

# AUGUST 2022 UPDATE: UPCOMING DEADLINE FOR PRE-EXISTING OWNERS TO FILE A TRANSPARENCY REPORT ON THE LAND OWNER TRANSPARENCY REGISTRY

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**Categories:** [Insights](#), [Publications](#)

## Introduction

The filing deadline under the Land Owner Transparency Act (“**LOTA**”) will occur on November 30, 2022. This bulletin provides an insight into the filing requirements under LOTA and the penalties facing those who miss the deadline.

## Background

LOTA came into force on November 30, 2020, and is meant to provide information to the public on beneficial owners and interest holders of land in BC. LOTA captures various interests in land including fee simple estates; life estates; any lease with a term greater than ten years; a right to occupy or require transfer under agreement for sale; and certain other real property interests.

## Registry

LOTA created and governed the Land Owner Transparency Registry (the “**LOTR**”). Since November 30, 2020 anyone who applies to the Land Title Office to register an interest in land, must also file a transparency declaration to be stored in the LOTR. The transparency declaration must indicate whether they are considered a relevant corporation, trustee of a relevant trust, or a partner of a relevant partnership (a “**Reporting Body**”) under LOTA. If a registrant is considered a Reporting Body under LOTA they must also complete and file a transparency report which discloses information about the Reporting Body and the indirect owners of the interest in land. If a Reporting Body owned land prior to LOTA coming into force, then they are considered a pre-existing owner under LOTA and are only required to file a transparency report.

For further information on LOTA and the LOTR, please see our previous bulletins published in [October 2020](#) and [June 2021](#).

## Extended Deadline [\[1\]](#)

On November 2, 2021, the government of British Columbia extended the deadline for Reporting Body's to file a transparency report on the LOTR from November 30, 2021 to November 30, 2022. This extension allowed Reporting Body's enough time to gather the disclosure information needed to properly file transparency reports on the LOTR. This deadline is quickly approaching and will be met with significant penalties if it is missed.

## Penalties and Offences

If a Reporting Body fails to file a transparency report by the deadline, fails to file a transparency report that complies with LOTR requirements, provides false or misleading information, or otherwise contravenes a provision of LOTA,<sup>[2]</sup> they could be subject to significant administrative penalties.

Under LOTA, a designated enforcement officer may conduct investigations concerning compliance and issue penalties.<sup>[3]</sup> Filing violations, such as not filing on time, may result in the following maximum penalties to the greater of:<sup>[4]</sup>

- \$25,000 or 5% of the assessed value of the property for an individual; or
- \$50,000 or 5% of the assessed value of the property for a non-individual.

In addition to the administrative penalties, any violations for failing to file a transparency report and/or a transparency declaration constitute an offence.<sup>[5]</sup> An offence committed under LOTA is liable for a maximum fine up to the greater of:<sup>[6]</sup>

- \$25,000 or 15% of the assessed value of the property for an individual; or
- \$50,000 or 15% of the assessed value of the property for a non-individual.

A person who has been charged with an offence cannot be subject to an administrative penalty in respect of the same violation.<sup>[7]</sup>

Finally, it should be noted that there are also consequences for failing to pay a penalty. The enforcement officer may issue a certificate for the unpaid amount of the penalty. This certificate may be filed with the Provincial Court or Supreme Court, in favour of the government for the recovery of the debt.<sup>[8]</sup> Accordingly, the enforcement officer may register a lien against the real property for the amount owing.<sup>[9]</sup>

## Conclusion

Reporting Body's should determine their obligations under LOTA quickly to ensure they have time to prepare their transparency declarations and/or reports on time and avoid any penalties for non-compliance.

If you wish to obtain further particulars on the upcoming November 30, 2022 deadline and its use, limitations

and implications, please do not hesitate to contact us.

[1] [Land Owner Transparency Registry \(LOTR\)](#).

[2] [Land Owner Transparency Act](#) at s.59(1)(a-d).

[3] *Ibid* at division 4.

[4] *Ibid* at s.61.

[5] *Ibid* at Part 6.

[6] *Ibid* at Part 6.

[7] *Ibid* at s. 69(2).

[8] *Ibid* at s.72 (2-4).

[9] *Ibid* at s.73(1) and (3).

by [Damon Chisholm](#), [Stephen Lewis](#) and [Lyndie Charlton](#) (Articled Student)

### **A Cautionary Note**

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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