



Federation of Ontario  
Law Associations  
Fédération des associations  
de barreau de l'Ontario

September 9, 2024

Dear Real Estate Representatives, Presidents and Library Staff,

In an effort to keep real estate lawyers updated with the ever-changing situation in the way we practice, we have further information to be shared with the real estate lawyers in your association.

### **Verification of Client Identification Virtually**

Effective **January 1, 2024**, the Law Society's temporary emergency measure allowing licensees to virtually verify client identity without authentication has ended. On and after that date, licensees must authenticate an individual's government-issued ID, meaning the licensee must use a process or method to determine if the ID is true and genuine and cannot do so virtually. Bylaw 7.1 allows two methods of verification virtually: the credit file method and the dual process method. Licensees can also use an agent to verify identity. The Notice to the Profession dated July 27, 2023 can be found [here](#).

LawPRO's PracticePRO website also has relevant links and a chart for Virtual Identity Verification Service Providers, which can be found [here](#).

These enhanced rules will impact real estate lawyers specifically as our engagement is routinely to facilitate the transfer of funds for our clients. Be on the lookout for CPD programming in connection with this to better prepare yourself, your practice and your staff.

### **Proposed Introduction of Cooling-Off Period and Disclosure of Terminations as Protections for Buyers of Newly Constructed Freehold Houses**

The Province has circulated a consultation paper on the implementation of a 10-day cooling-off or rescission period for buyers of newly built freehold houses, mirroring existing protections for purchasers of newly built condo units. The consultation paper can be found [here](#) It also proposes mandatory disclosure by builders of projects that have been terminated, so purchasers can make informed decisions about their builder's track record. Suggestions include mandatory information sheets and an addenda to be attached to the purchase and sale agreement about certain rights and obligations.

The consultation ends **September 16, 2024**. FOLA will be making a submission, and we welcome your perspective in advance to Mark Giavedoni, FOLA Real Estate Chair, to [Mark.Giavedoni@gowlingwlg.com](mailto:Mark.Giavedoni@gowlingwlg.com). Alternatively, your input can be sent directly to [NewHomes@ontario.ca](mailto:NewHomes@ontario.ca)

### **Bill 200, Homeowner Protection Act, 2024**

On June 6, 2024 this Bill was promulgated, with some sections coming into force immediately while others were delayed. One immediate amendment was the various changes to the *Personal Property Security Act* in connection with registered notices of security interest (a "NOSI"). The effect was to prevent registration of a NOSI in the Land Titles system for prescribed consumer

goods and immediately expire all NOSIs in existence at the time of Royal Assent (June 6). For reference as to the process to remove qualified NOSIs from title, please refer to the LRO Bulletin 2023-07, which can be found [here](#).

### **Federal Trust Reporting Requirements 2023-2025**

The federal government added new reporting requirements for trusts to be implemented for the December 31, 2023 year end, requiring all trusts (except for limited identified exceptions) to file T3 returns and a Schedule 15 report in connection with the trust property, beneficial owners and income derived therefrom. On March 28, 2024, the government suspended this obligation (days before the reporting deadline). On August 12, 2024, the federal government introduced legislation that would remove reporting requirements for specified trusts for 2024 and attempt to further clarify which trusts are required to report and which are exempted. It would set reporting requirements for certain trusts in the 2025 tax year. We will continue to monitor this in regard to affected trusts.

### **Bulletin 2024-02: Court Orders**

There has historically been challenges with the manner in which a court order will impact registered title. A Court may order title to be amended or vested in a different person. The intersection between the Court's order and how that impacts registered title has been challenging. This bulletin, accessed [here](#), outlines the key considerations that practitioners should be aware of when obtaining an order of the Court and when pre-approval of the draft order should be obtained via OnLand.

It would be practical to advise your professional colleagues who litigate in the normal course of their practice but who do not have daily interactions with the Land Titles system, to be aware of these requirements and establish working connections with them to assist in the pre-approval process for Court Orders.

### **Changes to Land Transfer Tax Statements**

The Ministry of Finance no longer requires automatic submission of supplementary material when a transfer is made involving a trust for the same beneficial owner. Lawyers will still need to assemble the information in case the Ministry requests it or reassesses the transaction. Changes to the eReg system have been made to address this.

In addition, a new statement 9205 has been introduced to confirm acknowledgement as to the collection of information and privacy for land transfer tax statements. The newsletter outlining these changes can be found [here](#).

Stay up to date with FOLA's real estate information at <https://www.fola.ca/issue/real-estate/>.

*Mark Giavedoni*  
FOLA Real Estate Chair

Please note: The information provided herein is of a general nature only and is not intended to provide legal advice.