

Understanding the *Land Owner Transparency Act (LOTA)*

May 10, 2022

Version: May 9, 2022



Land Owner
Transparency
Registry

Presented by:



Ministry of
Finance



THE CANADIAN
BAR ASSOCIATION
British Columbia Branch



Land Owner
Transparency
Registry

Understanding the *Land Owner Transparency Act* (LOTA)

- This **1.5 hour** session is designed for intermediate/advanced level professionals working in the area of real estate who are seeking an in-depth understanding of the *LOTA* and contextual considerations when filing on behalf of a reporting body.
- The Law Society of BC has approved this webinar for 1.5 credits.
- Link to presentation: landtransparency.ca/resources



First Nations Acknowledgement



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Moderator & Presenters

Overview



Understanding the *Land Owner Transparency Act* (LOTA)

Moderator:

- **Parisa Hurst**, Senior Associate, Borden Ladner Gervais LLP (BLG) and executive member of the BC Real Property Subsection, Canadian Bar Association

Presenters:

- **Reuben Danakody**, Director and Administrator, LOTR Services, Land Title and Survey Authority of British Columbia (LTSA)
- **Tiffany Norman**, Director, Real Estate, Financial and Corporate Sector Policy Branch, Ministry of Finance



Understanding the *Land Owner Transparency Act* (LOTA)

Overview

- Opening Remarks
 - Presentation material posted at landtransparency.ca/resources
- *LOTA* Administrator
 - Presentation, Resources, Contact
- Five Example Scenarios
- *LOTA* Enforcement & Interpretation
 - Resources, Contact

LOTA Administrator Presentation



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Thank You

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Stewart Title Guaranty Company

- Brett Horton

Ministry of Finance



Disclaimers & Limitations

All material content and discussions:

- Do not constitute legal advice nor a substitute for the law.
- Are intended to provide an understanding of the *Land Owner Transparency Act* (LOTA) and the Land Owner Transparency Regulation.
- Are in accordance with the prevailing legislation and the Government of BC's interpretations **as at May 10, 2022** and are subject to any subsequent changes to the legislation, the Government of BC's interpretations and/or subsequent court decisions.
- Have no relevance nor applicability to the Canadian Federal Government's planned new Publicly Accessible Beneficial Ownership Registry.
- Are highly dependent on variations in facts and circumstances and therefore must be analysed and interpreted on a case-specific basis by always consulting with the prevailing legislation, Government of BC's interpretations, court decisions and/or obtaining independent legal advice.

To confirm the application of the legislation to your particular facts and circumstances, you should consult the legislation and obtain independent legal advice.

Deadline for Pre-Existing Registered Owners



30 NOV 2020 - 30 APR 2022

- 300,473 Transparency Declarations
- 47,511 Transparency Reports
- 15,035 Transparency Reports filed by pre-existing registered owners that are Reporting Bodies

Filings Required From New, Pre-Existing & Other Owners

EVENT	WHO?	WHAT?	WHEN?	LOTA REF.
1) Application to register an interest in land in the land title register	a. All transferees b. Reporting body	a. Transparency Declaration b. Transparency Declaration & Transparency Report	On application to register an interest in land	a. s. 10 b. s. 10 & 12
2) Pre-existing registered owner of an interest in land	Reporting Body	Transparency Report only	By November 30, 2022	s. 15(1)
3) Interest in land held by reporting body transfers to another owner	Pre-existing owner that is a Reporting Body	None required Transferee obligations addressed in (1) above	If transfer of interest in land occurs before November 30, 2022	s. 15(2)
4) Pre-existing registered owner that is a Reporting Body that has not yet filed a Transparency Report, ceases to be Reporting Body	Reporting Body	None required	If Reporting Body ceases to be Reporting Body before November 30, 2022	15(3)
5) Registered owner becomes a Reporting Body	Reporting Body	Transparency Report	Within 2 months of becoming a Reporting Body	s. 15(4-5)
6) Change in Interest Holders	Reporting Body	Transparency Report	Within 2 months of becoming aware of change	s. 16
7) Correct or complete information in a previous Transparency Report	Reporting Body	Transparency Report	Any time	s. 17
8) Registered owner ceases to be a Reporting Body	Registered owner that was formerly a Reporting Body	Notice to Administrator	Within 2 months of ceasing to be a Reporting Body	s. 17.1

Rules for Filing & Completing Transparency Reports

REPORTING BODY (RB)	ASSUMPTION	MUST FILE TR FILED AS	LOTA
Trustee of a relevant trust	<ul style="list-style-type: none"> a. Trust instrument exists, no exclusion under Schedule 2 b. No Trust instrument, no exclusion under Schedule 2 	<ul style="list-style-type: none"> a. Trustee of relevant trust b. Trustee of relevant trust 	s. 13(1)
Trustee of relevant trust is also relevant corporation and trustee holds interest in land in trust	No exclusion under Schedule 2	Trustee of relevant trust	s. 13(2)
Partner of a relevant partnership is also relevant corporation and interest in land is partnership property	-	Partner of a relevant partnership	s. 13(3)
All partners in relevant partnership are relevant corporations and interest in land registered in the name of all relevant corporations	No exclusion under Schedule 1	Relevant corporation (Each partner must file a TR)	s. 13(4)
All partners of a relevant partnership are individuals and interest in land is registered in the name of all individuals	-	TR not required	s.13(5)
Trustee of a relevant trust is also a partner in a relevant partnership and holds an interest in land that is partnership property	-	Partner of a relevant partnership	See Gov. of BC interpretation: www2.gov.bc.ca/gov/content/housing-tenancy/real-estate-bc/land-owner-transparency-registry/interpretation#relevant-trusts



'Do's & 'Do Not's in Common Scenarios

SCENARIO	DO	DO NOT
1) Determining if a transparency declaration is required with a land title application.	<p>See quick reference at: landtransparency.ca/general-help/#is-a-transparency-declaration-required</p>	<ul style="list-style-type: none"> Do not declare an exclusion from LOTA <u>unless</u> the interest in land is not an interest in land as defined in s.1 or if the land is excluded under s.6.
2) Filing a transparency report for 1 pre-existing owner that is a reporting body.	<p>File a transparency report by November 30, 2022.</p>	<ul style="list-style-type: none"> Do not prepare nor file a transparency declaration together with the transparency report.
3) There are 2 pre-existing registered owners of an interest in land and both are reporting bodies intending to file transparency reports.	<p>Each reporting body must file <u>its own</u> transparency report by November 30, 2022.</p>	<ul style="list-style-type: none"> Do not attempt to include the 2 reporting bodies into one transparency report as it will not work.
4) Information about interest holders has changed since the last transparency report was filed.	<p>File a new transparency report as required under s.16 within 2 months of becoming aware of the change.</p>	<ul style="list-style-type: none"> Do not file an application to correct or change information under s.42. Do not call or email Administrator to request a change/update of the information.
5) There is incorrect information about an interest holder's spelling of last name and the SIN in the last transparency report that was filed.	<p>File a new transparency report as required under s.17</p>	<ul style="list-style-type: none"> Do not file an application to correct or change information under s.42. Do not call or email Administrator to request the Administrator to change/update the information.
6) One of the interest holders in a transparency report that was filed is under 19 years of age and there is concern that the minor's primary identification information may be publicly accessible.	<p>Inform the interest holder and/or the guardian that the individual's primary identification information will only be publicly accessible when the individual becomes 19 years of age.</p>	<ul style="list-style-type: none"> Do not file an application to omit information if health or safety at risk under s.40 as the information is already inaccessible by the public.



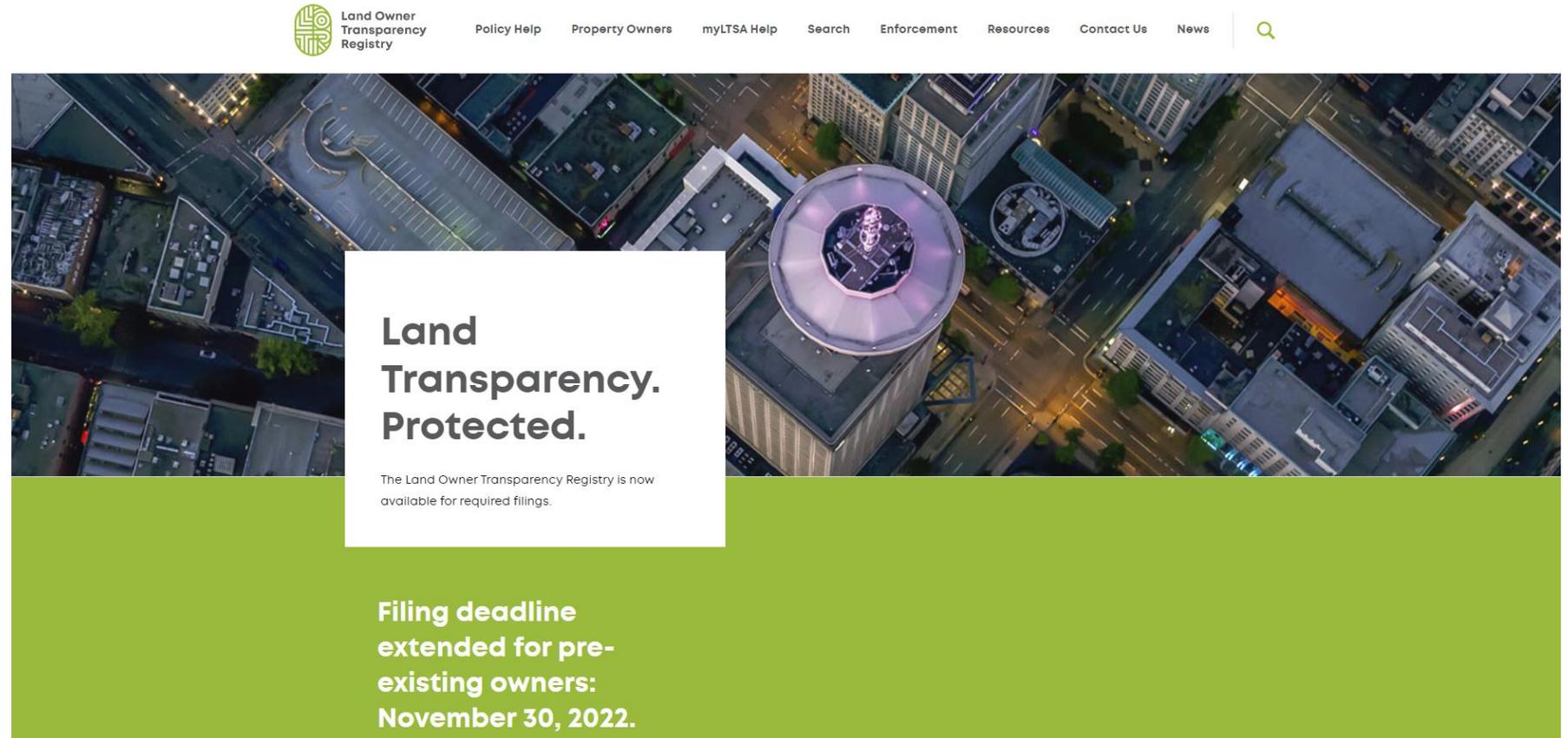
Registry Fee Changes Effective May 1, 2022

- Fees are set by the LTSA Board of Directors and reflected in the LTSA bylaws.
- Fees are paid to the LTSA at the time and in the manner required by the Administrator.

REGISTRY SERVICE	FEES
Filing transparency declaration	\$7.50 (previously \$5.00)
Filing transparency report	\$50.00 (previously \$35.00)
Inspection, search, copy or extract of reported information	\$5.00 (no change)
Application to omit information if health or safety at risk	\$30.00 (no change)
Application to correct or change information	\$150.00 (no change)

LTSA - Resources

- landtransparency.ca



Land Owner Transparency Registry

Policy Help Property Owners myLTSA Help Search Enforcement Resources Contact Us News

Land Transparency. Protected.

The Land Owner Transparency Registry is now available for required filings.

Filing deadline extended for pre-existing owners: November 30, 2022.

LTSA - LOTA Administrator Inquiries

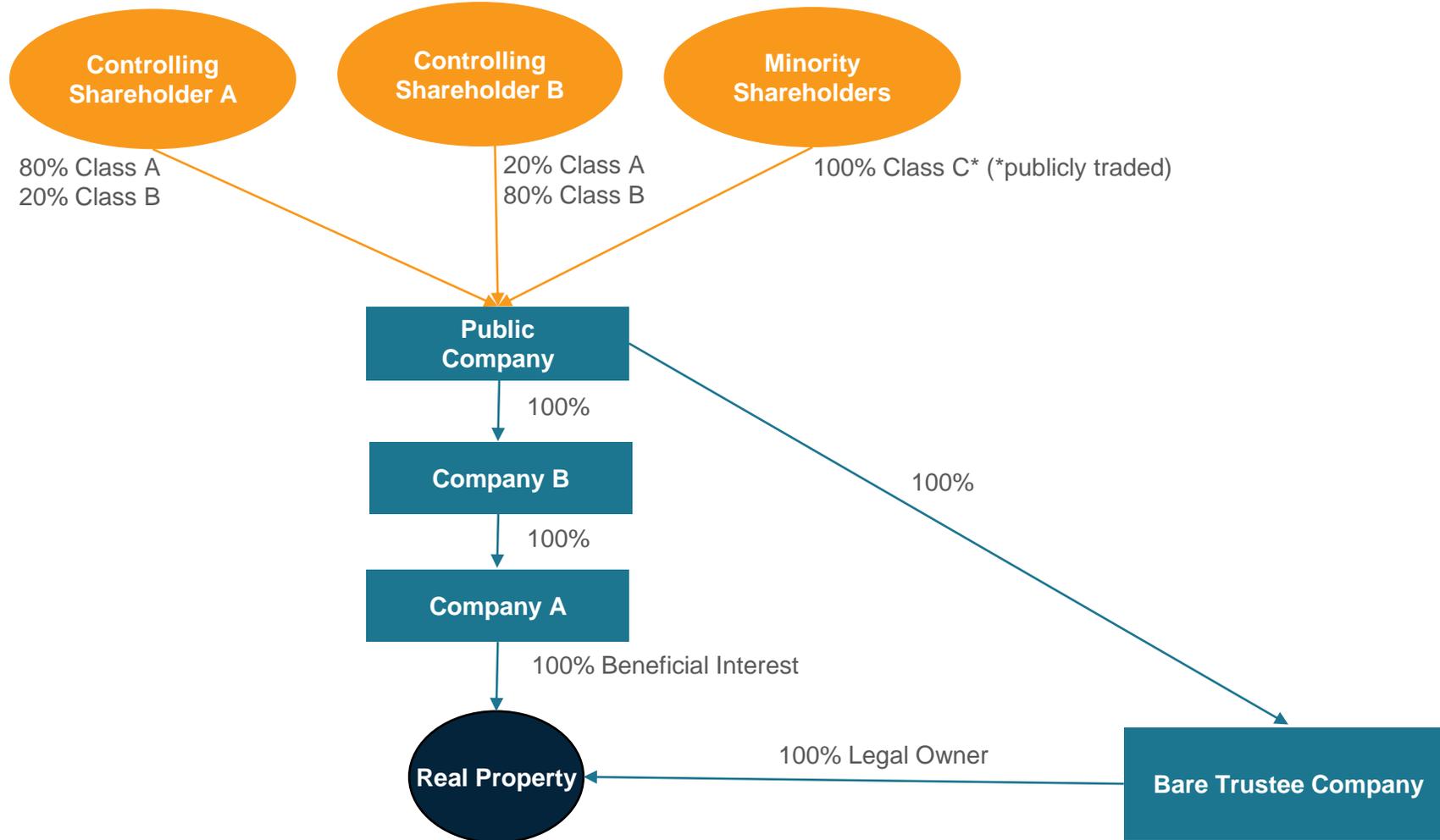
- Filing requirements, applications and notices
 - Contact LOTR Services at LOTR@ltsa.ca
- myLTSA technical support
 - Contact 604-630-9630 or 1-877-577-LTSA (5872); Press 3



Scenarios

LOTA – EXAMPLE SCENARIO #1

Bare Trust with Public Company Exemption



Bare Trust with Public Company Exemption

FACTS

- Bare Trustee Company is 100% owned by Public Company
- Company A is 100% owned by Company B. Company B is 100% owned by Public Company
- Pursuant to a bare trust agreement, Bare Trustee Company holds title to the property for the benefit of Company A
- Public Company is listed on a designated stock exchange within the meaning of the *Income Tax Act*
- Public Company's shares are as follows:
 - Class A and B shares are held by two controlling shareholders, and total 100,000 shares
 - Class C shares are held by minority shareholders and total 1 million shares and are traded on the designated stock exchange

ISSUES

- Does Bare Trustee Company, as the registered owner of the property have to file a Transparency Report?
- Who is reported on the Transparency Report as a settlor?
- Does the controlling shareholder of Public Company get disclosed in a Transparency Report?

ASSUMPTIONS

- Class A and B shares of Public Company are non-voting shares and Class C shares are voting shares

ANALYSIS

- Under *LOTA*, the definition of “settlor” does not include a settlor who is also a trustee of the relevant trust; therefore, the Bare Trustee Company would not be considered a settlor under *LOTA*, even if they would normally be considered to have “settled” the trust
- Typically, it is the beneficiary of a bare trust that would be considered the settlor – Company A in this example. However, the terms of the specific trust instrument should always be reviewed
- The controlling shareholders of Public Company do not get reported on a Transparency Report. Under *LOTA*, an entity that is not a “relevant intermediary” has the effect of ‘breaking’ a chain of relevant intermediaries, thereby ending the analysis. Here, Public Company, as a publicly-traded company, is not a “relevant corporation”, and no disclosure above that entity is required

Bare Trust with Public Company Exemption

Bare trustees do not get reported as settlors

Transparency Report

File Reference: Transparency Report ID: L-003-493-418-TR

[← Return to All Records](#)

Status: **Draft** Modified: **May 1 2022 11:36 AM** [Delete Transparency Report](#)

- Create Report / Property Information
- Reporting Body – Primary Identification
- Reporting Body - Additional Information**
- Interest Holder(s)
- Certification by Reporting Body
- Validation
- Execution Copy and E-Sign

Reporting Body - Additional Information

Relevant trust - Additional information

Reference number of the trust instrument (if applicable) [?](#)

Settlor(s) of the Trust

Please select the type of settlor: [?](#)

Corporation

Individual

No settlor

[← Back](#) [Validate Page](#) [Save Progress](#) [Continue →](#)

Bare Trust with Public Company Exemption

Public companies break the chain of relevant intermediaries

Land Owner Transparency Regulation, BC Reg 250/2020

2 In this Part:

“**chain of relevant intermediaries**” means a group of 2 or more relevant intermediaries having a hierarchical relationship to each other in which

- (a) the first relevant intermediary in the chain is controlled by an individual who is not a relevant intermediary, and
- (b) each relevant intermediary in the chain controls the relevant intermediary below it

“**relevant intermediary**” means a person that is one or more of the following and is controlled by another person:

- (a) a relevant corporation

Land Owner Transparency Act, SBC 2019, c 23

Transparency report required with application to register interest in land

12(1) Subject to this section, section 13 and the exemptions, if any, in the regulations, on an application to register an interest in land in the name of

- (a) a relevant corporation
- (b) a trustee of a relevant trust, or
- (c) a partner of a relevant partnership

the corporation, trustee or partner must file with the administrator a transparency report completed in accordance with Division 3 [*Content of Transparency Reports*]

Exclusions under paragraph (a) of definition of "relevant corporation"

- 1(h) a corporation that is listed on a designated stock exchange within the meaning of section 248 (1) of the Income Tax Act (Canada)
- 1(t) a wholly owned subsidiary, within the meaning of the *Business Corporations Act*, of a corporation to which any of paragraphs (a) to (s) of this section apply

LOTA – EXAMPLE STRUCTURE #1 Sample Transparency Report

Bare Trust with Public Company Exemption

Public companies break the chain of relevant intermediaries

Transparency Report

File Reference: Transparency Report ID: L-003-493-418-TR

[← Return to All Records](#)

Status: **Draft** Modified: **May 9 2022 11:01 AM** [Delete Transparency Report](#)

- Create Report / Property Information
- Reporting Body - Primary Identification
- Reporting Body - Additional Information
- Interest Holder(s)**
- Certification by Reporting Body
- Validation
- Execution Copy and E-Sign

Interest Holder(s) [Collapse All](#) [Expand All](#)

Are there any individuals who are interest holders of the relevant corporation, partnership or trust?

Yes No

Provide a statement required under s. 21 of LOTA. [?](#)

EXAMPLE STATEMENT ONLY:

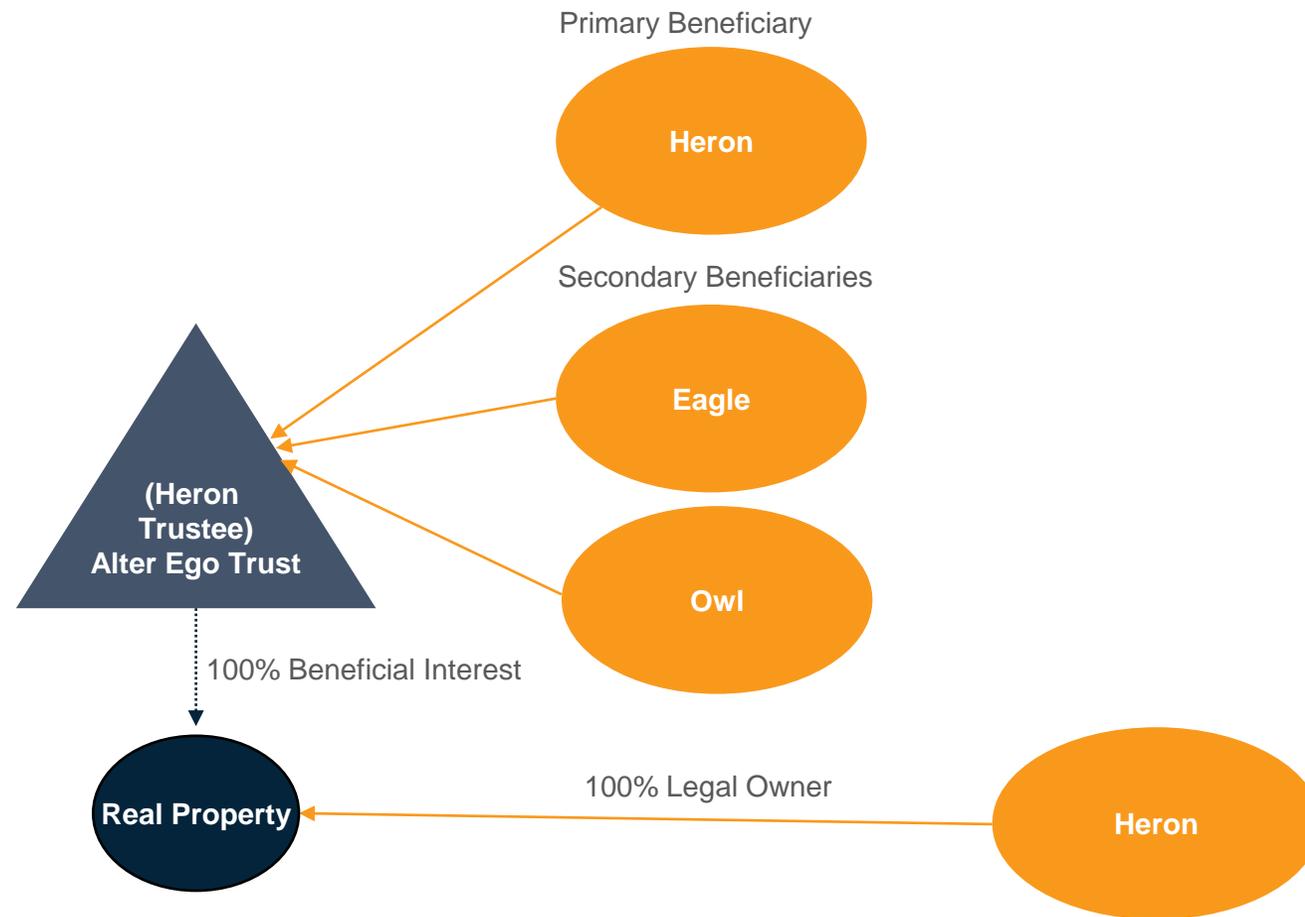
The reporting body has determined that there are no individuals who are beneficial owners. In this case, the class of beneficiary is a company that is directly owned by an excluded corporation under s.1(t) of Schedule 1 of LOTA.

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[← Back](#) [Validate Page](#) [Save Progress](#) [Continue →](#)

LOTA – EXAMPLE SCENARIO #2

Bare Trust/Alter Ego Trust



Bare Trust/Alter Ego Trust

FACTS

- Heron is the registered owner of the property, and holds title to the property for the benefit of the Heron Alter Ego Trust pursuant to a bare trust agreement
- Heron is also the trustee of the Heron Alter Ego trust
- Eagle and Owl are the secondary beneficiaries under the Heron Alter Ego Trust, and their beneficial interests are contingent on Heron's death

ISSUES

- Does Heron, as the registered owner of the property, have to file a Transparency Report, notwithstanding that they hold title to the property on behalf of an exempt entity (i.e. the alter ego trust)?
- Who gets reported on the Transparency Report as a settlor?
- Do Eagle and Owl have to be disclosed in a Transparency Report?

ASSUMPTIONS

- Heron is both the bare trustee under the bare trust agreement and the settlor of the Heron Alter Ego Trust
- Eagle and Owl are the age of majority

ANALYSIS

- Heron must file a Transparency Report, as a bare trust is considered a “relevant trust” under *LOTA*. Heron will file the Transparency Report as the trustee of a relevant trust
- Heron must be disclosed in the Transparency Report as the trustee of the Heron Alter Ego Trust, because Heron, having the power to revoke the Heron Alter Ego Trust, is captured under Section 2(b) of the definition of a “beneficial owner”
- Eagle and Owl are not required to be disclosed in the Transparency Report, as their interests are contingent on Heron's death, and therefore they do not constitute “beneficial owners” (per Section 2(a) of *LOTA*)
- Heron is the settlor of the trust. However, under the legislation, the meaning of settlor does not include a settlor that is also a trustee of the relevant trust

Bare Trust/Alter Ego Trust

Bare trusts are “relevant trusts” under LOTA

Land Owner Transparency Act, SBC 2019, c 23

“relevant trust” means

- (a) an express trust, including a bare trust

Beneficial owners under LOTA

Land Owner Transparency Act, SBC 2019, c 23

Meaning of “beneficial owner”

- 2 Subject to the exemptions, if any, in the regulations, an individual is a beneficial owner in respect of an interest in land registered or to be registered in the name of a trustee of a relevant trust if any of the following apply:
 - (a) the individual has, in respect of the interest in land, a beneficial interest, other than an interest that is contingent on the death of another individual
 - (b) the individual has the power to revoke the relevant trust and receive the interest in land

Beneficial owners are interest holders, must report

Land Owner Transparency Act, SBC 2019, c 23

“interest holder” means the following:

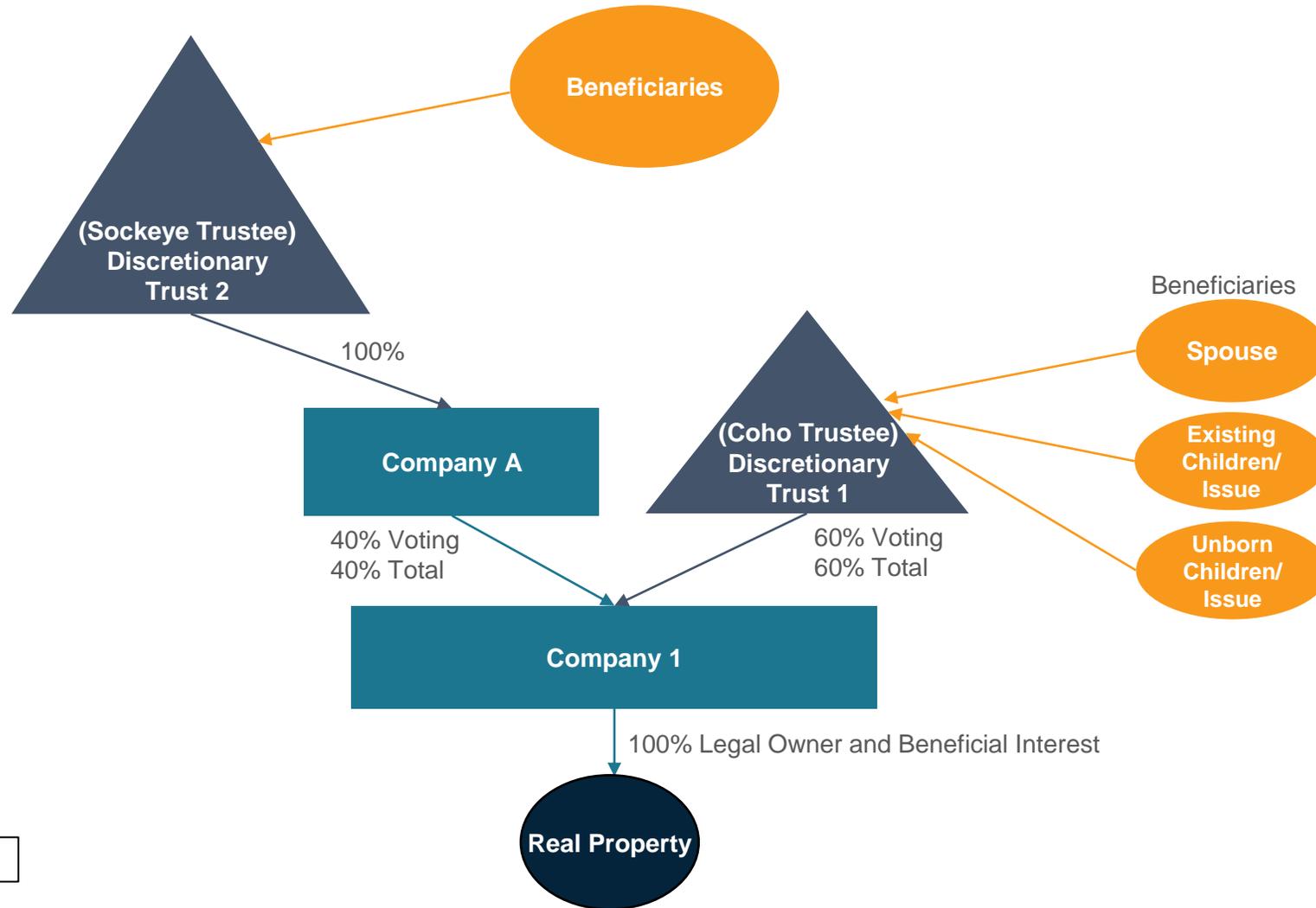
- (a) in relation to an interest in land registered or to be registered in the name of a trustee of a relevant trust, a beneficial owner

Information about interest holders

- 19 A transparency report filed by a reporting body must contain the following information in respect of each individual who is an interest holder

LOTA – EXAMPLE SCENARIO #3

Discretionary Trust



Voting Percentages = Voting Rights

Discretionary Trust

FACTS

- Company 1 is the registered owner and beneficial interest holder of the property and must file a Transparency Report as relevant corporation
- Company A and Discretionary Trust 1 are shareholders of Company 1. There is no shareholder agreement between Company A and Discretionary Trust 1
- Company A is 100% owned by Sockeye in their capacity as Trustee of Discretionary Trust 2
- Coho has full discretion as to how to distribute Discretionary Trust 1 property to beneficiaries
- Beneficiaries under Discretionary Trust 1 are Coho's spouse, and the children of Coho's spouse
- Coho's spouse currently has two children - one child is over the age of majority, and one child is under the age of majority

ISSUES

- What individuals get reported on a Transparency Report, if any?
- Supposing that Coho and Spouse plan to have future children, how would this affect how the Transparency Report is filed and any ongoing obligations?

ASSUMPTIONS

- Under the terms of the trust indenture for Discretionary Trust 2, Sockeye (as trustee of the trust) has full discretion as to how to vote the shares of Company A

Discretionary Trust

ANALYSIS

- With respect to Discretionary Trust 2:
 - Sockeye must be disclosed on the Transparency Report, as that individual has indirect control of a significant number of shares of Company 1
 - Beneficiaries of the trust are not disclosed, as those individuals have no power under the terms of the trust indenture to direct how Sockeye exercises control over Company A
- With respect to Discretionary Trust 1:
 - Spouse and the two child beneficiaries have interests in Company 1 as “beneficial owners” (as defined in Section 3 of *LOTA*), and must be disclosed in the Transparency Report as their identities are ascertainable
 - The child under the age of majority if disclosed on the Transparency Report, but their information will not be publicly available
 - Any unborn child of Spouse is ‘unascertainable’, and the Transparency Report would not contain any reference to this class of beneficiary
 - Coho, as trustee of Discretionary Trust 1, must be disclosed in the Transparency Report, as required by Section 3(2)(a)(i)
- If, after the filing of the Transparency Report, future children are born, an updated Transparency Report must be filed, and the date of the child’s birth is the date that they became an interest holder in the relevant trust

Discretionary Trust

Discretionary Trust 2

Land Owner Transparency Regulation, BC Reg 250/2020

Indirect control of share by trustee or representative in chain of relevant intermediaries

6 In addition to any individual who has indirect control under section 5(2), and individual in a chain of relevant intermediaries has indirect control of a share of a relevant corporation if

- (a) the individual is
 - (i) the trustee of a relevant trust, or
 - (ii) a personal or other legal representative, and
- (b) the last relevant intermediary in the chain is the registered owner of the share

Land Owner Transparency Act, SBC 2019, c 23

Meaning of "corporate interest holder"

3 (2) Subject to the exemptions, if any, in the regulations, an individual is a corporate interest holder in respect of a relevant corporation if any of the following apply

- (a) the individual has any of the following interests or rights, or any combination of them, in a significant number of shares of the relevant corporation
 - (iii) indirect control, within the meaning of the regulations, of one or more of the corporation's shares

Discretionary Trust 1

Land Owner Transparency Act, SBC 2019, c 23

Meaning of "corporate interest holder"

3 (1) "beneficial owner" includes a person who owns through a trustee, personal or other legal representative, agent or other intermediary

Discretionary Trust

Beneficial owners and trustees must be disclosed

Land Owner Transparency Act, SBC 2019, c 23

Meaning of “corporate interest holder”

3(2) Subject to the exemptions, if any, in the regulations, an individual is a corporate interest holder in respect of a relevant corporation if any of the following apply:

(a) the individual has any of the following interests or rights, or any combination of them, in a significant number of shares of the relevant corporation

(i) an interest as a registered owner of one or more of the corporation's shares

(ii) an interest as a beneficial owner of one or more of the corporation's shares, other than an interest that is contingent on the death of another individual

Mandatory omission of minors' information

Land Owner Transparency Act, SBC 2019, c 23

39(1) Primary identification information in respect of an individual and parcel identifiers for parcels of land in relation to which the individual is identified must be omitted from or obscured in publicly accessible information if the transparency report containing the information indicates that

(a) the individual is under 19 years of age

Sample Transparency Report for Scenario 3



Land Owner
Transparency
Registry

Transparency Report

Transparency Report ID #: L-003-565-405-TR

File reference: LOTA - EXAMPLE STRUCTURE #3

Generated: 2022 May 01 11:23:30.641

This information is collected by the Land Title and Survey Authority of British Columbia under s. 26(a) and s. 26(c) of the *Freedom of Information and Protection of Privacy Act* and will be used for general administration of the *Land Owner Transparency Act* and its regulations. Should you have any questions about the collection of this personal information please contact:

Administrator, Land Owner Transparency Act
Land Title and Survey Authority of British Columbia
Suite 500 - 11 Eighth Street, New Westminster, BC V3M 3N7
T: 1-877-577-5872 or 604-630-9630
E: lotr@ltsa.ca

1. Property Information

File reference

LOTA - EXAMPLE STRUCTURE #3

Title Number or Charge Number

PID(s) or Legal Description of Land

Block 78 Plan VIP816 Section 9 Land District 49 MALCOLM ISLAND & SEC 21 W

1/4

2. Reporting Body - Primary Identification

Type:

Relevant Corporation

Name of corporation

Company 1

Registered office address

**1234 Vancouver Street
Vancouver British Columbia V1V 1V1
Canada**

Does the corporation have a head office?

Yes

Is the head office address different from the registered office address above?

No

Jurisdiction of incorporation

British Columbia

3. Reporting Body - Additional Information

Business number, if any, within the meaning of the *Income Tax Act* (Canada) Incorporation number (or continuation, amalgamation, or other identifying number or designation)

4. Interest holders

Are there any individuals who are interest holders of the relevant corporation, partnership or trust?

Yes

Interest Holder 1 - Primary Identification

Given name(s)

Last name

Sockeye

Sockeye



Transparency Report

Transparency Report ID #: L-003-565-405-TR
File reference: LOTA - EXAMPLE STRUCTURE #3

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Is the individual a Canadian citizen or permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*(Canada)? **Yes**

Is the individual's principal residence in Canada? **Yes**

Province **British Columbia** City **Burnaby**

Interest Holder 1 - Additional Information

Date of birth (YYYY-MM-DD) **1950-05-10** Social insurance number **091234567**

Last known address

**5678 Burnaby Street
Burnaby British Columbia V3J 0A9
Canada**

Is the individual resident in Canada for the purposes of the *Income Tax Act*(Canada)? **Yes**

Describe how the individual is an interest holder:

- **The individual has the following interests or rights, or a combination of them, in a significant number of shares of the relevant corporation**
- **Indirect control, within the meaning of the regulations, of one or more of the corporation's shares [s. 3(2)(a)(iii)]**
 - **Held solely**

Date the individual became an interest holder (YYYY-MM-DD)
2010-01-01

Has a determination of incapacity been made in respect of this individual? **No**

Was the Reporting Body able to obtain and confirm the accuracy of all required information about the interest holder? **Yes**

Was the Reporting Body able to give the written notice required under s. 24 of LOTA to the interest holder? **Yes**

Interest Holder 2 - Primary Identification

Given name(s) **Coho** Last name **Coho**

Is the individual a Canadian citizen or permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*(Canada)? **Yes**

Is the individual's principal residence in Canada? **Yes**

Province **British Columbia** City **Surrey**

Interest Holder 2 - Additional Information



Transparency Report

Transparency Report ID #: L-003-565-405-TR
File reference: LOTA - EXAMPLE STRUCTURE #3

Generated: 2022 May 01 11:23:30.641

Date of birth (YYYY-MM-DD)
1972-03-17

Social insurance number
091234567

Last known address

**8910 Surrey Street
Surrey British Columbia V1M 3B5
Canada**

Is the individual resident in Canada for the purposes of the *Income Tax Act*(Canada)? **Yes**

Describe how the individual is an interest holder:

- **The individual has the following interests or rights, or a combination of them, in a significant number of shares of the relevant corporation**
- **An interest as a registered owner of one or more of the corporation's shares [s. 3(2)(a)(i)]**
 - **Held solely**

Date the individual became an interest holder (YYYY-MM-DD)
2010-01-01

Has a determination of incapacity been made in respect of this individual? **No**

Was the Reporting Body able to obtain and confirm the accuracy of all required information about the interest holder? **Yes**

Was the Reporting Body able to give the written notice required under s. 24 of LOTA to the interest holder? **Yes**

Interest Holder 3 - Primary Identification

Given name(s) **Spouse** Last name **Coho**

Is the individual a Canadian citizen or permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*(Canada)? **Yes**

Is the individual's principal residence in Canada? **Yes**

Province **British Columbia** City **Surrey**

Interest Holder 3 - Additional Information

Date of birth (YYYY-MM-DD) **1969-08-22** Social insurance number **091234567**

Last known address

**8910 Surrey Street
Surrey British Columbia V1M 3B5
Canada**



Land Owner
Transparency
Registry

Transparency Report

Transparency Report ID #: L-003-565-405-TR

File reference: LOTA - EXAMPLE STRUCTURE #3

Generated: 2022 May 01 11:23:30.641

Is the individual resident in Canada for the purposes of the *Income Tax Act*(Canada)? **Yes**

Describe how the individual is an interest holder:

- The individual has the following interests or rights, or a combination of them, in a significant number of shares of the relevant corporation
- An interest as a beneficial owner of one or more of the corporation's shares other than an interest that is contingent on the death of another individual [s. 3(2)(a)(ii)]
 - Held solely

Date the individual became an interest holder (YYYY-MM-DD)

2010-01-01

Has a determination of incapacity been made in respect of this individual? **No**

Was the Reporting Body able to obtain and confirm the accuracy of all required information about the interest holder? **Yes**

Was the Reporting Body able to give the written notice required under s. 24 of LOTA to the interest holder? **Yes**

Interest Holder 4 - Primary Identification

Given name(s) Last name

Child 1 Coho

Is the individual a Canadian citizen or permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*(Canada)? **Yes**

Is the individual's principal residence in Canada? **Yes**

Province City
British Columbia **Surrey**

Interest Holder 4 - Additional Information

Date of birth (YYYY-MM-DD)

2017-01-23

Last known address

8910 Surrey Street
Surrey British Columbia V1M 3B5
Canada

Is the individual resident in Canada for the purposes of the *Income Tax Act*(Canada)? **Yes**

Individual does not have a SIN. **Yes**



Land Owner
Transparency
Registry

Transparency Report

Transparency Report ID #: L-003-565-405-TR

File reference: LOTA - EXAMPLE STRUCTURE #3

Generated: 2022 May 01 11:23:30.641

Describe how the individual is an interest holder:

- The individual has the following interests or rights, or a combination of them, in a significant number of shares of the relevant corporation
- An interest as a beneficial owner of one or more of the corporation's shares other than an interest that is contingent on the death of another individual [s. 3(2)(a)(ii)]
 - Held solely

Date the individual became an interest holder (YYYY-MM-DD)

2017-01-23

Has a determination of incapacity been made in respect of this individual? **No**

Was the Reporting Body able to obtain and confirm the accuracy of all required information about the interest holder? **Yes**

Was the Reporting Body able to give the written notice required under s. 24 of LOTA to the interest holder? **Yes**

Interest Holder 5 - Primary Identification

Given name(s) Last name

Child 2 Coho

Is the individual a Canadian citizen or permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act*(Canada)? **Yes**

Is the individual's principal residence in Canada? **Yes**

Province City
British Columbia **Surrey**

Interest Holder 5 - Additional Information

Date of birth (YYYY-MM-DD)

2019-11-21

Last known address

8910 Surrey Street
Surrey British Columbia V1M 3B5
Canada

Is the individual resident in Canada for the purposes of the *Income Tax Act*(Canada)? **Yes**

Individual does not have a SIN. **Yes**



Describe how the individual is an interest holder:

- The individual has the following interests or rights, or a combination of them, in a significant number of shares of the relevant corporation
- An interest as a beneficial owner of one or more of the corporation's shares other than an interest that is contingent on the death of another individual [s. 3(2)(a)(ii)]
 - Held solely

Date the individual became an interest holder (YYYY-MM-DD)

2019-11-21

Has a determination of incapacity been made in respect of this individual?

No

Was the Reporting Body able to obtain and confirm the accuracy of all required information about the interest holder?

Yes

Was the Reporting Body able to give the written notice required under s. 24 of LOTA to the interest holder?

Yes

5. Certifier Information

IMPORTANT - This section of Transparency Report must be signed by all certifiers

I, having knowledge of the matters included in this transparency report and having the actual authority to certify this report as the reporting body or on behalf of the reporting body, I certify that this transparency report is correct and complete to the extent required under s. 15(7) and s. 25 of the Land Owner Transparency Act (LOTA). I understand and acknowledge that LOTA provides for administrative penalties under Division 4 of Part 4 and for fines and other monetary payments under Part 6 for the provision of false or misleading information in a transparency report.

Certifier 1 - on Behalf of Reporting Body

Certification date (YYYY-MM-DD)

Sockeye Sockeye, Trustee, Discretionary Trust 2

2022-05-10

Signature

Phone number

212-879-6182

E-mail

sockeye.sockeye@sockeye.com

Certifier 2 - on Behalf of Reporting Body

Certification date (YYYY-MM-DD)

Coho Coho, Trustee, Discretionary Trust 1

2022-05-10

Signature

Phone number

315-135-4986

E-mail

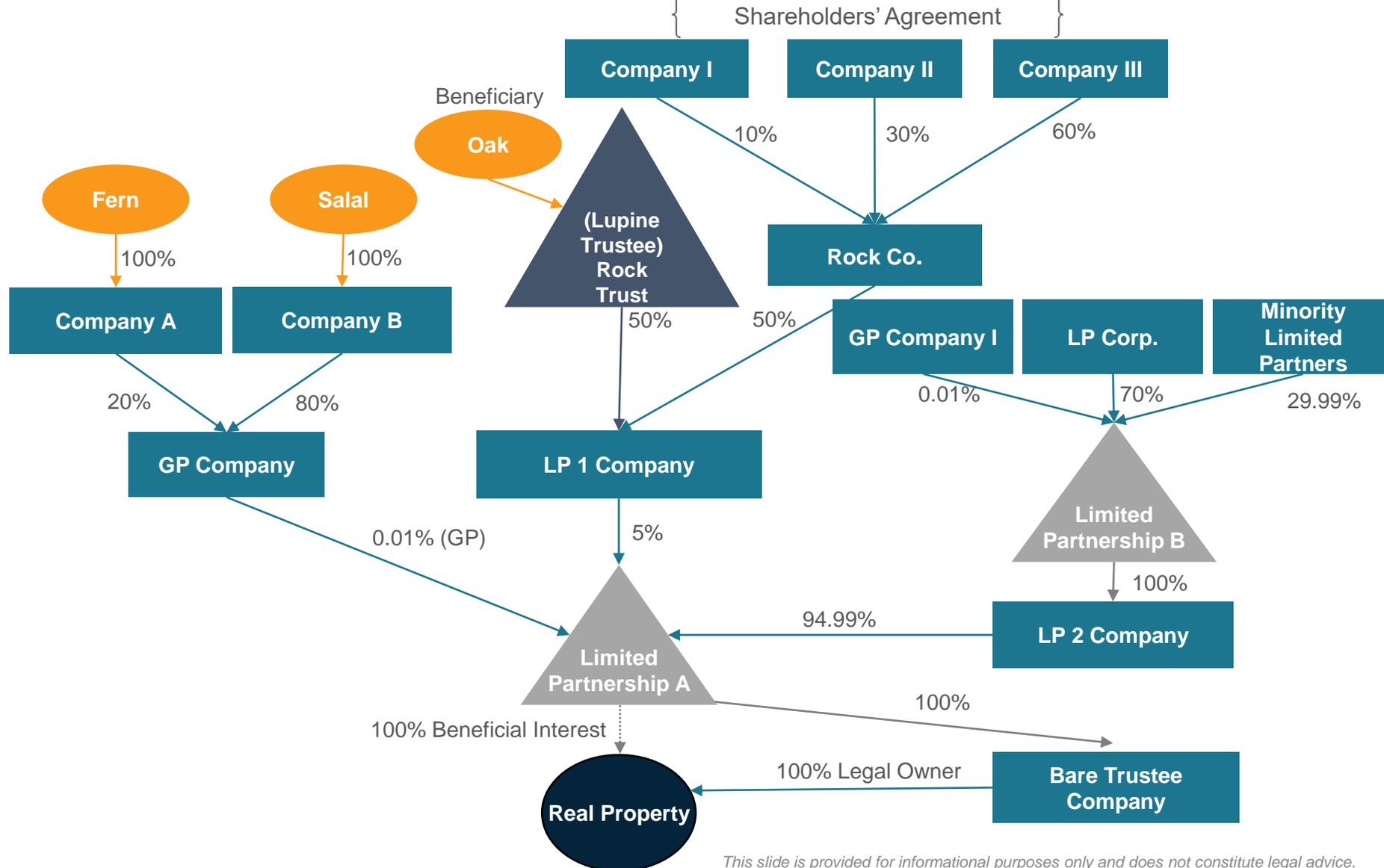
coho.coho@coho.com

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under s. 26(1) of the Land Owner Transparency Act that you certify this document under s. 26(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

LOTA – EXAMPLE SCENARIO #4

Bare Trustee Holding Title on Behalf of Limited Partnership



Bare Trustee Holding Title on Behalf of Limited Partnership

FACTS

- Bare Trustee Company is the registered owner of the property, and holds title to the property for the benefit of Limited Partnership A
- Partnership agreements in place for Limited Partnership A and Limited Partnership B provide that each of the limited partners is entitled to participate in the profits and capital of the respective limited partnership, pro rata to their contributions
- No shareholder agreement in place between Company A and Company B
- No shareholder agreement in place between Rock Trust and Rock Co
- Oak is sole beneficiary of Rock Trust
- Shareholder agreement in place between Company I, II and III whereby Company I exercises full powers to elect directors of Rock Co
- LP 2 Company is owned by Limited Partnership B, comprised of General Partner I, LP Corp. and 29 minority limited partners acting as investors, each with a 1% interest in Limited Partnership B

ISSUES

- What individuals, if any, get reported on the Transparency Report as a beneficial owner?
- Do any one or more of GP Company, LP 1 Company or LP 2 Company have a beneficial interest in respect of the interest in land?

ASSUMPTIONS

- Bare Trustee Company is a “trustee of a relevant trust” for purposes of *LOTA*
- Limited Partnership A and Limited Partnership B are “relevant partnerships” under *LOTA*, and are governed by the *BC Partnership Act*
- Oak’s interest in Rock Trust is not contingent on death
- None of the minority limited partners of Limited Partnership B are entitled to 25% of profits or have a right to appoint or remove partnership management

Bare Trustee Holding Title on Behalf of Limited Partnership

ANALYSIS

- The Transparency Report must disclose: (a) the settlor of the relevant trust; and (b) any “beneficial owners”
- Definition of “beneficial owner” in section 2 of *LOTA* refers to (among others) “corporate interest holders” in respect of a “relevant corporation” where the “relevant corporation” has a beneficial interest in respect of the interest in land
- **Interpretation:** All corporate interest holders of GP Company, LP 1 Company and LP 2 Company are reportable because
 - (a) the purpose of *LOTA* is to identify the individuals that have an interest in land through a trust, corporation or partnership
 - (b) all the partners of Limited Partnership A have a beneficial interest in respect of the interest in land, since partners (generally) do have an interest in the underlying partnership property; and
 - (c) a partnership is a legal fiction and not a person, and *LOTA* does not deem a partnership to be a person for purposes of *LOTA* and so there is no need to refer to partners / partnerships or partnership property in section 2 of *LOTA*
- In respect of GP Company
 - Fern and Salal are disclosed, since both are corporate interest holders of GP Company (pursuant to Section 3(2)(a)(iii) of *LOTA*)
- In respect of LP 1 Company
 - Rock Co. holds a significant number of shares in LP 1 Company, and, given the Company I controls Rock Co., any individual that controls Company I must be disclosed
 - Lupine, as the registered owner of a significant number of shares in the capacity of a trustee, must be reported under 3(2)(a)(i)
 - Oak, as the beneficiary of the Rock Trust is disclosed, as they are a corporate interest holder in LP 1 Company pursuant to Section 3(2)(a)(ii) of *LOTA*
- In respect of LP 2 Company
 - Any individual who “controls” GP Company I within the meaning of the Regulations must be disclosed
 - Any individual who “controls” LP Company II within the meaning of the Regulations must be disclosed

Bare Trustee Holding Title on Behalf of Limited Partnership

Transparency report must disclose settlors and beneficial owners

Land Owner Transparency Act, SBC 2019, c 23

Information about interest holders

19 A transparency report filed by a reporting body must contain the following information in respect of each individual who is an interest holder

Information about settlors

20 A transparency report filed by a reporting body that is a trustee of a relevant trust must contain the following information in respect of each settlor of the trust

Corporate interest owners of relevant corporations may be beneficial owners

Land Owner Transparency Act, SBC 2019, c 23

2 Subject to the exemptions, if any, in the regulations, an individual is a beneficial owner in respect of an interest in land registered or to be registered in the name of a trustee of a relevant trust if any of the following apply:

...

- (c) the individual is a corporate interest holder in respect of a relevant corporation and the relevant corporation has
 - (i) a beneficial interest in respect of the interest in land, or
 - (ii) the power to revoke the relevant trust and receive the interest in land

Bare Trustee Holding Title on Behalf of Limited Partnership

Limited Partner's disclosure obligations

Land Owner Transparency Act, SBC 2019, c 23

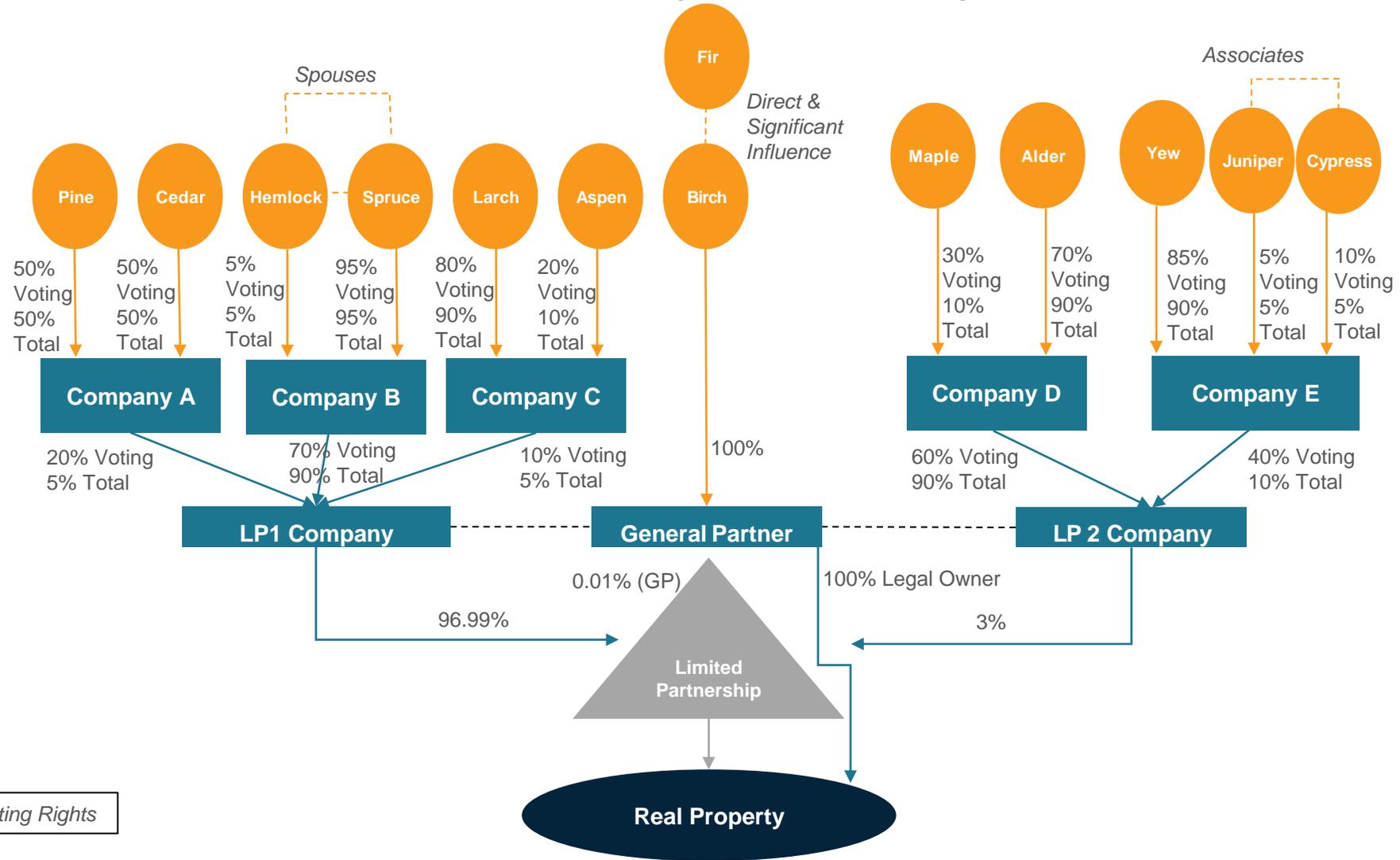
- 3(2)** Subject to the exemptions, if any, in the regulations, an individual is a corporate interest holder in respect of a relevant corporation if any of the following apply:
- (a) the individual has any of the following interests or rights, or any combination of them, in a significant number of shares of the relevant corporation:
 - (i) an interest as a registered owner of one or more of the corporation's shares
 - (ii) an interest as a beneficial owner of one or more of the corporation's shares, other than an interest that is contingent on the death of another individual
 - (iii) indirect control, within the meaning of the regulations, of one or more of the corporation's shares

Land Owner Transparency Regulation, BC Reg 250/2020

- 7(3)** A person controls a relevant partnership if
- (a) the person is a partner, other than a limited partner, in the relevant partnership, or
 - (b) the person is a limited partner in the relevant partnership and
 - (i) is entitled to at least 25% of the profits of the partnership assets
 - (ii) is entitled on wind up to at least 25% of the assets of the partnership,
 - (iii) has at least 25% of the votes in the partnership management, or
 - (iv) has the right to appoint or remove the majority of the partnership's management.

LOTA – EXAMPLE SCENARIO #5

Relevant Partnership Holding Title as Registered Owner



LOTA – EXAMPLE STRUCTURE #5

Relevant Partnership Holding Title as Registered Owner

FACTS

- Partnership agreement in place for the Limited Partnership that provides that each limited partner is entitled to participate in the profits and capital of the Limited Partnership, pro rata to their contributions
- General Partner is the registered owner of the property, and holds title to the property as partnership property
- Hemlock and Spruce are spouses
- Fir exercises “direct and significant influence” over Birch who owns 100% of the shares of Company #2
- No shareholder agreement between Company D and Company E
- Juniper and Cypress are “associates” within the meaning of the BCA

ISSUES

- Is analysis required in respect of Company A and Company C, despite those entities holding less than 10% of the total outstanding share in LP 1 Company?
- Does Hemlock, as a minority shareholder, get disclosed in a Transparency Report?
- Is analysis required in respect of LP 2 Company, despite that entity holding a mere 3% interest in Limited Partnership?

ASSUMPTIONS

- Limited Partnership is a “relevant partnership” for the purposes of *LOTA* and is governed by the *BC Partnership Act*

Relevant Partnership Holding Title as Registered Owner

ANALYSIS

- General Partner is the reporting body and interest in land is partnership property; General Partner must file a report as partner in a relevant partnership
- As LP 1 Company is a partner in the relevant partnership, under Section 4(2)(b) of *LOTA*, a corporate interest holder analysis must be conducted
 - Nether Pine nor Cedar can exercise control over Company A, so neither get disclosed
 - Spruce must be disclosed, as they exercise indirect control over a significant number of shares of LP 1 Company
 - As an “associate” of Spruce’s (spouses are included in the definition), Hemlock must also be disclosed
 - Larch has indirect control over a significant number of shares of LP 1 Company and must be disclosed (but note that Aspen is not)
- In respect of General Partner, a corporate interest holder analysis must be undertaken
 - Birch, as the sole shareholder of General Partner (and thus having the right to elect the directors of General Partner), must be disclosed in a Transparency Report
 - Further, under Section 3(2)(b)(iii) of *LOTA*, Fir must be disclosed
- As LP 2 Company is a partner in the relevant partnership under Section 4(2)(b) of *LOTA*, a corporate interest holder analysis must be conducted
 - Juniper and Cypress, while being “associates”, do not have rights that, when combined, allow them to exercise indirect control over LP 2 Company; as such, neither is disclosed
 - Yew exercises indirect control over a significant number of shares of LP 2 Company and must be disclosed in a Transparency Report
 - Alder has indirect control over a significant number of shares of LP 2 Company and must be disclosed
 - Maple is not a corporate interest holder and does not need to be reported

LOTA – EXAMPLE STRUCTURE #5 Legislative References

Relevant Partnership Holding Title as Registered Owner

Partners with indirect control of Limited Partners 1 and 2 must be disclosed

Land Owner Transparency Act, SBC 2019, c 23

Meaning of "partnership interest holder"

- 4(2) Subject to subsection (3) and the exemptions, if any, in the regulations, an individual is presumed to be a partnership interest holder in respect of an interest in land registered or to be registered in the name of a partner of a relevant partnership if the interest in land is partnership property and any of the following apply:
- (b) the individual is a corporate interest holder in respect of a relevant corporation and the relevant corporation is a partner in the relevant partnership

Sole shareholder of the General Partner must be disclosed

Land Owner Transparency Act, SBC 2019, c 23

Meaning of "partnership interest holder"

- 3(2) Subject to the exemptions, if any, in the regulations, an individual is a corporate interest holder in respect of a relevant corporation if any of the following apply:
- (a) the individual has any of the following interests or rights, or any combination of them, in a significant number of shares of the relevant corporation:
 - (i) an interest as a registered owner of one or more of the corporation's shares;
 - (b) the individual has any of the following rights or abilities, or any combination of them, that, if exercised, would result in the election, appointment or removal of the majority of the directors of the relevant corporation
 - (i) the right to elect, appoint or remove one or more of the corporation's directors;
 - (ii) indirect control, within the meaning of the regulations, of the right to elect, appoint or remove one or more of the corporation's directors;
 - (iii) the ability to exercise direct and significant influence over an individual who has the right or indirect control described in subparagraph (i)

Contact

Government of BC – LOTA Enforcement & Interpretation Resources

- Enforcing LOTA
- Interpretation
 - [Societies](#)
 - [Relevant trusts](#)
 - [Filing when you're both a trustee and a partner](#)
 - [Partial interests in land](#)
 - [Contingent interests and discretionary trusts](#)
 - [Beneficial owners of a corporation's shares](#)
 - [Class beneficiaries](#)
 - [Beneficial ownership and partnerships](#)
- Indirect Control
 1. [Indirect control through a single intermediary \(simple structures\)](#)
 2. [Indirect control through two or more intermediate entities or persons \(complex structures\)](#)
 3. [Special rules for indirect control](#)

The screenshot shows the website for the Land Owner Transparency Registry. The page title is "Enforcing the Land Owner Transparency Act". The content includes an introduction to the Act, its purpose, and how non-compliance is determined. The page is structured with a main content area and sidebars for navigation and resources.

Enforcing the Land Owner Transparency Act

The BC Land Titles Registry records the legal owners of all land in the Province but it does not record beneficial owners. The [Land Owner Transparency Act](#) (the Act) requires specific types of reporting bodies to disclose their interest holders by registering a transparency report in the [Land Owner Transparency Registry](#).

The Act authorizes the enforcement officer to ensure the requirements of the Act are followed. The enforcement officer has access to the registry and has authority to determine a person's compliance with the Act.

If the enforcement officer, or a delegate of the enforcement officer, determines non-compliance, [penalties](#) may be imposed.

How Non-Compliance is Determined

To determine compliance with the Act and if a penalty applies, an enforcement officer may:

- Search or inspect any record in the registry about that person
- Request a specific record or information through a demand notice
- Request verification or proof regarding the accuracy of information in the registry
- Investigate a possible violation by entering a place where business is carried out or where relevant records are kept

An enforcement officer will consider any information they have obtained regarding non-compliance and use the following factors to decide whether a penalty will be imposed:

- If previous enforcement actions were taken
- The significance of the violation
- If the violation was repeated or continuous
- If the violation was deliberate
- If the person had an economic benefit from the violation
- If the person made any efforts to correct the violation

Resources to help you file

For information about the Land Owner Transparency Registry, visit [landtransparency.ca](#) or the following quick links:

- [Are you required to file?](#)
- [Filing requirements](#)
- [Terminology and definitions](#)

Legislation

- [Land Owner Transparency Act](#)
- [Land Owner Transparency Regulation](#)

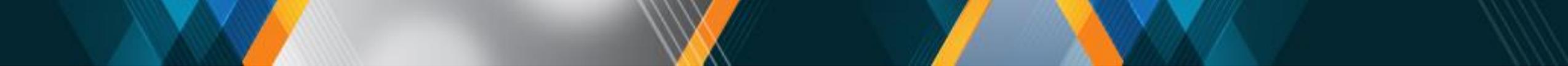
Contact information

For questions about the Land Owner Transparency Registry or Act, contact the [administrator](#).

www2.gov.bc.ca/gov/content/housing-tenancy/real-estate-bc/land-owner-transparency-registry

Government of BC – *LOTA* Enforcement & Interpretation Inquiries

- Enforcement or interpretation of *LOTA*
 - Contact **Enforcement Officer** of *LOTA*, Government of BC
LOTAENQ@gov.bc.ca



Thank You.