



Non-Resident Speculation Tax

Effective March 30, 2022, the Non-Resident Speculation Tax (NRST) rate was increased to 20 per cent and expanded provincewide. As a result, the NRST may apply on the purchase or acquisition of an interest in residential property located anywhere in Ontario by individuals who are foreign nationals (individuals who are not Canadian citizens or permanent residents of Canada) or by foreign corporations or taxable trustees.

The NRST applies in addition to the general Land Transfer Tax (LTT) in Ontario.

Prior to March 30, 2022, the NRST was a 15 per cent tax on the purchase of an interest in residential property in the Greater Golden Horseshoe Region (GGH) of Ontario by individuals who are foreign nationals or by foreign corporations or taxable trustees. The map of the GGH and a listing of municipalities, counties and regions within the GGH is outlined below on this page.

Transitional Provisions for the 15 Per Cent NRST Rate

The NRST tax rate is 15 per cent on a conveyance of land located within the GGH made pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into on or before March 29, 2022. Note, the land must not be conveyed to any foreign entity or taxable trustee other than a purchaser or assignee (and their spouse, if applicable) as stated under the agreement of purchase and sale or assignment entered into on or before March 29, 2022. If land is conveyed to another person other than the purchaser or assignee (and their spouses), even as a result of a "direction re: title", the transition provision will not apply.

Transitional Provisions for an NRST Exemption

There is no NRST payable on a conveyance of land located outside the GGH made pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into on or before March 29, 2022. Note, the land must not be conveyed to any foreign entity or taxable trustee other than a purchaser or assignee (and their spouse, if applicable) as stated under the agreement of purchase and sale or assignment entered into on or before March 29, 2022. If land is conveyed to another person other than the purchaser or assignee (and their spouses), even as a result of a "direction re: title", the transition provision will not apply.

There is no NRST payable on a conveyance of land pursuant to binding agreements of purchase and sale that were entered into on or before April 20, 2017, and not assigned to other persons after April 20, 2017.

Entities Subject to NRST

The NRST applies to **foreign entities** or **taxable trustees** who purchase or acquire residential property in the Ontario.

A **foreign entity** is either a foreign national or a foreign corporation.

A **foreign national**, as defined in the *Immigration and Refugee Protection Act* (Canada), is an individual who is not a Canadian citizen or permanent resident of Canada.

A **permanent resident** means a person who has acquired permanent resident status and has not subsequently lost that status under section 46 of the *Immigration and Refugee Protection Act* (Canada).

A **foreign corporation** is a corporation that is one of the following:

1. A corporation that is not incorporated in Canada.
2. A corporation, the shares of which are not listed on a stock exchange in Canada, that is incorporated in Canada and is controlled, directly or indirectly in any manner whatever, within the meaning of section 256 of the *Income Tax Act* (Canada), by one or more of the following:
 1. a foreign national
 2. a corporation that is not incorporated in Canada
 3. a corporation that would, if each share of the corporation's capital stock that is owned by a foreign national or by a corporation described in paragraph 1 were owned by a particular person, be controlled, directly or indirectly in any manner whatsoever, within the meaning of section 256 of the *Income Tax Act* (Canada), by the particular person.

A **taxable trustee** means a trustee of:

- a trust with at least one trustee that is a foreign entity, or
- a trust with no foreign entity trustees if a beneficiary of the trust is a foreign entity.

Taxable trustee does not include a trustee acting for the following types of trusts:

1. A mutual fund trust within the meaning of subsection 132 (6) of the *Income Tax Act* (Canada).
2. A real estate investment trust as defined in subsection 122.1 (1) of the *Income Tax Act* (Canada).
3. A SIFT trust as defined in subsection 122.1 (1) of the *Income Tax Act* (Canada).

Types of Property Subject to NRST

The NRST applies to the transfer of “designated land”, which is land that contains at least one and not more than six single family residences. Examples of land containing one single family residence include a detached house, a semi detached house, a townhouse or a condominium unit. Examples of land containing more than one single family residence that are subject to the tax include duplexes, triplexes, fourplexes, fiveplexes and sixplexes.

Since a condominium unit and each of the structures described above are designated land for the purposes of the NRST, there would be a transfer of designated land if multiple units and/or structures are transferred together under a single conveyance. As an example, if two fourplexes are transferred under a single conveyance, there would be a transfer of designated land and the NRST may be applicable.

The NRST does not apply to other types of land such as land containing multi residential rental apartment buildings with more than six units, agricultural land, commercial land or industrial land.

The NRST applies on the value of the consideration for the residential property. If the land transferred includes residential property and land used for non-residential purposes, the NRST applies on the portion of the value of the consideration attributable to the residential property. For example, if the value of the consideration of the transaction is \$3,000,000 and contains one single family residence with a value of the consideration of \$1,400,000, and land used for commercial purposes with a value of the consideration of \$1,600,000, the NRST would apply to only the \$1,400,000 portion.

A reasonable self assessment is required by taxpayers in apportioning the value of the consideration for the purposes of the NRST. Apportionment is only available if the non-residential land is used for non-residential purposes exclusively. The taxpayer must be able to demonstrate that this portion of the land is used for non-residential purposes, such as commercial activity. The apportionment would be based on the value of the consideration that is attributable to the residential land as compared to the non residential land, not the square footage of the two.

General Application (How NRST Is Calculated and Who Pays NRST)

The NRST applies to the value of the consideration for the transfer of residential property if any one of the transferees is a foreign entity or taxable trustee. For example, if a transfer of residential property is made to four transferees, one of whom is a foreign entity that acquires a 25 per cent share in the land, the NRST would apply to 100 per cent of the value of the consideration for the transfer.

As an example, Tomoko, Shoshana, Ann, and Lieven buy a home as tenants in common each as to a 25 per cent interest, with a value of the consideration of \$1,500,000. Tomoko,

Shoshana and Ann are Canadian citizens, but Lieven is a foreign national. The NRST is applied to the full value of the consideration, resulting in NRST payable of \$300,000. They do not pay NRST on just 25 per cent of the value of the consideration. The NRST is not prorated to the interest acquired by the foreign national.

Each transferee is jointly and severally liable for any NRST payable. If a foreign entity or taxable trustee does not pay the NRST, the other transferees will be required to pay the tax. This applies even if the other transferees are Canadian citizens, permanent residents of Canada or non-foreign corporations.

The NRST does not apply when a person purchases or acquires residential property as a trustee of a mutual fund trust, real estate investment trust or specified investment flow through trust because such person is not a taxable trustee.

The NRST applies to unregistered dispositions of a beneficial interest in residential property. This includes purchases and acquisitions of residential property where section 3 of the Land Transfer Tax Act (Act) is applicable. However, NRST exemptions and rebates are only available for transfers of residential property that are registered on title. They are not available if the transaction is one to which section 3 of the Act applies.

Exemptions from the NRST

An exemption from NRST may be available for registered transfers if the transferee is a nominee, a protected person or a spouse of a Canadian citizen, a permanent resident of Canada, a nominee or a protected person, as outlined below. Supporting documentation may be required by the ministry to substantiate all claims for an NRST exemption. Exemptions will not apply if a taxable trustee is a transferee in the conveyance of land subject to the exemption.

Nominee Exemption

An exemption from the NRST may be available to foreign nationals in the Ontario Immigrant Nominee Program if the following criteria are met:

- The foreign national is nominated under the Ontario Immigrant Nominee Program (nominee) at the time of the purchase or acquisition,
- The foreign national has applied or certifies that they will apply to become a permanent resident of Canada before the expiration of their nominee certificate
- If the foreign national holds the property with any other transferees, those transferees must be individuals who are Canadian citizens, permanent residents of Canada, nominees or protected persons, and
- All transferees must certify that they will occupy the property as their principal residence.

Note that if the foreign national has applied for permanent resident of Canada status prior to their certificate of nomination expiring, that foreign national will still be considered to be a

the consideration attributable to the conveyance of the designated land is AMOUNT and the remainder of land is used for TEXT purposes, AND

9193 (a) This is a conveyance of land located within the Greater Golden Horseshoe Region and is pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into ON OR BEFORE March 29, 2022, AND THE LAND IS NOT BEING CONVEYED to any foreign corporation that is not a purchaser under the agreement of purchase and sale or a corporation to which the agreement of purchase and sale was assigned, or to any foreign national or taxable trustee other than a purchaser, or the spouse of a purchaser, under the agreement of purchase and sale, or a person, or the spouse of a person, to whom the agreement of purchase and sale was assigned.

9194 (b) This is a conveyance of land pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into ON OR BEFORE March 29, 2022, AND THE LAND IS BEING CONVEYED to any foreign corporation that is not a purchaser under the agreement of purchase and sale or a corporation to which the agreement of purchase and sale was assigned, or to any foreign national or taxable trustee other than a purchaser, or the spouse of a purchaser, under the agreement of purchase and sale or a person, or the spouse of a person, to whom the agreement of purchase and sale was assigned.

9195 (c) This is a conveyance of land pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into AFTER March 29, 2022.

How to Declare an Exemption From NRST

An exemption from NRST may be claimed on registration by selecting statement 9173 and one of statements 9197 (NEW) or 9175, 9176, 9177, 9178, 9179, 9180, or 9181.

For conveyances registered after March 29, 2022, the specified region exemption in statement 9174 can no longer be claimed, and this statement has been removed.

Statement 9197 is a new statement for the exemption for a conveyance of land located outside the Greater Golden Horseshoe Region based on an agreement of purchase and sale or any assignment of the agreement entered into on or before March 29, 2022, and is not a conveyance to a foreign entity other than a purchaser or assignee (and their spouse, if applicable) as stated under the agreement of purchase and sale or assignment entered into on or before March 29, 2022.

9173 The transferee(s) has read and considered the definitions of "designated land", "foreign corporation", "foreign entity", "foreign national", "Greater Golden Horseshoe Region", "specified region", "spouse" and "taxable trustee" as set out in subsection 1(1) of the Land Transfer Tax Act and O.Reg 182/17. The transferee(s) declare that this conveyance is not subject to additional tax as set out in subsection 2(2.1) of the Act because:

nominee after the certificate expires unless the Ontario Immigrant Nominee Program has revoked the nomination.

Protected Person (Refugee) Exemption

An exemption from the NRST may be available to foreign nationals with protected person status if the following criteria are met:

- The foreign national is a protected person on whom refugee protection is conferred under section 95 of the *Immigration and Refugee Protection Act (Canada)*,
- If the foreign national holds the property with any other transferees, those transferees must be individuals who are Canadian citizens, permanent residents of Canada, nominees or protected persons, and
- All transferees must certify that they will occupy the property as their principal residence.

Spousal Exemption

An exemption from the NRST may be available to foreign nationals who are in certain spousal arrangements, if the following criteria are met:

- The foreign national is a spouse of a Canadian citizen, permanent resident of Canada, nominee or protected person,
- Each spouse is a transferee named in the conveyance,
- If the foreign national and their spouse hold the property with any other transferees, those transferees must be individuals who are,
 - Canadian citizens, permanent residents of Canada, nominees or protected persons, or
 - the spouse of one of the transferees listed above
- All transferees must certify that they will occupy the property as their principal residence.

The definition of spouse, for NRST and LTT purposes, is defined in section 29 of the *Family Law Act* and includes either of two persons who are married to each other, or who are not married to each other and who have cohabited,

1. continuously for a period of not less than three years, or
2. in a relationship of some permanence, if they are the parents of a child as set out in section 4 of the *Children's Law Reform Act*.

General Land Transfer Tax Exemptions

Exemptions in the Act and its regulations that apply to LTT also apply to the NRST. The deferral and cancellation of LTT for transfers between affiliated corporations also apply to the NRST.

How to Pay the NRST

The NRST is payable at the time of registration through Teraview, Ontario's electronic land registration system. Teraview is equipped to collect the 20 per cent NRST as well as 15 per cent NRST under the transition provisions. The following outlines which Teraview statements may be selected regarding NRST.

NRST is payable:

If NRST is payable, the registrant must select statements 9170 and:

- 9171 and (9189 or 9190 or 9191), OR
- 9172 and (9193 or 9194 or 9195)

9170 The transferee(s) has considered the definitions of "designated land", "foreign corporation", "foreign entity", "foreign national", "Greater Golden Horseshoe Region", "specified region", "spouse" and "taxable trustee" as set out in subsection 1(1) of the Land Transfer Tax Act and O.Reg 182/17, and declare one of the following statements:

9171 This conveyance is subject to additional tax as set out in subsection 2(2.1) of the Act
AND

9189 (a) This is a conveyance of land located within the Greater Golden Horseshoe Region and is pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into ON OR BEFORE March 29, 2022, AND THE LAND IS NOT BEING CONVEYED to any foreign corporation that is not a purchaser under the agreement of purchase and sale or a corporation to which the agreement of purchase and sale was assigned, or to any foreign national or taxable trustee other than a purchaser, or the spouse of a purchaser, under the agreement of purchase and sale or a person, or the spouse of a person, to whom the agreement of purchase and sale was assigned.

9190 (b) This is a conveyance of land pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into ON OR BEFORE March 29, 2022, AND THE LAND IS BEING CONVEYED to any foreign corporation that is not a purchaser under the agreement of purchase and sale or a corporation to which the agreement of purchase and sale was assigned, or to any foreign national or taxable trustee other than a purchaser, or the spouse of a purchaser, under the agreement of purchase and sale or a person, or the spouse of a person, to whom the agreement of purchase and sale was assigned.

9191 (c) This is a conveyance of land pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into AFTER March 29, 2022.

9172 This conveyance is subject to additional tax as set out in subsection 2(2.1) of the Act. This is a combination of "designated land" and land that is not designated land. The transferee(s) has accordingly apportioned the value of the consideration on the basis that

9197 (a) This is a conveyance of land located outside of the Greater Golden Horseshoe Region pursuant to an agreement of purchase and sale or an assignment of an agreement of purchase and sale that was entered into ON OR BEFORE March 29, 2022, AND THE LAND IS NOT BEING CONVEYED to any foreign corporation that is not a purchaser under the agreement of purchase and sale or a corporation to which the agreement of purchase and sale was assigned, or to any foreign national or taxable trustee other than a purchaser, or the spouse of a purchaser, under the agreement of purchase and sale or a person, or the spouse of a person, to whom the agreement was assigned.

9175 (b) This is not a conveyance of "designated land".

9176 (c) The transferee(s) is not a "foreign entity" or a "taxable trustee".

9177 (d) Subsection 2.1(3) of the Act applies to this conveyance (the land has been conveyed pursuant to an agreement of purchase and sale entered into on or before April 20, 2017, and any assignment of the agreement of purchase and sale to any other person was entered into on or before April 20, 2017).

9178 (e) Subsection 2.1(4) of the Act applies to this conveyance in that the land is being conveyed to a "nominee" as defined in Ontario Regulation 182/17 and the conveyance satisfies the requirements of section 2 of the Regulation.

9179 (f) Subsection 2.1 (4) of the Act applies to this conveyance in that the land is being conveyed to a "protected person" as defined in Ontario Regulation 182/17 and the conveyance satisfies the requirements of section 3 of the Regulation.

9180 (g) Subsection 2.1 (4) of the Act applies to this conveyance in that the land is being conveyed to a "foreign national" and the foreign national's "spouse" as defined in subsection 1(1) of the Act, and the conveyance satisfies the requirements of section 4 of the Regulation.

9181 (h) OTHER INSERT TEXT

Paper Registrations

NRST is not payable at the time of registration for paper registrations, even though such registrations are now processed through Teraview. NRST on paper registration must be prepaid directly to the ministry in advance of registration.

NRST Payment In Advance Of Registration

The ministry will continue to accept payment of NRST in advance of registration. Taxpayers who wish to pay NRST directly to the ministry must also directly pay the applicable LTT to the ministry.

Registrants who receive ministry pre-approval of NRST liability must still complete the

applicable NRST statements outlined above, along with either statement 9089 or statement 9090:

- **9089** - Tax has been paid directly to the Ministry of Finance and documents endorsed accordingly as confirmed by receipt no. NUMBER (evidence needs to be submitted).
- **9090** - Ministry of Finance has endorsed documents as follows: "No Land Transfer Tax Payable" (evidence needs to be submitted).

If the conveyance is subject to NRST, registrants must complete statements 9089, and the applicable NRST statement cited above. Registrants will receive a receipt number for insertion into statement 9089. The evidence that needs to be submitted is the registered instrument, which must be sent to the ministry at the below noted address after registration.

The following documentation must be submitted to the ministry a **minimum of 15 business days** prior to the date of the conveyance:

1. Cheque for the LTT and the NRST (certified, if not drawn on the solicitor's trust account), made payable to the "Minister of Finance"
2. Copy of the Agreement of Purchase and Sale, with all schedules attached
3. Copy of the draft Statement of Adjustments (if applicable)
4. If the value of the consideration is based on the fair market value of the land, any appraisals or documentation that is evidence of the fair market value of the land
5. Any additional documents as may be required to determine the value of the consideration
6. **Authorizing or Cancelling a Representative form(s)**, completed by each transferee (if not submitted by the transferees)
7. If registration is to be done electronically, one copy of the Document "in preparation"
8. If registration is done on paper:
 1. Three copies of the Transfer/Deed to be registered
 2. two completed **Land Transfer Tax Affidavits**
 3. one completed **Prescribed Information for Purposes of Section 5.0.1 Land Transfer Tax Act form.**

The address for submission is:

Ministry of Finance
Compliance Branch
Land Taxes Section
Third Floor, 33 King Street West
PO Box 625
Oshawa ON L1H 8H9

Dispositions / Unregistered Transfers

If a transfer will not be registered on title, a **Return on the Acquisition of a Beneficial**

Interest in Land form, along with the payment of the LTT and the NRST must be submitted to the ministry within 30 days of the disposition of land. A claim based on a transitional provision must be stated with Return. An NRST exemption or rebate is unavailable for unregistered dispositions. A completed **Prescribed Information for Purposes of Section 5.0.1 Land Transfer Tax Act form** must be included.

For more information, see Land Transfer Tax and the Treatment of Unregistered Dispositions of a Beneficial Interest in Land.

Rebate of NRST

For a conveyance that occurs after March 29, 2022 for which the transitional provision described below does not apply, only the Permanent Resident NRST Rebate remains available. Note that any applicable NRST is payable at the time of the registration of a conveyance. Registrants who fail to pay NRST at registration may be assessed for tax, penalty and interest, even if subsequently eligible for a rebate.

A rebate of NRST may be available for a foreign national who becomes a permanent resident of Canada. To qualify for this rebate, the foreign national must have paid the NRST and:

- become a permanent resident of Canada within four years from the date of the purchase or acquisition,
- hold the property alone or with their spouse (as defined above) only, and
- occupy the property, along with their spouse, if applicable, as their principal residence for the duration of the period that begins within 60 days after the date of purchase and ends when they make an application for the rebate or the rebate conditions have been met, whichever is later.

If the two named transferees are spouses of one another, only one of the spouses must become a permanent resident of Canada for the rebate to apply.

The rebate will not apply if a taxable trustee is a transferee in the conveyance of land.

All rebate applications must be made using the **Ontario Land Transfer Tax Refund/Rebate form** for NRST.

Supporting documentation will be required to substantiate all applications for rebate.

Applications for the rebate must be received by the ministry within **90 days of becoming a permanent resident of Canada**. Be aware that the issuance of a Permanent Resident Card by Immigration, Refugees and Citizenship Canada ["IRCC"] is not the trigger for becoming a permanent resident of Canada. This card is usually issued sometime after the issuance of permanent resident of Canada status, and sometimes well beyond the 90 days to apply for the NRST rebate. Proof of permanent resident status can include:

- a Confirmation of Permanent Residence document, signed and dated by an immigration officer, or
- a letter from IRCC advising that the application for permanent resident status is complete, that the individual is a permanent resident of Canada.

Note: Waiting for the Permanent Resident Card to be issued in order to apply for the NRST rebate may result in the lapse of the 90 day rebate application deadline and result in denial of the rebate.

How to Apply for a Rebate

All rebate applications must be made using the Ontario **Land Transfer Tax Refund/Rebate Affidavit**, along with the following supporting documents:

1. Copy of the registered Transfer
2. Copy of the Agreement of Purchase and Sale, with all schedules attached
3. Copy of the Statement of Adjustments (if applicable)
4. If the value of the consideration is based on the fair market value of the land, any appraisals or documentation that is evidence of the fair market value of the land
5. Proof of payment of payment of LTT and NRST (such as a Teraview docket summary)
6. Proof of Occupancy as principal residence within 60 days of day of conveyance
7. Permanent Resident Card, Confirmation of Permanent Residence. If the Card or Confirmation are not available, other documentation that confirms Permanent Residence Status may be accepted.

The application for rebate must be received by the ministry within **90 days** of the transferee becoming a permanent resident of Canada.

Transitional Provisions for Former NRST Rebates

If the land purchased is within the GGH, and if a binding agreement of purchase and sale was signed on or before March 29, 2022, and not assigned to other persons after March 29, 2022, then a foreign national may qualify for the International Student NRST Rebate or the Foreign National Working in Ontario NRST Rebate.

These rebates are not available with respect to the purchase of land outside the GGH.

These rebates are also not available if the land has been conveyed to any foreign national who was not a purchaser or assignee (and their spouse if applicable) as stated under the agreement of purchase and sale or assignment of such agreement. If land is conveyed to another person other than the purchaser or assignee (and their spouses), even as a result of a "direction re: title", the transition rebate will not apply.

For the former International Student and Foreign National Working in Ontario NRST rebates, a complete rebate application must be submitted to the ministry on or before March 31,

2025, or within 4 years after the NRST became payable (whichever is earlier).

Transitional Provisions International Student NRST Rebate

A rebate of NRST may be available to a foreign national as a student in Ontario, if the foreign national paid the NRST and:

- is enrolled full-time for at least two continuous years starting from the date of purchase of the home in an “approved institution”, as outlined in Ontario Regulation 70/17 of the *Ministry of Training, Colleges, and Universities Act*, and
- holds the property alone or with their spouse (as defined above) only, and
- occupies the property, along with their spouse, if applicable, as their principal residence for the duration of the period that begins within 60 days after the date of purchase and ends when they make an application for the rebate or the rebate conditions have been met, whichever is later.

Full-time means enrolled in at least 60 per cent (if the individual does not have a disability) or 40 per cent (if the individual has a disability) of what the approved institution considers to be a full course load for the academic year.

Enrolment in an approved institution prior to the purchase or acquisition of the home cannot be applied towards the two-year enrolment qualifying period.

As an administrative concession, the ministry will allow the student 30 calendar days from the date of purchase or acquisition of the home to become enrolled in an approved institution.

In order to be eligible for an NRST rebate, all of the criteria of one rebate must be met. Criteria of two separate rebates may not be used to qualify for an NRST rebate. For example, if a foreign national is enrolled full-time in an approved institution for only one year, and then becomes employed full-time under a valid work permit for the second year, the foreign national will not qualify for either rebate.

Supporting documentation will be required to substantiate all applications for rebate.

How to Apply

If eligible for the transitional provision in relation to International Student NRST Rebate, a complete application must be submitted by the earlier of the following dates:

1. The day that is four years after the day on which the tax that is the subject of the rebate claim became payable, and
2. March 31, 2025.

All rebate applications must be made using the **Ontario Land Transfer Tax Refund/Rebate Affidavit**, along with the following supporting documents:

1. Copy of the registered Transfer
2. Copy of the Agreement of Purchase and Sale, with all schedules attached
3. Copy of the Statement of Adjustments (if applicable)
4. If the value of the consideration is based on the fair market value of the land, any appraisals or documentation that is evidence of the fair market value of the land
5. Proof of payment of payment of LTT and NRST (such as a Teraview docket summary)
6. Proof of Occupancy as principal residence within 60 days of day of conveyance
7. Proof of enrolment in an approved institution for two continuous years starting from the date of purchase.

Transitional Foreign National Working in Ontario Rebate

A rebate of NRST may be available to a foreign national as a worker in Ontario, as long as the foreign national paid the NRST and:

- is employed full-time in Ontario under a valid work permit for a continuous period of one year starting from the date of purchase of the house. Full-time means an employment position that requires no fewer than 30 hours of paid work per week over a 12 month period and no fewer than a total of 1,560 hours of paid work over that period.
- holds the property alone or with their spouse (as defined above) only, and
- occupies the property, along with their spouse, if applicable, as their principal residence for the duration of the period that begins within 60 days after the date of purchase and ends when they make an application for the rebate or the rebate conditions have been met, whichever is later.

Supporting documentation will be required to substantiate all applications for rebates.

As an administrative concession, the ministry will allow the worker 30 calendar days from the date of purchase or acquisition of the home to begin full-time employment under a valid work permit.

Any employment performed prior to the purchase or acquisition of the home cannot be applied towards the one year full-time employment qualifying period.

In order to be eligible for an NRST rebate, all of the criteria of one rebate must be met. Criteria of two separate rebates may not be used to qualify for an NRST rebate. As an example, if a foreign national is enrolled full-time in an approved institution for only one year, and then becomes employed full-time under a valid work permit for the second year, the foreign national will not qualify for either rebate.

How to Apply

If eligible for the transitional provision in relation to Foreign National Working in Ontario NRST Rebate, a complete application must be submitted by the earlier of the following dates:

1. The day that is four years after the day on which the tax that is the subject of the rebate claim became payable, and
2. March 31, 2025.

All rebate applications must be made using the **Ontario Land Transfer Tax Refund/Rebate form** for NRST, along with the following supporting documents:

1. Copy of the registered Transfer
2. Copy of the Agreement of Purchase and Sale, with all schedules attached
3. Copy of the Statement of Adjustments (if applicable)
4. If the value of the consideration is based on the fair market value of the land, any appraisals or documentation that is evidence of the fair market value of the land
5. Proof of payment of payment of LTT and NRST (such as a Teraview docket summary)
6. Proof of Occupancy as principal residence within 60 days of day of conveyance
7. Copy of valid work permit, and letter of employment confirming the number of hours of full-time work during the 12 months starting from the date of purchase. Other documentation evidencing proof of employment starting from the date of purchase may be accepted.

COVID 19 Administrative Concession

On March 17, 2020, in response to COVID 19 coronavirus disease, the Government of Ontario declared a state of emergency pursuant to section 7.0.1 of the *Emergency Management and Civil Protection Act*.

The ministry understands that the effect of COVID 19 and the state of emergency could make it difficult for individuals who seek an NRST rebate to fulfil the condition that they occupy a property as their principal residence within 60 days after the date of purchase.

Therefore, the ministry applied an administrative concession to extend the period of time within which a person must occupy a property as their principal residence for the purposes of an NRST rebate to 60 days after the day the state of emergency was terminated.

The administrative concession is applied only to purchases that have occurred from January 17, 2020 to July 24, 2020, the date the state of emergency was terminated. For these purchases, all the transferees must have occupied the home as their principal residence on or before September 22, 2020.

For greater certainty, the administrative concession will not apply with respect to purchases that occurred on or before January 16, 2020 or purchases that occur after July 24, 2020, the date the state of emergency was terminated.

Overpayment of NRST

If NRST has been improperly paid or overpaid, a refund may be applied for using the

Ontario Land Transfer Tax Refund/Rebate form for NRST.

Supporting documentation will be required to substantiate all applications for refunds. An application for refund may be made by submitting the following documentation to the ministry within four years of registration:

1. Copy of the registered Transfer
2. Copy of the Agreement of Purchase and Sale, with all schedules attached
3. Copy of the draft Statement of Adjustments (if applicable)
4. If the value of the consideration is based on the fair market value of the land, any appraisals or documentation that is evidence of the fair market value of the land
5. Any additional Tax documents as may be required to determine the value of the consideration
6. **Authorizing or Cancelling a Representative form(s)**, completed by each transferee (if applicable)
7. **Completed Land Transfer Tax Affidavit**. If the basis of the refund request is that NRST liability is to be calculated under one of the transitional provisions, this must be specified in the Affidavit.

Tax Avoidance and Offences

All transfers of land in Ontario are subject to audit.

Anti avoidance provisions will be enforced to ensure the NRST is reported and paid as required. This includes examining circumstances where Canadian citizens or permanent residents of Canada, as taxable trustees, hold property in trust for a foreign entity. This also includes preventing the use of multiple conveyances to avoid the NRST.

Failure to pay the NRST as required may result in a penalty, fine and/or imprisonment.

Interest

NRST interest is compounded daily and interest rates are reset every 3 months.

Interest begins to accrue 40 business days after a complete NRST rebate or refund application is received by the ministry to the date the rebate or refund is paid.

For current interest rates on NRST refunds and rebates, please see the ministry's data page on **Tax Interest Rates**.

Note: Interest on a refund as a result of a successful objection or appeal from an **assessment** of the NRST will be consistent with the general LTT refunds. For more information, refer to **Ontario Regulation 182/17: Tax Payable Under Subsection 2(2.1) of the Act by Foreign Entities and Taxable Trustees, and Ontario Regulation 398/96: Interest on Tax Refunds made under the Land Transfer Tax Act.**

Greater Golden Horseshoe Region

The GGH includes the following geographic areas:

- City of Barrie
- County of Brant
- City of Brantford
- County of Dufferin
- Regional Municipality of Durham
- City of Guelph
- Haldimand County
- Regional Municipality of Halton
- City of Hamilton
- City of Kawartha Lakes
- Regional Municipality of Niagara
- County of Northumberland
- City of Orillia
- Regional Municipality of Peel
- City of Peterborough
- County of Peterborough
- County of Simcoe
- City of Toronto
- Regional Municipality of Waterloo
- County of Wellington, and
- Regional Municipality of York.



Frequently Asked Questions about the Non-Resident Speculation Tax

I signed my agreement of purchase and sale on March 29, 2022. I am not a Canadian citizen or a permanent resident of Canada. Do I have to pay NRST?

If the land is located in the GGH, you will have to pay NRST. The NRST rate will be 15 per cent IF:

- a binding agreement of purchase and sale is signed on or before March 29, 2022, and
- any binding assignment of the agreement is signed on or before March 29, 2022, and
- the land is conveyed to:
 - a purchaser in the agreement of purchase and sale, or to a purchaser’s spouse, or
 - an assignee under an assignment of the agreement that was entered into on or before March 29, 2022, or the assignee’s spouse.

If the land is outside the GGH, no NRST is payable IF:

- a binding agreement of purchase and sale is signed on or before March 29, 2022, and
- any binding assignment of the agreement is signed on or before March 29, 2022, and
- the land is conveyed to a purchaser in the agreement of purchase and sale, or to a purchaser's spouse, or to an assignee under an assignment of the agreement, or the assignee's spouse.

I am a Canadian citizen living outside of Canada and I wish to purchase a home in Ontario. Will my purchase be subject to the NRST?

If a Canadian citizen (whether living in Canada or not) buys residential land alone or along with other Canadian citizens or permanent residents of Canada, they will not be subject to NRST. It is not relevant whether any of the citizens or permanent residents of Canada live in Canada or not.

The reference to "not a permanent resident of Canada" refers to a "permanent resident" as defined in the *Immigration and Refugee Protection Act* (Canada):

"permanent resident means a person who has acquired permanent resident status and has not subsequently lost that status under section 46."

Whether a Canadian citizen or permanent resident of Canada is considered a "non-resident" for income tax purposes is not relevant for the NRST.

Is the NRST payable on top of the Land Transfer Tax (LTT) or vice versa?

Neither tax is payable on top of the other. NRST and LTT are calculated separately on the value of the consideration for the transfer.

My partner and I are buying a house in Windsor. I am a citizen of Canada. She is not a citizen or a permanent resident of Canada. Does she have to pay NRST?

If your partner is not your spouse on the date of home purchase, NRST will be payable on the full value of the consideration for the transfer of the house. The tax is not pro rated to only her proportionate interest in the home. No refund or rebate is available should she later become your spouse.

If your partner is your spouse, as defined in the *Land Transfer Tax Act*, on the date of home purchase the transaction will be exempt from NRST if you are acquiring the house together and no other foreign entities are acquiring an interest in the house (unless the third party is a nominee, protected person, or another spousal unit that also meets the NRST spousal exemption criteria). All transferees must certify that they will occupy the land as their principal residence.

The definition of spouse, for LTT and NRST purposes, means either of two persons who are married to each other, or who are not married to each other and who have cohabited,

The Ministry does not look at the word occupy and the phrase principal residence separately. The words “occupy as the taxpayer’s principal residence” requires the taxpayer to live in the home as their main residence.

Simply designating the home as a principal residence with the Canada Revenue Agency is not sufficient to meet the criterion to occupy the home as your principal residence.

For the purposes of the LTT and NRST you cannot occupy more than one home as your principal residence. As a result, if the taxpayer owns or leases multiple residences, the home subject to the NRST exemption or rebate must be established as their primary residence. The Ministry will require supporting documentation to ensure this requirement is satisfied by the taxpayer.

I am a foreign national working in Ontario. I bought a home in Toronto in 2019, paid the NRST and have successfully obtained a rebate. I want to move to Ottawa as I am changing jobs, am I eligible for another NRST rebate on the subsequent purchase in Ottawa?

An NRST rebate on becoming a permanent resident of Canada would be the only rebate available. After March 29, 2022, the International Student and the Foreign National Working in Ontario rebates are not available.

If you become a permanent resident or citizen of Canada within four years from the date of purchasing the home, you may apply for a rebate of the NRST. In order to be eligible for the rebate, you must exclusively hold the property, or hold the property exclusively with your spouse, and the land must have been used as your (and if applicable your spouse's) principal residence for the duration of the period from within 60 days of the date of closing the deal to the day you apply for the rebate. Note, only one home at a time can be occupied as a principal residence. You have **90 days from the date of becoming a permanent resident** of Canada to submit a complete application for the rebate

I am a permanent resident of Canada. My parents are not permanent residents or citizens of Canada and would like to buy a home in Ontario. If the home is purchased in my name and I am the only person on title, is NRST payable?

If you purchase a home on behalf of a foreign national or foreign corporation, you would be a taxable trustee and the purchase would be subject to NRST.

A taxable trustee means a trustee of:

- a trust with at least one trustee that is a foreign entity, or
- a trust with no foreign entity trustees if a beneficiary of the trust is a foreign entity.

All transactions subject to the NRST, including those involving an exemption or rebate are subject to audit. Fraud or misrepresentation that is attributable to neglect, carelessness or

- continuously for a period of not less than three years, or
- in a relationship of some permanence, if they are the parents of a child as set out in section 4 of the *Children's Law Reform Act*.

My spouse and I are buying a house in Timmins. I am a citizen of Canada. She is not a citizen or a permanent resident of Canada. My brother is buying the property with us, so all three of us will be on title. Do we have to pay NRST?

NRST is not payable on the transaction if your brother is a Canadian citizen, a permanent resident of Canada, a nominee under the Ontario Immigrant Nominee Program, or a person conferred "refugee protection" under section 95 of the *Immigration and Refugee Protection Act* (Canada). NRST is payable if your brother does not fall into one of the four scenarios listed above. Although there is an exemption for spouses if one of the spouses is a Canadian citizen, permanent resident of Canada, nominee or refugee, this exemption does not apply if the spouses purchase the property with a third party who does not fall into one of the four scenarios listed above. All transferees must certify that they will occupy the land as their principal residence.

My business partner and I are buying a triplex in Sault Ste. Marie. I am a permanent resident of Canada. She is not a citizen or a permanent resident of Canada. She is not my spouse. Does she have to pay 20 per cent NRST?

NRST is payable on the purchase by both of you and calculated on the full value of the consideration for the triplex.

I am buying a house in North Bay and I am not a Canadian citizen or a permanent resident of Canada. I have applied to be a permanent resident and hope to complete that process in a year. Do I have to pay the 20 per cent NRST?

If you are not a permanent resident of Canada at the time your deal closes, you must pay the NRST. If you become a permanent resident or citizen of Canada within four years from the date of closing the deal, you may apply for a rebate of the NRST. In order to be eligible for the rebate, you must exclusively hold the property, or hold the property exclusively with your spouse, and the property must have been used as your (and if applicable your spouse's) principal residence for the duration of the period from within 60 days of the date of closing the deal to the day you apply for the rebate. You have **90 days from the date of becoming a permanent resident** to submit a complete application for the rebate. Note that the Permanent Resident Card issued by Immigration Refugees and Citizenship Canada is evidence of permanent resident of Canada status, but does NOT confer such status. If you wait for your permanent resident Card in order to apply for the rebate, you risk being disallowed the rebate.

What does it mean to occupy a home as my principal residence?

wilful default may result in a penalty, fine and/or imprisonment.

My client is a landed immigrant of Canada. Is he subject to the NRST?

The term "Landed Immigrant" is an outdated term that is no longer used by Immigration, Refugees and Citizenship Canada. You will have to confirm with your client whether or not he is a permanent resident of Canada.

In which specific geographic regions are transfers subject to the NRST?

Transactions of certain residential property located anywhere in Ontario are subject to NRST.

How will the audit process work?

The Ministry's authority to audit for provincial LTT liability (including liability for NRST) is set out in section 10 of the Land Transfer Tax Act. [Refer to the general information about ministry audits.](#)

Are non share capital corporations such as Condominiums or Co operatives subject to NRST?

Yes, if the transferee is a foreign corporation that acquires land which contains at least one and not more than six single family residences in the Greater Golden Horseshoe Region.

I entered into an Agreement of Purchase and Sale before March 29, 2022. The Agreement is being assigned after March 29, 2022, does the 20 per cent NRST apply?

If the assignment of the Agreement of Purchase and Sale was entered into after March 29, 2022, the 20 per cent NRST would apply.

In a new home purchase how is the value of the consideration to which NRST applies determined?

The value of the consideration for NRST purposes will be determined in accordance with the existing provisions of the Land Transfer Tax Act. [Please see Determining the Value of the Consideration for Transfers of New Homes](#)

How do I determine the control of my corporation? I own one third of the shares. My two friends own a third of the shares each. They are Canadian citizens, but I am a foreign national. The corporation is not a foreign corporation, is it?

Control of a corporation (for NRST purposes) includes both de jure control (who legally owns the voting rights to elect the majority of the board of directors) and de facto control (whether a person, despite not having the requisite share ownership, nonetheless has a right and ability to effect a significant change in the board of directors or to influence in a

very direct way the shareholders who would otherwise have the ability to elect the board of directors). If the corporate documents are set up such that you have the ability to elect the board of directors of the corporation, then the corporation is a foreign corporation.

I am a foreign national, and I plan to buy seven condominium units in a building in downtown Toronto. Because I am buying more than six condominiums does NRST apply?

The purchase of seven condominium units is subject to the NRST. Each condominium is designated land and attracts NRST no matter how many condominium units you buy. Even if the seven units are included on one Transfer Deed, you are buying designated land, and NRST will apply.

The law exempts from NRST the purchase of one building with more than six single family residences in it, such as a seven-plex building. Buying seven condominium units is different than buying a seven-plex building.

I am applying for the Transitional International Student Rebate. What documentation must I provide to prove I was enrolled full-time in an approved institution for two continuous years starting from the date I bought my home?

Proof of enrolment includes:

- a letter from the registrar of the approved institution advising of the dates of enrolment, or
- tax receipts T2202 or T2202A.

Unacceptable as proof of enrolment includes:

- letters of acceptance
- offers of admission
- emails from the school
- timetables
- list of tuition fee breakdown
- student loan documents
- invoices for non-tuition expenses or registration deposits/fees
- student cards.

To obtain the most current version of this document, visit ontario.ca/finance and enter 3364 in the find page field at the bottom of the webpage or contact the ministry at 1 866 668-8297 (1 800 263-7776 for teletypewriter).

DIVISION 12

Prohibition on the Purchase of Residential Property by Non-Canadians Act

Enactment of Act

Enactment

235 The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* is enacted as follows:

An Act to prohibit the purchase of residential property by non-Canadians

Short title

1 This Act may be cited as the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*.

Definitions

2 The following definitions apply in this Act.

common-law partner, in relation to an individual, means a person who is cohabiting with the individual in a conjugal relationship, having so cohabited for a period of at least one year. (*conjoint de fait*)

control has the meaning assigned by the regulations. (*contrôle*)

dwelling unit means a residential unit that contains private kitchen facilities, a private bath and a private living area. (*local d'habitation*)

Minister means the federal minister designated under section 3. (*ministre*)

non-Canadian means

- **(a)** an individual who is neither a Canadian citizen nor a person registered as an Indian under the *Indian Act* nor a permanent resident;
- **(b)** a corporation that is incorporated otherwise than under the laws of Canada or a province;
- **(c)** a corporation incorporated under the laws of Canada or a province whose shares are not listed on a stock exchange in Canada for which a designation under section 262 of the *Income Tax Act* is in effect and that is controlled by a person referred to in paragraph (a) or (b); and
- **(d)** a prescribed person or entity. (*non-Canadien*)

permanent resident has the same meaning as in subsection 2(1) of the *Immigration and Refugee Protection Act*. (*résident permanent*)

prescribed means prescribed by regulation. (*Version anglaise seulement*)

residential property means any real property or immovable, other than a prescribed real property or immovable, that is situated in Canada and that is

- **(a)** a detached house or similar building, containing not more than three dwelling units, together with that proportion of the appurtenances to the building and the land subjacent or immediately contiguous to the building that is reasonably necessary for its use and enjoyment as a place of residence for individuals;

- **(b)** a part of a building that is a semi-detached house, rowhouse unit, residential condominium unit or other similar premises that is, or is intended to be, a separate parcel or other division of real property or immovable owned, or intended to be owned, apart from any other unit in the building, together with that proportion of any common areas and other appurtenances to the building and the land subjacent or immediately contiguous to the building that is attributable to the house, unit or premises and that is reasonably necessary for its use and enjoyment as a place of residence for individuals; or
- **(c)** any prescribed real property or immovable. (*immeuble résidentiel*)

Designation of Minister

3 The Governor in Council may, by order, designate any federal minister to be the Minister for the purposes of this Act.

Prohibition

4 (1) Despite section 34 of the *Citizenship Act*, it is prohibited for a non-Canadian to purchase, directly or indirectly, any residential property.

Exception – persons

(2) Subsection (1) does not apply to

- **(a)** a temporary resident within the meaning of the *Immigration and Refugee Protection Act* who satisfies prescribed conditions;
- **(b)** a protected person within the meaning of subsection 95(2) of that Act;
- **(c)** an individual who is a non-Canadian and who purchases residential property in Canada with their spouse or common-law partner if the spouse or common law-partner is a Canadian citizen, person registered as an Indian under the *Indian Act*, permanent resident or person referred to in paragraph (a) or (b); or
- **(d)** a person of a prescribed class of persons.

Exception – circumstances

(3) Subsection (1) does not apply in prescribed circumstances.

Foreign state

(4) For greater certainty, nothing in subsection (1) is to be construed as hindering a foreign state from purchasing residential property for diplomatic or consular purposes.

Non-application

(5) Subsection (1) does not apply if the non-Canadian becomes liable or assumes liability under an agreement of purchase and sale of the residential property before the day on which this Act comes into force.

Validity

5 The contravention of section 4 does not affect the validity of the sale of the residential property to which the contravention relates.

Offence

6 (1) Every non-Canadian that contravenes section 4 and every person or entity that counsels, induces, aids or abets or attempts to counsel, induce, aid or abet a non-Canadian to purchase, directly or indirectly, any residential property knowing that the non-Canadian is prohibited under this Act from purchasing the residential property is guilty of an offence and liable on summary conviction to a fine of not more than \$10,000.

Party to offence

(2) If a corporation or entity commits an offence, any of the following persons that directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and liable for the offence whether or not the corporation or entity has been prosecuted or convicted:

- **(a)** an officer, director or agent or mandatary of the corporation or entity;
- **(b)** a senior official of the corporation or entity;
- **(c)** any individual authorized to exercise managerial or supervisory functions on behalf of the corporation or entity.

Order

7 (1) If a non-Canadian is convicted of having contravened section 4, the superior court of the province in which the residential property to which the contravention relates is situated may, on application of the Minister, order the residential property to be sold in the prescribed manner and under prescribed conditions.

Terms

(2) Subject to the regulations, the superior court may make the order subject to any terms that it considers appropriate.

Regulations

8 (1) The Governor in Council may, on the recommendation of the Minister after consultation with the Minister of Finance, make regulations

- **(a)** defining “control” for the purposes of this Act;
- **(b)** respecting what constitutes a purchase for the purposes of this Act;
- **(c)** respecting the making of orders under section 7; and
- **(d)** prescribing anything that by this Act is to be prescribed.

Paragraph (1)(c)

(2) Regulations made under paragraph (1)(c) must provide that no non-Canadian receive from the proceeds that results from a sale of a residential property ordered under section 7 more than the purchase price they paid for the residential property.

Repeal

Repeal

236 *The Prohibition on the Purchase of Residential Property by Non-Canadians Act* is repealed.

Coming into Force

Coming into force

237 (1) Section 235 comes into force on January 1, 2023.

Second anniversary

(2) Section 236 comes into force on the second anniversary of the day on which section 235 comes into force.