

Transfers to Correct a Conveyance Error

Property Transfer Tax Act

Are you filing a transfer to correct an error that was made during a conveyance?

Do you need to know what qualifies as a conveyance error and how to file the correcting property transfer tax returns?

This bulletin provides specific tax information to help you understand how property transfer tax (PTT) applies when you are correcting an error in a title due to a conveyance error.

For general information on property transfer tax, please see [Bulletin PTT 001](#), *Property Transfer Tax*. For information on land title registration, please see the Land Title and Service Authority of British Columbia (land title office) website at www.ltsa.ca

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Overview

A conveyance error can be made during registration of a title at the land title office. When these errors occur, transfers may be filed at the land title office to correct the title(s). Generally, to correct a conveyance error on a title, you must file:

1. a transfer to change the title back to the immediate previous state of registration (reconveyance), **and**
2. a transfer to change the title as the purchaser(s) had originally intended (correcting conveyance).

Qualifying Conveyance Errors

A **qualifying conveyance error** is an error that is made during the registration of the title at the land title office, and because of the error, the title was not registered as the purchaser(s) intended. The following are common qualifying conveyance errors:

- the wrong property was transferred,
- the wrong name was registered,
- one of the two, or more, intended legal parcels of land (parcel identifier numbers) were omitted, or
- the wrong ratio of ownership was registered.

The following errors **do not** qualify as a conveyance error:

- the purchaser or their representative realize there was a better way to transfer the property,
- the purchaser change their mind about having transferred the property and want to rescind the transfer, or
- an error was made by either the purchaser or their representative, and the property was transferred before all requirements for a particular exemption had been met.

If you are uncertain if the error qualifies as a conveyance error, please contact the ministry.

How to File the PTT Returns

Generally, to correct a qualifying conveyance error, you complete the two steps as set out below. However, in some situations a reconveyance (Step 1) is not required. For example, if one of two intended legal parcels of land were omitted during an original conveyance, then only a correcting conveyance (Step 2) is required for the omitted parcel of land.

Step 1 - Reconveyance - you complete a *Special Property Transfer Tax Return* form ([FIN 579S](#)) and claim the exemption by entering exemption code 35 in section F. You are also required to attach a note to the form (FIN 579S) citing the return number from the correcting conveyance form (FIN 579G) (see Step 2 below). This enables ministry staff to connect the two returns and allows you to submit the supporting documents only once.

Step 2 - Correcting conveyance - you complete a *General Property Transfer Tax Return* form (**FIN 579G**); however, you do not remit the tax. You are also required to attach the following supporting documents to the return:

- a letter explaining the conveyance error in detail,
- a copy of the current BC Assessment valuation (an online search print is acceptable),
- a copy of the *Contract of Purchase and Sale* and the *Purchasers Statement of Adjustments*,
- a copy of any pre-conveyance evidence that supports the purchaser's original intention, e.g. contracts, representative's notes, intake lists, e-mails or any other communication, and
- a copy of the plan and/or strata plan(s), if applicable.

The ministry will review the return(s) and if additional tax is due, or an overpayment has been made, the ministry will send the transferee a *Notice of Assessment* indicating the correct amount of tax. For an overpayment, the ministry will issue a refund to the transferee shortly after the *Notice of Assessment*.

Additional Instructions for Completing Manual and Electronic Returns

If you are completing a **manual** return, you complete it as follows:

- in the top right corner of the front page, complete the date and the tax paid boxes (zero for tax paid),
- complete sections A to F, where applicable, and
- complete section I, I-3, other, and on the line, write *see attached*.

If you are completing an **electronic** return, you complete it as follows:

- at the beginning of the electronic return, leave the default entry *no exemption claimed* in the drop down menu,
- complete sections A to the end of E, where applicable,
- complete section I, line I-2, type the fair market value as \$0.01 - this will automatically calculate the tax payable as zero, and
- complete section I, line I-7, select *other* from the drop down menu, and on the line below, type *see attached*.

 **Need more info?**

Online: gov.bc.ca/propertytransfertax

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Toll-free: 1 888 355-2700

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