

Reminder to Ontario Corporations: Deadline to have your Real Property Register is December 10, 2018

December 6, 2018

In December 2016, new record keeping obligations were imposed by way of amendments to the *Ontario Business Corporations Act* (the “**OBCA**”); the *Ontario Corporations Act* (the “**CA**”); and the *Ontario Not-for-Profit Corporations Act, 2010*.

The changes to the OBCA apply to both existing and newly incorporated corporations. The record keeping obligations under the OBCA already apply to all Ontario corporations incorporated on or after December 10, 2016. Ontario corporations incorporated before December 10, 2016 were given a two-year grace period to become compliant with the record-keeping requirements – the deadline for which is **December 10, 2018**.

Under the OBCA amendments, the register of a corporation’s ownership interests in land in Ontario must:

- be kept at the corporation’s registered office;
- identify each property owned by the corporation; and
- show the date the corporation acquired the property and, if applicable, the date the corporation disposed of the property.
- Since the legislation does not define “ownership interest”, corporations would be well advised to maintain in their register the required information for both registered interests and beneficial interests in Ontario land.

The OBCA amendments also require that the register contain any deeds, transfers or similar documents that contain any of the following with respect to each property listed in the register:

- the municipal address, if any;
- the Registry or Land Titles Division and the property identifier number (PIN);
- the legal description; and
- the assessment roll number, if any.
- Non-compliance with these new provisions could trigger fines and other penalties under the OBCA for which individual officers and directors could be liable for fines (up to \$2,000) and jail time (up to one year) and for which the corporation could be liable for fines up to \$25,000.

Beyond the statutory penalties described above, if a corporation is non-compliant with the record-keeping requirements, the corporation may be unable to correctly represent that they are compliant with all applicable laws. This could be problematic in financing situations where such a representation to a financial institution may be required.

The new statutes also contain important changes to the laws that apply to the forfeiture of lands to the Crown upon the dissolution of an Ontario corporation, the revival of dissolved corporations, and the recovery back of forfeited lands.

If you are an Ontario corporation that has an ownership interest in land in Ontario, please contact Tatiana Zalar and we will be happy

to assist you in complying with these obligations.

The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular applications of the law to specific situations, the reader should seek professional advice.

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