery basis. This means the direct costs to regulate, administer, and oversee real estate developers should be recovered from real estate developers through fees collected by BCFSA.

Classification: **Public**

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With increased funding, BCFSA will have the resources and capacity to perform the thorough analysis of higher-risk development disclosure statements to ensure those statements accurately disclose material facts, deposit protections, and rescission rights for consumers.

Further information regarding the proposed fee change is provided in the online feedback form, and on our website:

- [Consultation on Real Estate Developer Fees](#)

Following BCFSA's consultation with real estate developers on proposed fee changes, we will include aggregated results of the feedback in submissions to Treasury Board requesting approval for the changes. Cabinet approval is required to implement fee changes through regulation.

BCFSA values the feedback it receives during consultations and will treat submissions of feedback as confidential records and will not publish individual submissions or attribute content. However, please note that all submissions are subject to the *Freedom of Information and Protection of Privacy Act*.

QUESTIONS?

Please contact engage@bcfsa.ca for more information regarding this consultation.