



# CMRAO Licensing Overview



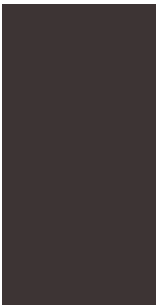
Condominium Management  
Regulatory Authority of Ontario

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# Table of Contents

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Information regarding Individual Licences.....	1
Limited Licence .....	2
General Licence.....	2
Information regarding the Condominium Management Provider Licence.....	3
Exemptions to Licensing.....	4
Unlicensed Practice .....	4
Appendix A – Legislative Requirements.....	5
Ontario Regulation 123/17.....	5
Ontario Regulation 4/18.....	8
<i>Condominium Management Services Act, 2015</i> .....	8



The Condominium Management Regulatory Authority of Ontario (CMRAO) is the regulatory body that sets standards and enforces the mandatory licensing of condominium managers and condominium management provider businesses. Meeting these standards enhances the integrity of the sector, elevates the profession, and provides condominium owners with confidence in the companies and people who manage their important investment.



# Information Regarding Individual Licences

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When the *Condominium Management Services Act, 2015* (“CMSA”) came into effect on November 1, 2017, individuals and condominium management provider businesses who were offering and/or providing condominium management services had to obtain a licence with the CMRAO. All individuals who had provided condominium management services within one year prior to November 1, 2017, were *deemed* to hold a licence.



The CMSA defines condominium management services as any of the following services provided to, or on behalf of a condominium corporation:

- Collecting or holding contributions to the common expenses or other amounts levied by, or payable to, the corporation
- Exercising delegated powers and duties of the corporation or its board of directors, including:
  1. making payments to third parties on behalf of the corporation
  2. negotiating or entering into contracts on behalf of the corporation
  3. supervising employees or contractors hired or engaged by the corporation

The CMRAO offers the following types of licences:

- Limited Licence
- General Licence
- Condominium Management Provider Licence

The window to apply for a Transitional General Licence was from November 1, 2017, to March 30, 2018. If an application for a licence was not submitted by March 30, 2018, then an individual’s *deemed* licence expired. The Transitional General Licence is no longer available as it was a temporary provision for individuals who have been providing condominium management services for longer than two years in the five years prior to November 1, 2017. While the registrar of the CMRAO may still consider requests to apply for a Transitional General Licence, it should be noted that all Transitional General Licences will expire by June 30, 2022.

In order to progress to a General Licence, an individual must first obtain a Limited Licence and then meet all legislative education and work experience requirements.

## Limited Licence

The Limited Licence is an “entry level” licence type. No work experience is required to apply for a Limited Licence. Effective November 1, 2021, applicants for a Limited Licence must successfully complete the Excellence in Condominium Management course.

The Limited Licence comes with certain conditions, which include working under the supervision of one or more supervising licensees who already holds a General Licence or Transitional General Licence. The following are prescribed as conditions of a Limited Licence:

- Must work under the supervision of one or more supervising licensees
- Cannot enter, extend, renew, or terminate a contract or an agreement without prior approval of a supervising licensee
- Cannot manage, control, or disburse more than \$500 of general funds without prior approval of a supervising licensee
- Cannot manage, control, or disburse reserve funds
- Cannot sign status certificates
- Cannot provide anything to an owner or mortgagee that the client (which is the condominium corporation) is required to provide without the prior approval of a supervising licensee

Furthermore, a limited licensee shall be employed by no more than one condominium management provider business unless the licensee has obtained the consent, in the form or manner approved by the registrar, of all condominium management providers that employ the licensee. A limited licensee is not permitted to work directly for a condominium corporation.

## General Licence

Those who hold an active Limited Licence may apply for a General Licence if they have completed the required work experience and education program.

An applicant for a General Licence must meet the requirements set out in the CMSA, which include completion of education requirements, working for at least two years (calculated as being 2,920 hours) in providing condominium management services under the conditions of a Limited Licence, and completion of the specified tasks under the supervision of one or more supervising licensees.

The following are the required tasks the applicant must perform and complete under the supervision of one or more supervising licensees:

1. Planned and participated in meetings of the Board of Directors of a client
2. Planned and participated in meetings of owners, including at least one annual general meeting within the meaning of the *Condominium Act, 1998*
3. Participated in the preparation of a budget for a condominium corporation that the licensee has presented to the Board of Directors of a client
4. Interpreted financial statements for a client, prepared under Section 66 of the *Condominium Act, 1998*, and presented them to the Board of Directors of the client
5. Prepared and presented reports to the Board of Directors of a client
6. Overseen the maintenance or repair of units and common elements within the meaning of the *Condominium Act, 1998*, or client assets, if any.



The education and experience requirements for a General Licence must be completed within the five years prior to submitting an application for a General Licence.

A General Licensee shall be employed by no more than one condominium management provider unless the licensee has obtained the consent, in the form or manner approved by the registrar, of all condominium management providers that employ the licensee. Furthermore, a General Licensee can work for up to three condominium corporations directly. There is no limit on the number of condominium corporations that a General Licensee can provide services to through a licensed condominium management provider business.

## Information Regarding the Condominium Management Provider Licence

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Any business (for example, corporation, partnership, sole proprietor, association, or other organization or entity) that offers and/or provides condominium management services must obtain a Condominium Management Provider Licence. All businesses that provided condominium management services within the one year prior to November 1, 2017, were deemed to hold a licence. If an application for a licence was not submitted by March 30, 2018, then the business's deemed licence expired.

Part of the requirements for a Condominium Management Provider Licence is having a designated Principal Condominium Manager. To be appointed as the Principal Condominium Manager, the individual must hold a General Licence or Transitional General Licence. Without a Principal Condominium Manager, the management provider business cannot provide condominium management services.



The condominium management provider business must also carry and maintain the following insurance coverage, regardless of the size of the business:

1. Errors and Omissions Insurance that includes coverage for every condominium manager that the provider employs; and
2. Fidelity Insurance, including against losses that a client of the provider suffers and that arise from dishonesty of condominium managers that the provider employs or of other employees, directors, and officers of the provider.

## Exemptions to Licensing

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Individuals may be exempt from licensing with CMRAO if they meet one of the exemptions outlined in the General Regulation made under the CMSA (Ontario Regulation 123/17). One of these exemptions pertains to self-managed condominium corporations. A self-managed condominium corporation is one that does not hire a condominium manager, but instead is managed by its board of directors or a particular director or officer of the corporation.

If the self-managed corporation does not pay its directors or officers for managing the condominium corporation (in other words, it is being managed on a voluntary basis by the directors or officers), they do not need to be licensed with the CMRAO.

If the self-managed corporation pays its directors or officers for managing the corporation, then those directors or officers would need a licence with the CMRAO. In order to manage a condominium corporation directly, a Transitional General Licence or a General Licence would be required. A Limited Licensee cannot be employed directly by a condominium corporation. A person with a Limited Licence must be employed by a licensed condominium management provider business to provide condominium management services. Lawyers, architects, engineers, and accountants do not need a licence if they provide services to a condominium within the authority of their profession.

If someone other than a director or officer provides condominium management services to a condominium on a voluntary basis, they would need a licence and would need to comply with the rules under the CMSA, unless they fit under another exemption. For example, lawyers, architects, engineers, and accountants do not need a licence if they provide services to a condominium within the authority of their profession.

## Unlicensed Practice

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Individuals and businesses must be licensed with the CMRAO to provide condominium management services as defined by the CMSA in Ontario unless they meet one of the exemptions outlined in section 2 of the General Regulation. Those who offer condominium management services in Ontario without an active licence, and do not meet any of the exceptions set out in regulation, are doing so in violation of the CMSA. A failure to comply with the CMSA constitutes an offence, which can result in a fine of up to \$50,000 for an individual or imprisonment for a term of up to two years, or a fine of up to \$250,000 if the person or entity is not an individual.

# Appendix A – Legislative Requirements

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What follows are excerpts from relevant sections of legislation that pertain to CMRAO licensing.

## Ontario Regulation 123/17

### Section 2 – Exemptions from Licensing

A full list of exemptions are listed in section 2 of the General Regulation 123/17 under CMSA. Paragraphs 14 and 15 under section 2 (1) speak to exemptions to licensing for self-managed condominium corporations. Please see excerpts from the exemptions below:

#### Exemptions from licensing

2. (1) For the purposes of section 35 of the Act, the following persons are not required to hold a licence in the following circumstances:

1. A person who is authorized under the Law Society Act to practise law or to provide legal services and who is acting pursuant to that authority in providing legal services to a condominium corporation.
2. A person who is authorized under the Architects Act to engage in the practice of architecture and who is acting within that authority in providing services to a condominium corporation.

[...]

14. A person who is elected or appointed as a director of a condominium corporation under the *Condominium Act, 1998*, including a director who receives compensation pursuant to a by-law made under clause 56 (1) (a) of that Act, unless the person is providing condominium management services for compensation or reward or the expectation of such.

15. A person who is elected or appointed as an officer of a condominium corporation under the *Condominium Act, 1998*, including an officer who receives compensation pursuant to a by-law made under clause 56 (1) (d) of that Act, unless the person is providing condominium management services for compensation or reward or the expectation of such.

For a complete list of the exemptions, please see [section 2 of the General Regulation](#).

### Section 7 – Requirements for an application for a Limited Licence

#### Application requirements

7. (1) For the purposes of subsections 37 (1) and 40 (1) of the Act, it is a prescribed requirement for an applicant for a limited licence that the applicant must have successfully completed the education and examination requirements, if any, for the licence specified under section 5 of this Regulation, subject to subsection (2) of this section.

(2) For the purposes of subsection (1), the registrar may recognize any of the following as equivalent to successfully completing some or all of the requirements specified under section 5:

1. The prior successful completion by the applicant of programs of study, training programs, internship programs, apprenticeship programs, courses, seminars, lectures or tutorials.
2. The prior successful completion by the applicant of examinations or tests.
3. The prior work experience of the applicant.

(3) For the purposes of subsection 39 (1) of the Act, the following requirements are prescribed for an applicant for a limited licence:

1. The applicant must be at least 18 years of age.
2. The application must meet the requirements set out in clauses 4 (1) (a), (b), (c) and (d) of this Regulation.
3. The applicant must have paid the fee described in clause 4 (1) (e) of this Regulation.

(4) For the purposes of subsections 37 (1) and 40 (1) of the Act, it is a prescribed requirement for an applicant for the renewal of a limited licence that the applicant must have successfully completed the continuing education and examination requirements, if any, for the licence specified under section 5 of this Regulation.

(5) For the purposes of subsection 39 (1) of the Act, the following requirements are prescribed for an applicant for renewal of a limited licence:

1. The application must meet the requirements set out in clauses 4 (2) (a) and (b) of this Regulation.
2. The applicant must have paid the fee described in clause 4 (2) (c) of this Regulation.

## **Section 8 – Conditions of a Limited Licence**

### **Conditions of Licence**

8. (1) For the purpose of subsection 38 (1) of the Act, the following are prescribed as conditions of a limited licence:

1. The licensee shall not provide condominium management services except under the supervision of a supervising licensee.
2. Subject to subsection (2), the licensee shall not enter into, extend, renew or terminate a contract or other agreement on behalf of a client except with the prior approval of the supervising licensee mentioned in paragraph 1.
3. Subject to subsection (2), the licensee shall not make expenditures of more than \$500 of the client's money, not including the reserve fund, except with the prior approval of the supervising licensee mentioned in paragraph 1.
4. The licensee shall not, on behalf of a client, give anything to an owner or mortgagee that the client is required to give to an owner or mortgagee under the *Condominium Act, 1998* except with the prior approval of the supervising licensee mentioned in paragraph 1.
5. The licensee shall not sign status certificates under the *Condominium Act, 1998* on behalf of a client.
6. The licensee shall not make expenditures out of, invest or otherwise make dispositions of a client's reserve fund.



## **Section 11 – Requirements for an application for a General Licence**

### **Application Requirements**

11. (1) For the purposes of subsections 37 (1) and 40 (1) of the Act, the following requirements are prescribed for an applicant for a general licence, subject to subsections (2) to (5) of this section:

1. The applicant must hold a limited licence.
2. The applicant must have successfully completed the education and examination requirements, if any, for the licence specified under section 5 of this Regulation within the five years before making the application, subject to subsection (3) of this section.
3. The applicant must have obtained at least two years of work experience that meets the requirements of subsection (4) under the supervision of one or more supervising licensees within the five years before making the application.
4. The application must contain a statement that the applicant and the applicant's supervisors certify, in the form approved by the registrar, that the applicant has obtained the work experience described in paragraph 3.
5. If the applicant intends to carry on business from a dwelling, the applicant shall have made arrangements satisfactory to the registrar to give the registrar access to the applicant's business records when licensed.

## **Section 20 – Requirements for an application for a Condominium Management Provider Licence**

### **Application Requirements**

20. (1) For the purposes of subsections 37 (1) and 40 (1) of the Act, it is a prescribed requirement for an applicant for a licence as a condominium management provider or renewal of the licence that, if the applicant intends to carry on business from a dwelling, the applicant shall have made arrangements satisfactory to the registrar to give the registrar access to the applicant's business records when the applicant is licensed or the licence is renewed, as the case may be.

(2) For the purposes of subsection 39 (1) of the Act, the following requirements are prescribed for an applicant for a licence as a condominium management provider:

1. The application must meet the requirements set out in clauses 4 (1) (a), (b), (c) and (d) of this Regulation.
2. The applicant must have paid the fee described in clause 4 (1) (e) of this Regulation.
3. The applicant must have designated a principal condominium manager in accordance with section 49 of the Act.

## **Section 31 – Requirement to designate a Principal Condominium Manager for a Licensed Provider Company**

### **Designation of Principal Condominium Manager**

31. (1) For the purposes of clauses 49 (2) (a) and 49 (3) (b) of the Act, the following requirements are prescribed for an individual to be designated as a principal condominium manager:

1. The individual must hold a general licence, a deemed transitional general licence or a transitional general licence as a condominium manager.
2. The individual must have successfully completed the education and examination requirements, if any, for a principal condominium manager specified under section 5 of this Regulation.

## **Ontario Regulation 4/18**

### **Section 4 – Insurance Requirements for a Condominium Management Provider Licence**

#### **Insurance**

4. (1) Every licensed condominium management provider shall maintain errors and omissions insurance that includes coverage for every condominium manager that the provider employs.

(2) Every licensed condominium management provider shall maintain fidelity insurance, including against losses that a client of the provider suffers and that arise from dishonesty of condominium managers that the provider employs or of other employees, directors and officers of the provider.

(3) If requested by the registrar, a licensed condominium management provider shall provide the registrar with any information about the provider's insurance coverage required under subsections (1) and (2).

## **Condominium Management Services Act, 2015**

### **Section 34 – Requirement to be Licensed to Provide Condominium Management**

#### **Prohibition, condominium management services**

34 (1) No person shall provide condominium management services unless licensed as a condominium management provider or as a condominium manager.

#### ***Unlicensed persons***

(2) A person who is not licensed as a condominium management provider or condominium manager shall not,

(a) directly or indirectly hold himself, herself or itself out as being a condominium management provider or condominium manager, respectively; or

(b) perform any of the functions of a condominium management provider or condominium manager.

Section 36 of the CMSA states:

36. Subject to section 42, no condominium management provider or condominium manager shall provide condominium management services until notified in writing by the registrar that the provider or the manager, as the case may be, is licensed.

## **Section 49 – Requirements of a Principal Condominium Manager**

### **Principal condominium manager**

49 (1) Every licensed condominium management provider shall,

(a) in accordance with this section, designate one of its licensed condominium managers as its principal condominium manager and notify the registrar of the identity of the manager; and

(b) notify the registrar, within five days, if the principal condominium manager changes.

## **Section 68 – Offence and Penalties**

### **Offence**

68 (1) A person or entity, other than the administrative authority, is guilty of an offence if the person or entity,

(a) furnishes false information in any application under this Act or in any statement or return required under this Act;

(b) fails to comply with any order, direction or other requirement under this Act, other than an order made under section 58; or

(c) contravenes or fails to comply with any section of this Act or the regulations made under the Act, other than a code of ethics established under section 77.

[...]

### **Penalties**

(3) A person or entity that is convicted of an offence under this Act is liable to,

(a) a fine of not more than \$50,000 or imprisonment for a term of not more than two years less a day or both, in the case of an individual; or

(b) a fine of not more than \$250,000, if the person or entity is not an individual.

### **Limitation**

(4) No proceeding under this section shall be commenced more than two years after the facts upon which the proceeding is based first came to the knowledge of the director.

CONDOMINIUM MANAGEMENT LICENCE  
PERMIS DE GESTION DE CONDOMINIUMS

Designation / Désignation :

Number:  
Numéro :

Name / Nom :

Class of Licence / Classe de permis :

Issue date / Date de délivrance :

Expiry date / Date d'expiration :



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