

Important Change to Recordkeeping Requirements for Ontario Not-for-Profit Corporations That Own an Interest in Land in Ontario



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Effective December 10, 2016, every newly incorporated Ontario not-for-profit corporation is required to keep a register of the land in Ontario in which it has an ownership interest. Ontario not-for-profit corporations incorporated prior to December 10, 2016 will have two years to comply with the requirement to maintain a register. The land register must identify each property over which the corporation owns an interest and must indicate the date the corporation acquired the interest and, if applicable, the date the corporation disposed of it.

With this register, a corporation must also keep a copy of any documents, such as deeds and transfers, that contain any of the following information with respect to each property listed in the register:

1. the municipal address of the property, if any;
2. the registry or land titles division and the property identifier number for the property;
3. the legal description of the property; and
4. the assessment roll number of the property, if any.

The meaning of "ownership interest in land" is not defined and is therefore thought to include both land for which a corporation is registered on title as the owner and land for which a corporation has a beneficial ownership interest. In addition, an ownership interest in land could include a mortgage or charge over land in Ontario.

Like the requirements to keep minutes of meetings, directors' and members' registers, and accounting records, a hard or electronic copy of the land register must be kept at the head office of the corporation and must also be available for inspection by any director of the corporation, during normal business hours of the corporation. Failure to do so by the corporation or any of its directors or officers, is an offence and could result in a penalty.

Although existing corporations have a two year grace period to comply with the requirement to maintain a land register, it would be prudent to begin the process to develop one now.

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