

Land Owner Transparency Registry

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Land Owner
Transparency
Registry

Agenda

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- Scheduled Timing of LOTR
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- Land Owner Transparency Regulation
- Registry Searches, Applications and Quality Control
- Registry Fees
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Background



First public disclosure of Land Owner Transparency Act (LOTA). **30-point plan for housing affordability in BC:** Action to end hidden ownership, through the creation of a beneficial ownership registry.

May – Sep 2018



Province releases a **White Paper & draft of LOTA** for public review and feedback.

May 2019



Build and operationalize the **Land Owner Transparency Registry (LOTR)**

August 2020



Land Owner Transparency Regulation passed (OIC 549)

2018 Budget



Public **consultation** and **feedback**.

June 2018



LOTA receives Royal Assent and will be brought into force November 30, 2020 (OIC 549).

2019 - 2020



LOTA Amendments (Bill 13) **receive Royal Assent**

September 2020



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Scheduled Timing of LOTR



About the *Land Owner Transparency Act* (LOTA)

- LOTA introduces mandatory reporting about **indirect ownership** of land (i.e. ownership interests not reflected in the land title register), which will be housed in a searchable public database called the **Land Owner Transparency Registry** (LOTR).
- All **transferees** must disclose if they are a **reporting body** as defined in LOTA.
- Transferees that are reporting bodies must further disclose **identifying information** about themselves and about indirect owners of the interest in land. These indirect owners are called **interest holders** in LOTA.

About the *Land Owner Transparency Act* (LOTA)

WHO ARE REPORTING BODIES?

LOTA describes 3 types of reporting bodies – each is a legal entity (or relationship) capable of owning land and for which there are distinct legal and beneficial owners:

RELEVANT CORPORATIONS	RELEVANT TRUSTS	RELEVANT PARTNERSHIPS
<p>All private corporations and LLCs, unless excluded by Schedule 1.</p> <p><u>Exclusion examples:</u></p> <ul style="list-style-type: none">• Strata corporations• Government bodies• Local governments• Schools	<p>All express (intentional) trusts, unless excluded by Schedule 2.</p> <p>NOTE: bare trusts (aka nominees) are relevant trusts</p> <p><u>Exclusion examples:</u></p> <ul style="list-style-type: none">• Testamentary trusts• Charitable trusts• PGT	<p>All partnerships.</p>



About the *Land Owner Transparency Act* (LOTA)

WHO ARE INTEREST HOLDERS?

REPORTING BODY	INTEREST HOLDER	CHARACTERISTICS
Relevant Corporation	Corporate Interest Holder	Any of: <ul style="list-style-type: none">• Owns or controls, alone or with others, directly or indirectly, 10+% of the equity (typically shares) or voting rights;• Has the right, directly or indirectly, to appoint or remove a majority of the directors
Relevant Trust	Beneficial Owner	Any of: <ul style="list-style-type: none">• A beneficial interest in the interest in land;• Power to revoke the trust and receive the interest in land;• A corporate interest holder of a corporation that has a beneficial interest in the land or the power to revoke the trust and receive the interest in land
Relevant Partnership	Partnership Interest Holder	Any of: <ul style="list-style-type: none">• A partner in the relevant partnership;• A corporate interest holder of a corporation who is a partner in a relevant partnership

Land Owner Transparency Regulation (OIC 549)

MEANING OF INDIRECT CONTROL

- The Land Owner Transparency Regulation is key in providing guidance to trace through layers of a particular ownership structure to determine the individuals who must be disclosed in a Transparency Report under LOTA
- Part 2 of the Regulation defines key terms “relevant intermediary” and “chain of relevant intermediaries” and provides rules for determining “indirect control” as necessary to disclose the interest holders of a relevant corporation. Notably:
 - **Relevant intermediary:** a person that is one or more of the following and is controlled by another person:
 - A relevant corporation
 - A relevant partnership
 - A trustee of a relevant trust
 - An agent (whether an individual, relevant corporation or trustee of a relevant trust)
 - A personal or other legal representative (whether an individual, relevant corporation, relevant partnership or trustee of a relevant trust)

[Note: a ‘person’ may be a natural or a non-natural person (e.g. a corporation) whereas an individual is a natural person/human being]

 - **Chain of relevant intermediaries:** a group of two or more relevant intermediaries having a hierarchical relationship to each other in which the first relevant intermediary in the chain is controlled by an individual who is not a relevant intermediary, and each relevant intermediary in the chain controls the relevant intermediary below it;
- As can be seen, the rules of indirect control are detailed and technical in nature, requiring close attention to detail to ensure that the ultimate interest holders of a complex corporate structure are properly disclosed
- LOTA does not require the disclosure of **relevant intermediaries** within Transparency Reports

About the *Land Owner Transparency Act* (LOTA)

INTERESTS IN LAND REQUIRING LOTA DISCLOSURE

1. **Estate in Fee Simple** (Ownership)
2. **Life Estate**
3. **Right to Occupy under Lease**
(Term >10 years)
4. **Right to Occupy or Require Transfer under Agreement for Sale**
5. **Prescribed Right** (by Regulation)

EXEMPTED LANDS:

- Treaty lands
- Recognized self-governing First Nations lands (Sechelt, Nisga'a, Maa-nulth, Tla'amin)
- Reserve lands
- Prescribed lands

About the *Land Owner Transparency Act* (LOTA)

WHEN ARE LOTa DISCLOSURES REQUIRED?

TRIGGERING EVENT	DISCLOSURE REQUIRED
Registration	On application to register a legal interest in land, a two-tiered obligation is triggered: <ol style="list-style-type: none">1. Each transferee must file a transparency declaration indicating if they are a reporting body and, if so, which type;2. A reporting body must also file a transparency report disclosing specified information about each interest holder.
Pre-Existing Owner(s)	Reporting bodies that own an interest in land when LOTa comes into force will have to file a transparency report by November 30, 2021 (LOTA Regulations 549 s. 19).
Change in Interest Holder(s)	Each time the interest holder(s) in a reporting body change, the reporting body must file an updated transparency report .
Registered Owner ceases to be a Reporting Body	Notice to Administrator required if corporation, trust or partnership ceases to be relevant corporation, relevant trust or relevant partnership.

NOTE: Reporting bodies may also choose to file a new transparency report at any other time to complete or correct information in a previously filed transparency report.

About the *Land Owner Transparency Act (LOTA)*

ROLE OF REGISTRAR IN LOTA FILING(S)

- Transparency declarations and transparency reports are **submitted** to the Registrar of Land Titles and then **filed** with the LOTA Administrator. The Registrar **must refuse to accept** an application to register an interest in land if it is not accompanied by the required **LOTA filing(s)**.
- The Registrar's role is limited to confirming that the transparency declaration and transparency report have been properly **certified, signed and submitted** in accordance with LOTA.

TERM	MEANING
Certification	Confirmation that the transparency declaration and/or transparency report is “correct and complete” by a person (certifier) with knowledge of the facts contained in the document and authority to sign on behalf of the transferee or reporting body.
Signed	<ul style="list-style-type: none">• Electronic transparency declarations and reports are signed when the electronic signature of a subscriber (aka designate) has been incorporated (the subscriber must confirm that the true copy of the document has been certified before applying their signature).• Manual transparency declarations and reports will be wet-ink signed.
Submitted	Refers to the manner in which LOTA documents are filed.

About the *Land Owner Transparency Act* (LOTA)

WHAT INFORMATION IS IN A TRANSPARENCY REPORT?

A reporting body must disclose the **six categories of information in a transparency report**:

1. Primary identification information about the **reporting body**; varies by type of reporting body:

ENTITY	PRIMARY IDENTIFICATION INFORMATION
Individual (e.g. trustee or settlor of a relevant trust)	<ul style="list-style-type: none">• Full Name• Citizenship or permanent resident• City and Province/Country of residence (if in Canada or not)
Corporation or LLC	<ul style="list-style-type: none">• Name and registered office address and head office address, if applicable• Jurisdiction(s) of incorporation• If continued or transferred into another jurisdiction, the jurisdiction into which the corporation or company was most recently continued or transferred
Partnership	<ul style="list-style-type: none">• Registered business name, if any• Type of partnership (e.g. LP, general)• Registered and/or head office address, as applicable• Jurisdiction of laws which govern the partnership

About the *Land Owner Transparency Act* (LOTA)

WHAT INFORMATION IS IN A TRANSPARENCY REPORT? (cont.)

2. Primary identification information plus the following about each interest holder:
 - Date of birth
 - Address
 - Social insurance number
 - Tax number
 - Residence for tax purposes
 - Description of interest held in the reporting body (e.g. owns 25% of voting shares)
3. Specific information based on the type of reporting body:
 - Corporation: business number, incorporation number
 - Trust: information about the settlor (s. 19 or 21 of LOTA), Land Title Act trust instrument number
 - Partnership
4. Parcel Identifier (PID) assigned to the land for which the report relates.
5. Name and contact information of person signing (certifying) the report.

About the *Land Owner Transparency Act* (LOTA)

DUE DILIGENCE IN PREPARATION OF REPORT

- Reporting bodies must take **reasonable steps** to obtain and confirm the accuracy of all required information in a transparency report:
 - Interest holders have a reciprocal obligation to provide requested information (offence to not comply)
- If unable to obtain all required information, the reporting body must provide a **summary of information** that was obtained and **all steps taken** to obtain this.
- A Reporting body that **becomes aware an interest holder may be incapable of managing their affairs** must take reasonable steps to determine if this is so, and disclose this in the report.
- Reporting body must take reasonable steps to notify each interest holder identified about the transparency report, **before it is filed**.

Registry Searches, Applications and Quality Control

- Public can obtain only primary identification information about reporting bodies, interest holders and settlors by searching:
 - By Parcel Identifier: who are reporting bodies, interest holders or settlors?
 - By Name: what interests in land are held by reporting bodies, interest holders or settlors?
- Five entities are entitled to search all information in transparency declarations and transparency reports, and to view the reports themselves:
 1. Enforcement officer
 2. Ministry of Finance employees
 3. Taxing authority employees
 4. Law enforcement officers
 5. Regulators (BC Securities Commission, FICOM (BCFSA), FINTRAC, Law Society of BC)



Registry Searches, Applications and Quality Control

APPLICATIONS TO REVISE OR VET INFORMATION

LOTA creates various mechanisms to correct or suppress sensitive information from public search:

1. **Application to Omit:** a person may apply to have their Primary Identification Information removed from public search on reasonable belief of threat to health or safety to themselves or to a member of their household.
 - Must provide evidence to support the application
 - LOTR Administrator may require supporting records or other information
 - LOTR Administrator must omit the information pending review and determination
2. **Application to Correct or Change Information:** a person may apply to request that corrections be made to a filed transparency report or to publicly accessible information to correct an incomplete or inaccurate information.
 - Must first make request to the reporting body to revise the information
 - Must provide evidence to support the application
 - LOTR Administrator may require supporting records or other information

Registry Searches, Applications and Quality Control

OTHER QUALITY CONTROL MECHANISMS

3. **LOTR Administrator Initiative:** the Administrator, on their own initiative may:
 - Omit or obscure information from public accessibility if the Administrator considers there is a risk to the health or safety of an individual
 - Annotate a filed record in a way that does not conceal original content
 - Make changes to reported or publicly accessible information
4. **Enforcement Officer Direction:** where, on the conclusion of an inspection, the Enforcement Officer has determined that filed information is incomplete or inaccurate, they can direct the Administrator to:
 - Omit or obscure information that is publicly accessible
 - Annotate a filed transparency report
 - Make changes to reported or publicly accessible information

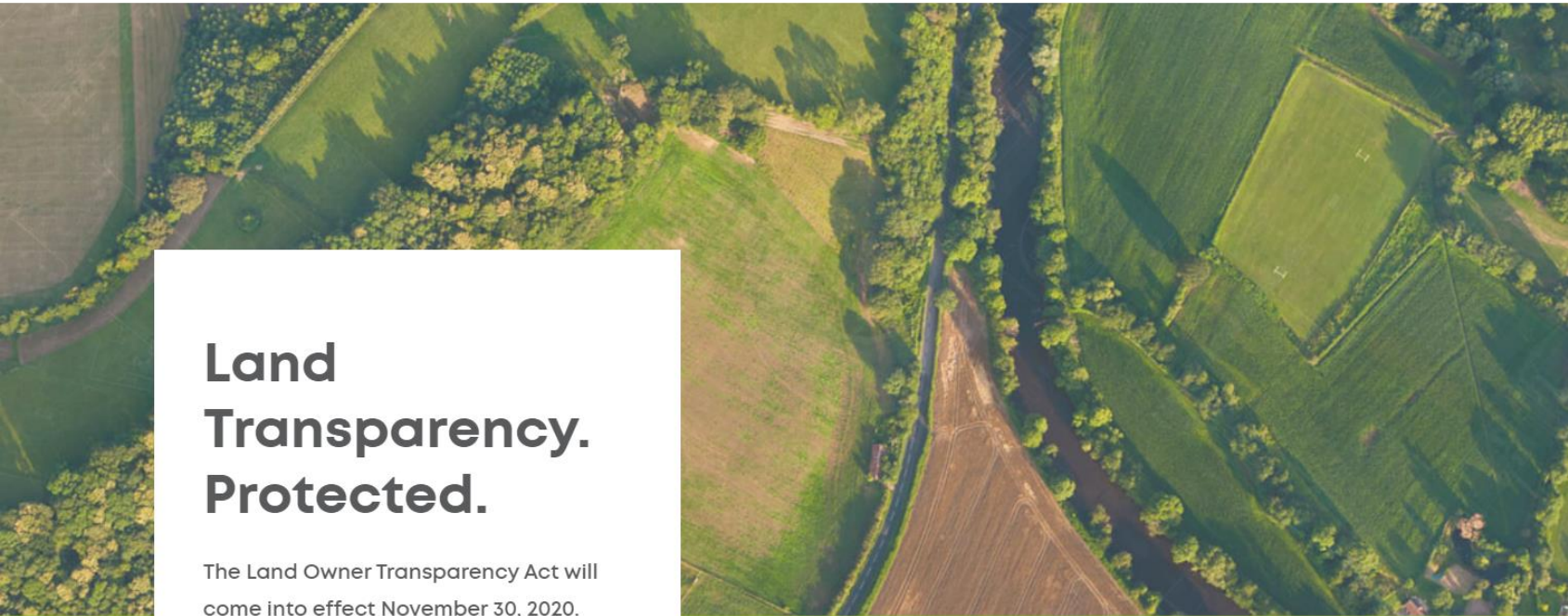
Registry Fees

- The LTSA has broad authority to charge fees under LOTA. Fees will be charged for:

REGISTRY SERVICE	FEE
Filing transparency declaration	\$5.00
Filing transparency report	\$35.00
Inspection, search, copy or extract of reported information	\$5.00
Notice required if corporation, trust or partnership ceases to be relevant corporation, relevant trust or relevant partnership	\$30.00
Application to omit information if health or safety at risk	\$30.00
Application to correct or change information	\$150.00

Compliance and Enforcement Function

- Compliance and enforcement is a government function, with no role played by the LTSA.
- Minister of Finance may designate an **Enforcement Officer** to be responsible for general enforcement of the Act and its regulations. Appointment of an Enforcement Officer is not mandatory.
- Enforcement Officer duties include:
 - Conducting inspections (including obtaining warrants, searching premises)
 - Making rulings/determinations related to compliance
 - Issuing Administrative Penalties (Part 4, Division 4) and fines for Offenses (Part 6)



Land Transparency. Protected.

The Land Owner Transparency Act will
come into effect November 30, 2020.

[Learn More](#) 



Filing Requirements

Exclusions From LOTR

Notice under section 17.1 of LOTA

Application under section 40 of LOTA

Application under section 42 of LOTA

When to Consult a Legal Professional

Fees For Filing

Filing Requirements

Download the [Administrator's Requirements for Filing and Applications](#)

Beginning November 30, 2020, any time an application is made to register an interest in land in BC's land title register, a transparency declaration must be filed with the LOTA administrator by each [transferee](#).

The [transparency declaration](#) must indicate:

- Whether the transferee is a [reporting body](#);
- If the transferee is a reporting body, whether the reporting body is a relevant corporation, a trustee of a relevant trust or a partner of a relevant partnership.

A transferee that is a reporting body must also complete and file a [transparency report](#) setting out information about the reporting body and its [interest holders](#). Different information is required depending if the reporting body is a relevant corporation, relevant partnership or relevant trust.

Existing reporting bodies with an interest in land will need to file an initial transparency report by November 30, 2021. Each time the interest holders change, the reporting body must file an updated report.

Most of the terminology related to LOTR is set out in the Land Owner Transparency Act ([LOTA](#)) .



Filing Requirements

Exclusions From LOTR

Notice under section 17.1 of LOTA

Application under section 40 of LOTA

Application under section 42 of LOTA

When to Consult a Legal Professional

Fees For Filing

Are you required to file to LOTR?

Are you required to file to LOTR?

The questions below will help you to understand when a filing to LOTR is required. We recommend contacting a legal professional for advice on any specific circumstances.

Do you own an interest in land?

Yes

No

Is the land excluded under section 6 of LOTA? 


Yes

No

Are you a reporting body?

Yes

No

You must file a transparency report  by November 30, 2021. The LTSA recommends consulting a legal professional for advice and assistance regarding LOTR disclosures.



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Forms

Resources


Forms

Samples of Completed Transparency Records


Certification and Subscriber's Electronic Signature




Videos and Recorded Webinars


Legislation and Government Information

Below are sample form templates for LOTR submissions. These forms can only be submitted commencing **November 30, 2020**. Online forms for LOTR will be available to legal professionals in [myLTSA Enterprise](#)  beginning early morning (i.e. 12:01am) on Monday, November 30, 2020.

A transparency declaration and transparency report **must be completed and filed electronically** by a legal professional using myLTSA. The only exception to this is where the transparency records are required to be filed with a land title application and the land title application is not filed electronically. The below offline forms for the transparency declaration and transparency report cannot be filed electronically. They may only be used in limited circumstances where manual filing is permitted.

In the below format, the transparency report form is exceptionally long in order to accommodate the collection of information about different types of reporting bodies, and individuals who are deemed to have an indirect interest in land through reporting bodies. The electronic forms available to legal professionals in [myLTSA Enterprise](#)  are dynamic and display only the relevant sections of the forms based on the specific filing requirements.

- [Transparency declaration \(paper/offline form\)](#) 
- [Example of a completed paper/offline transparency declaration for individuals who are not a reporting body](#) 
- [Transparency report \(paper/offline form\)](#) 

The below forms are being made public for informational purposes only and are required to be submitted online in [myLTSA](#) . An Enterprise account must be used for legal professionals and an Explorer account must be used for individuals. The only exception to this is for applications under section 40 where filing electronically would create an undue



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Resources

Forms

Samples of Completed Transparency Records

Certification and Subscriber's Electronic
Signature

Videos and Recorded Webinars

Legislation and Government Information

In the **LOTR System Webinar**, you will learn how to complete and file a transparency declaration and a transparency report to LOTR using myLTSA. The following LOTR System Webinar was recorded on November 3, 2020:

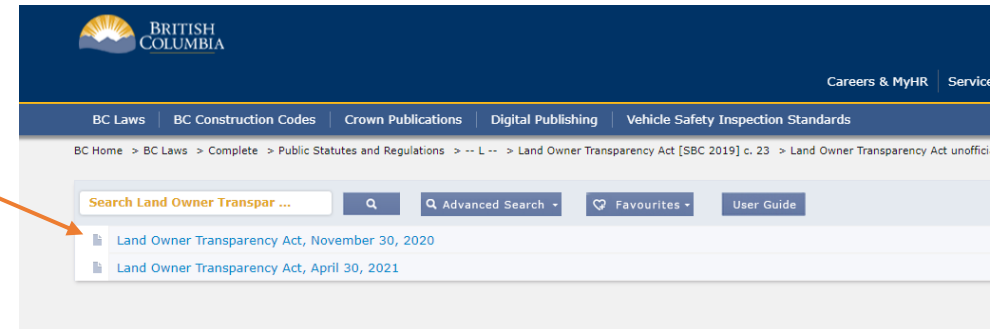


Legislation and Government Information

[Unofficial consolidation of the Land Owner Transparency Act, prepared October 15, 2020](#)

[Land Owner Transparency Regulations \(OIC 549\), Approved and Ordered September 20, 2020](#)

[Land Owner Transparency Act Consultation by the BC Government](#)



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Questions?



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Thank you!



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