



Posted on: November 16, 2022

## IMPORTANT NOTICE: DEADLINE - LAND OWNER TRANSPARENCY ACT

By November 30<sup>th</sup>, 2022, every corporation and any individual that holds property in trust (including an unregistered, bare trust or a nominee and agency agreement) in British Columbia, that is the registered owner of real estate or certain interests in land/real estate 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 property or other interests in land, which other interests include registered leases of more than 10 years.

Failure to file by November 30<sup>th</sup>, 2022 or the incorrect filing of 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 a fine.

We are providing this notice to ensure that individuals are aware of the requirement to file and do not miss the deadline.

All corporations who are the registered owners of property received notice earlier this year notifying them of their requirement to file. Where the registered owner holds a property in trust, the Provincial Government may not have provided any such written notice of their obligation to file.

Some common examples that may be caught by LOTA include, but are not limited to, instances where:

- an adult child has been added on as a joint tenant with an elderly parent for estate planning purposes. Typically when the child does not pay fair market value for the half interest, it is usually deemed to be a trust;
- a parent is added onto a property for a 1% ownership at the request of a Lender in order to permit their child to qualify for a mortgage, but the parent retains no real interest in the property;
- property is held in an individual's personal name, but to the benefit of their corporation, or another family member. Sometimes this was done to avoid incurring Property Transfer Tax, tax planning purposes or to obtain cheaper or more available financing options; and
- In many of the above situations, there may or may not be a document indicating a trust is in place.





RICHARDS  
BUELL  
SUTTON<sup>LLP</sup>  
*Established in 1871*

The Land Owner Transparency Report has been designed to be prepared and submitted by a legal professional only and you are not able or permitted to file yourself.

Additional information can be located at <https://landtransparency.ca/> which has resources available.

Thank you.

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