

Are You an Ontario Incorporated Company?

Effective December 10, 2016 the Business Corporations Act (Ontario) (the "OBCA") was amended. Subsection 140(1) and section 140.1 now requires a corporation incorporated or continued under the OBCA to maintain a "register of ownership interests in land in Ontario". The register must identify each "ownership interest" in land and show the date the corporation acquired and disposed of the interest. For each property, the corporation must keep with the register a copy of "deeds, transfers or similar documents" that contain the property's municipal address, if any, the registry or land titles division and the property identifier number of the property, its legal description and the assessment roll number, if any.

A corporation registered under the OBCA before December 10, 2016, should compile the documents required and have completed a register by December 10, 2018.

The term "ownership interest" was likely used so that it could include leasehold interests or a beneficial interest so please be sure to advise you corporation's lawyer of this information.

It is likely that the Province made these registers mandatory so that it is easier for the Province of Ontario to locate assets of dissolved corporations and to make it easier for the Province to use or sell any forfeited corporate property.

The issue that many Ontario Corporations may find with these changes is that most lenders require that a corporation complies with all applicable laws and these changes are now law so the lender could cause problems if a corporation does not maintain a register.

Ontario Corporations Owning Real Property in Ontario