



Industry Alert

For Immediate Release

July 28, 2016

New Penalties for Property Transfer Tax Avoidance

The Superintendent of Real Estate is warning developers that under new Property Transfer Tax legislation they face significant fines and/or imprisonment if they provide incorrect information intended to avoid the tax changes.

The Province is introducing and will be enforcing stringent non-compliance penalties. Under the legislation, any individual who fails to pay the additional tax, or who participates in providing incorrect information to avoid the tax could be liable for fines of up to \$100,000 and/or two years in prison.

The legislation introduced by government earlier this week provides for an additional Property Transfer Tax of 15% effective August 2, 2016, on residential property transfers to foreign entities in the Greater Vancouver Regional District.

This is explained in the Property Transfer Tax section of the government's website at <http://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax>. A copy of the bill that introduced this legislation is available at <https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/40th-parliament/5th-session/bills/first-reading/gov28-1>.

Consumers and developers should obtain independent professional legal or accounting advice to determine if their existing or proposed trade in real estate will be subject to the additional Property Transfer Tax. Professional advice is also recommended before entering into any transaction promoted to them as a "solution" or measure to avoid payment of applicable taxes.

For more information, please contact the Superintendent's staff at: Realestate@ficombc.ca.