



Posted on: November 4, 2021

DEADLINE EXTENSION: LAND OWNER TRANSPARENCY ACT - DEADLINE TO FILE REPORT EXTENDED TO NOVEMBER 30, 2022

By: Ryan M. Klassen

On November 2, 2021, the Provincial Government announced that due to overwhelming requests from legal professionals, the deadline for pre-existing owners to file a Transparency Report has been extended to November 30th, 2022. The extension does not impact the requirement to file, should there be a sufficient change in the beneficial ownership or interest holders that took place after November 30, 2020. If there has been a change in interest holders, you are still required to file a Transparency Report within sixty days of the change.

By November 30th, 2022, every corporation, partnership and trust (including an unregistered trust) in British Columbia, that is the legal owner of land (including condos) or has certain interests in land, is required to file a transparency report ("**Transparency Report**") pursuant to the *Land Owner Transparency Act* ("**LOTA**"). A Transparency Report is designed to disclose the ultimate beneficial individual(s) or controlling individual(s) of such land, or other interests in land, which other interests include leases of more than 10 years including renewals.

Since November 30th, 2020, Transparency Reports have been filed in connection with any legal transfers of new land transactions carried out by every corporation, partner and trustee registered as the owner of the land. Transparency Reports are also required for nominees who are registered on title to the land on behalf of any other individual or entity, including a partnership, whether such nominees are corporations, trusts or individuals.

LOTA requires disclosure of the individuals who are the "interest holders" of land or certain interests in land. Interest holders may include shareholders, directors, partners of a partnership, trustees and/or trust beneficiaries. In most instances, determining who the interest holders are will be a straight-forward process. In more complex ownership structures, however, it may be necessary to work our way down the ownership structure to identify the individuals who are the ultimate interest holders.

A Transparency Report requires disclosure of the full legal name, address, citizenship, residency, social





insurance number, birth date, and other information of each interest holder.

These disclosure obligations are an ongoing requirement, and an updated Transparency Report may need to be filed whenever there are changes in the interest holders, which can involve the transfer of shares, sale of the beneficial interest of land, the addition or removal of a partner in a partnership, or even the death or birth of an individual who may have an interest in the land, partnership or company.

The party signing the Transparency Report, which is typically the registered owner of the land, or in the case of a company, a director or officer of the company, is also required to notify each interest holder before and after they complete the Transparency Report, and keep records of such interactions. The attached Schedule "B" to this Notice is a checklist for to be used to collect the relevant information from interest holders.

Failure to file, or incorrectly filing a Transparency Report could:

- Result in fines starting at the greater of \$25,000 for individuals;
- \$50,000 for a company or up to 15% of the value of the land or interest in land.

You must file the Transparency Report before November 30, 2022, or risk facing such fines.

Please note that this is a different registry and reporting obligation from the registry of significant individuals required for companies under the *Business Corporations Act* ("**BCA**"). The LOTA disclosure obligations are broader and distinct from those under the BCA and may require disclosure of parties that were not previously caught by the BCA disclosure obligations. If your ownership structure is simple, such as any land owned by the company that is not held in trust, or a simple bare trust for another individual or company, we would encourage you to fill in the attached Schedule "B" for each individual that falls within the definition of "interest holder". Kindly return the completed Schedules "A" and "B" to us via email, and one of our Paralegals or Lawyers will be in touch with follow up questions, or a prepared Transparency Report for your review and certification/signing.

The Transparency Report can be complex, and you may require our assistance in situations where multiple companies, trusts, partnerships or shareholder agreements are in place, or in situations where it is unclear whether or not an individual has sufficient ownership or other interest to be considered an interest holder.

The Land Owner Transparency Register has been designed to be accessed only by legal professionals with a land title office online account, and therefore, the Transparency Report can only be prepared and submitted by a legal professional.

We are here to help. If you have any questions or require support in preparing and filing the Transparency





RICHARDS
BUELL
SUTTON^{LLP}
Established in 1871

Report prior to November 30, 2022, please let us know.

We have included a list of questions in Schedule "A" that will help guide us in the preparation of the Transparency Report, if required, and if any further information or due diligence may be required by us in order to prepare the Transparency Report for you.

We have also included a checklist in Schedule "B", which includes most of the information necessary for our office to prepare the Transparency Report. Please ensure that you fill out every box in full and return it to us via email once complete.

If you answered "no" to questions 1, 2 and 3 on Schedule "A", likely you are not required to file a Transparency Report.

If you would like further information, please contact the lawyer(s) you primarily work with at RBS, or contact Real Estate lawyer, Ryan Klassen, by phone at 604.595.9930 or by email at rklassen@rbs.ca. Alternatively, you may go to this website, which also has resources available: <https://landtransparency.ca/>.

Thank you.

Click [here](#) to complete the online form consisting of the Schedule "A" Questionnaire, and the Schedule "B" Interest Holder Disclosure.



VANCOUVER OFFICE:
700 - 401 W GEORGIA STREET
VANCOUVER, BC CANADA V6B 5A1
TEL: 604.682.3664 FAX: 604.688.3830

SURREY OFFICE:
200 - 10233 153 STREET
SURREY, BC CANADA V3R 0Z7
TEL: 604.582.7743 FAX: 604.582.7753

RBS.CA