

Opening Your Own Office: Broker Compliance Checklist

Different rules may apply to new broker licensees who obtained their license as an attorney or through reciprocal licensing. Contact DBR for more information. For easy access to the links below, visit: www.rirealtors.org/broker-checklist

Mandatory

- Register your brokerage with the [Rhode Island Secretary of State](#). (MANDATORY except for sole proprietorships)
- Make sure that your office space is [wheelchair accessible if it will be open to the public](#).
- [Apply for a federal tax identification number](#) unless you plan to use your Social Security Number.
- Register with the [Rhode Island Division of Taxation Taxpayer Portal](#).
- Arrange for an errors and omissions insurance policy that meets minimum coverage requirements. [Section 2.28 Errors and Omission Insurance](#)
- Open an escrow account that is separate from your brokerage's other accounts and opened at a federally insured financial institution in Rhode Island. [Section 2.18 Client Funds](#)
- Learn about your legal duties as a broker. [Section 2.4 Principal Brokers and Brokerages](#)
- File a [Brokerage Transfer Form](#) with the Rhode Island Department of Business Regulation.
- [Notify your local REALTOR® association](#) – You will be required to complete a new membership application as the “Designated Broker”.
- Set up a recordkeeping system to keep records for three years. [See Section 2.20 Records](#)
- Make sure that all real estate licensees who affiliate with your brokerage as an independent contractor file an [Independent Contractor Designation](#) form with the Rhode Island Department of Labor and Training. (MANDATORY for independent contractors)
- Have all independent contractors who affiliate with you sign an independent contractor agreement with a written termination policy. [See Section 2.21 Commissions](#)

Recommended

- [Subscribe to MLS](#) by submitting the [MLS Agreement to Participate](#) with a copy of the Broker's RE License and a list of any licensees affiliated with the firm, to membership@rirealtors.org.
- Arrange for liability insurance to cover property damage and personal injury.
- Review [real estate laws and regulations](#).

Additional Resources

You can find additional resources like real estate forms and commercial licensing regulations on the R.I. Department of Business Regulation's website:

<http://dbr.ri.gov/divisions/commlicensing/realstate>

