

Ministry of Finance

Tax Information Sheet



ISSUED: July 2016 REVISED: July 27, 2016

Information Sheet 2016-006

gov.bc.ca/propertytransfertax

Additional Property Transfer Tax on Residential Property Transfers to Foreign Entities in the Greater Vancouver Regional District

Property Transfer Tax Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this information sheet dated July 2016. For a summary of the changes, see Latest Revision on Page 4.*

Effective August 2, 2016, an additional property transfer tax applies to residential property transfers to foreign entities in the Greater Vancouver Regional District.

The Greater Vancouver Regional District includes Anmore, Belcarra, Bowen Island, Burnaby, Coquitlam, Delta, Langley City and Township, Lion's Bay, Maple Ridge, New Westminister, North Vancouver City and District, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, Surrey, Vancouver, West Vancouver, White Rock and Electoral Area A. The additional tax does not apply to properties located on Tsawwassen First Nation lands.

The additional tax applies on all applicable transfers registered with the Land Title Office on or after August 2, 2016, regardless of when the contract of purchase and sale was entered into.

Foreign Entities

Foreign entities are transferees that are foreign nationals, foreign corporations or taxable trustees.

Foreign nationals are transferees who are not Canadian citizens or permanent residents, including stateless persons.

Foreign corporations are transferees that are corporations:

- not incorporated in Canada or
- incorporated in Canada, but controlled in whole or in part by a foreign national or other foreign corporation, unless the shares of the corporation are listed on a Canadian stock exchange

Taxable trustees are trustees that are a foreign national or foreign corporation, or a beneficiary of a trust that is a foreign national or foreign corporation.

Applying the Additional Tax

The additional tax on property transfers to foreign entities is 15% of the fair market value of the foreign entity's proportionate share of a residential property located in whole or in part in the Greater Vancouver Regional District, excluding Tsawwassen First Nation lands. This tax applies in addition to the general property transfer tax.

The additional tax does not apply to non-residential property. The value of the residential portion of a transfer is calculated in the same way as for the property transfer tax.

The additional tax applies on the foreign entity's proportionate share of any applicable residential property transfer, even when the transaction may normally be exempt from property transfer tax. This includes transactions such as:

- a transfer between related individuals
- a transfer resulting from an amalgamation
- a transfer to a surviving joint tenant
- a transfer where the transferee is or becomes a trustee in relation to the property, even if the trust does not change

The additional tax does not apply to trusts that are mutual fund trusts, real estate investment trusts or specified investment flow-through trusts.

Filing and Paying the Additional Tax

Filing the Return

Foreign entities registering a transfer, or their legal representative, must file an *Additional Property Transfer Tax Return* (**FIN 532**). The return must be filed at the time the property transfer is registered with the Land Title Office. Filing instruction can be found on the return, or at gov.bc.ca/propertytransfertax on the **File Your Taxes** page.

Paying the Additional Tax

The additional tax must be paid with the general property transfer tax at the time the property transfer is registered with the Land Title Office.

Each transferee is jointly and severally liable for the additional tax payable. If one transferee does not pay the required additional tax, the other transferees, including Canadians, must pay that transferee's share of the additional tax payable.

Tax Avoidance

All property transfer transactions are subject to audit and all additional property transfer tax returns will be reviewed and verified. The audit period is six years from the date the transfer is registered at the Land Title Office.

Where transactions involve Canadian citizens and permanent residents their identity must be verified using official government issued identification. The social insurance number (SIN) must be collected and verified to be that of the transferee by viewing the SIN card and comparing the name or by viewing one of the following:

- T4 Statement of Remuneration Paid (slip)
- Canada Revenue Agency Notice of Assessment

Invalid social insurance numbers or other discrepancies on a return will lead to an audit and investigation of the transaction.

Anti-avoidance provisions exist and will be enforced to ensure all foreign entities report and pay the additional tax as required, including examining circumstances where Canadians hold property in trust for a foreign entity or are trustees where a beneficiary may be a foreign entity.

Failure to pay the additional tax as required or purposely completing the general or additional property transfer tax return with incorrect or misleading information may result in a penalty of the unpaid tax plus interest and a fine of \$200,000 for corporations or \$100,000 for individuals and/or up to two years in prison. The penalties apply to anyone who participates in tax avoidance.

Property transfers will be monitored for compliance and the province will follow up with those businesses or individuals filing incomplete or incorrect general or additional property transfer tax returns.

Further Information

Online: gov.bc.ca/propertytransfertax

Toll free in BC: 1 888 355-2700

Email: pttenq@gov.bc.ca

Subscribe to our [What's New](#) page to receive email updates when information changes.

The information in this notice is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

July 27, 2016

- Clarified that the identity of Canadian citizens and permanent residents must be verified using official government issued identification.
 - Clarified the social insurance number (SIN) must be collected and verified to be that of the transferee by viewing the SIN card and comparing the name or by viewing one of the following:
 - T4 Statement of Remuneration Paid (slip)
 - Canada Revenue Agency Notice of Assessment
-