

Are You Related to Cousin Vinny?



Related Parties under REBBA

By **Brian Madigan LL.B.**

Are you related to cousin Vinny? Well, you were until 31 March 2006 and now you're not. That's the "correct" real estate answer!

Who are you related to? That seems to be a simple enough question.

However, the entire matter of who is a “related party” under REBBA 2002 is somewhat confusing.

So, let me give you the simple scheme:

- Lineal Descendants are included
- Lineal Ascendants are included
- Collaterals are included only to the first degree (brothers and sisters)

If that didn't make a whole lot of sense, then an example might work:

A is related to B if:

B is

earlier ascendant (ie. Greatgrandparent)

grandfather

grandmother

father

mother

child

Grandchild or other descendant

Brother

Sister

.....of A

Additional rules:

adoption counts

Marriage counts

Conjugal relationship counts

Associated counts (controlled corporations)

Now, one thing that is very interesting here is that uncles, aunts, nephews, nieces and cousins don't count. For anyone who remembers the old rules, they were included. So, this new approach seems somewhat strange.

Essentially, this simply doesn't make any sense. If your father, twenty years after divorcing your mother lives with someone in a conjugal relationship (either a woman or a man), then that individual's greatgrandparents (whom I'm sure you've never met) suddenly become your relatives (related parties) under REBBA 2002.

At the same time, your good friend cousin Vinny is not related to you anymore.

One other issue arises when it comes to related parties. All associated parties are included. Essentially this means corporations that are owned or controlled by related parties. In addition it includes voting trusts so the definition of "control" is expanded to some degree.

This issue is important to a registered salesperson under the Act, since they are required to make certain disclosures in their dealings with third parties.

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