



Conveyances Involving Trusts Land Transfer Tax Act

This bulletin was revised June 2008 to incorporate formatting changes and changes in ministry name and contact information only.

- This bulletin provides clarification of the application of the Land Transfer Tax Act (Act) to conveyances involving trusts.
- This bulletin replaces Tax Bulletin LTT 9-2000. The [Guide to the Requirements to Evidence NIL Value of Consideration for Conveyances Involving Trusts](#) replaces the previous guides numbered LT106, LT107 and LT108 which were attached to Tax Bulletin LTT 9-2000.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Land Transfer Tax Act* and its regulations.

General

Introduction A conveyance involving trusts may be submitted for registration as an electronic document or tendered directly to the Land Registrar for processing and registration, without preapproval from the Ministry of Revenue.

Supplementary documentation must be provided as set out below

When There has been No Change in Beneficial Ownership

General Provided there has been no change in beneficial ownership since the transferor obtained registered title, the "Value of the Consideration" (as defined in the Act) for a subsequent trust conveyance will be **NIL**. As a result, there is no land transfer tax payable.

Electronic Registration In order to electronically register a conveyance involving a trust where there has been no change in beneficial ownership, the following statements on the Nominal Tab must be selected:

Statement 9049 - Explanation for nominal consideration:

AND EITHER

Statement 9051 - b) trustee to trustee (evidence required to be submitted)

OR

Statement 9052 - c) beneficial owner to trustee (evidence required to be submitted)

OR

Statement 9053 - d) trustee to beneficial owner (evidence required to be submitted)

The evidence which is required to be submitted is a completed supplementary trust affidavit setting out the facts which entitle the instrument to be registered with nil "Value of the Consideration". This affidavit is to be submitted to the Land Registrar in order for certification of title to be completed.

Paper Registration	<p>In order to register a paper Transfer/Deed involving a trust where there has been no change in the beneficial ownership, the following documents must be presented for registration in order for registration to take place without the payment of tax:</p> <ul style="list-style-type: none"> • three original signed Land Transfer Tax Affidavit forms. One affidavit is attached to the original Transfer/Deed, one is attached to the duplicate Transfer/Deed and the third unattached affidavit is to be tendered to the Land Registrar, and • a completed supplementary trust affidavit setting out the facts which entitle the instrument to be registered with nil "Value of the Consideration".
Supplementary Trust Affidavit	<p>The Ministry has prepared a Guide to the Requirements to Evidence NIL Value of Consideration for Conveyances Involving Trusts. This guide must be followed when preparing the supplementary trust affidavit and is attached to this bulletin.</p>

Change in Beneficial Ownership Prior to July 19, 1989

General	<p>If there has been no change in beneficial ownership since the transferor acquired title to the property, the "Value of the Consideration" will be nil for a conveyance in which only the legal title to the land is transferred. However, where there was a change in beneficial ownership after the transferor acquired title and before July 19, 1989, land transfer tax will be payable on registration of the conveyance.</p>
Trustee to Beneficial Owner	<p>In the case of a conveyance from a trustee to a beneficial owner where:</p> <ul style="list-style-type: none"> • the beneficial owner was not the beneficial owner at the time the trustee acquired legal title and • the beneficial owner obtained beneficial ownership prior to July 19, 1989, <p>the Land Transfer Tax Affidavit must be completed showing the "Value of the Consideration" for the transaction which resulted in the change in beneficial ownership. Tax is payable when the conveyance to the beneficial owner is registered. No supplementary trust affidavit is required for registration.</p>
Trustee to Trustee	<p>In the case of a conveyance from a trustee-transferor to a trustee-transferee where:</p> <ul style="list-style-type: none"> • the beneficial ownership changed after the trustee-transferor acquired registered title, and • the beneficial ownership changed prior to July 19, 1989, and • valuable consideration was given to obtain beneficial ownership, <p>the definition of "Value of the Consideration" deems the consideration to be equal to the fair market value of the land at the date of registration. The Land Transfer Tax Affidavit must be completed showing the deemed "Value of the Consideration", and tax is payable when the conveyance to the trustee-transferee is registered. No supplementary trust affidavit is required for registration.</p>
Beneficial Owner to Trustee	<p>In the case of a conveyance from a beneficial owner to a trustee where:</p> <ul style="list-style-type: none"> • the beneficial owner was originally registered on title as a trustee and • the beneficial owner obtained his or her beneficial ownership after acquiring legal title and prior to July 19, 1989,

the [Land Transfer Tax Affidavit](#) must be completed showing the “Value of the Consideration” for the transaction in which the beneficial owner obtained beneficial ownership. Tax is payable when the conveyance to the trustee is registered. No supplementary trust affidavit is required for registration.

Change in Beneficial Ownership After July 18, 1989

Unregistered Dispositions	A change in beneficial ownership in land which occurred after July 18, 1989, evidence of which is not registered on title within 30 days of the change, is subject to tax under section 3 of the Act. A Return on the Acquisition of a Beneficial Interest in Land form must be submitted to the minister within 30 days of the change in beneficial ownership. If this has been overlooked, the ministry encourages you to make use of its Voluntary Disclosure Policy, in which any penalties for not filing the return and paying the tax on time may be waived when certain conditions are met. For more information, please refer to the ministry’s Tax Information Bulletin “Voluntary Disclosure” which may be obtained by contacting the ministry at the address at the end of this bulletin, or on the ministry’s web site ontario.ca/revenue .
Tax Previously Paid	Subsection 3(6) of the Act provides that if the tax is paid under section 3 of the Act, then any subsequent registration evidencing the change in beneficial ownership will not attract tax a second time under section 2 of the Act. However, the minister must be satisfied that the registration will evidence only the change in beneficial ownership upon which tax was paid. In order to register a transfer/deed involving a trust in which there has been a change of beneficial ownership since the transferor obtained title, an application under subsection 3(7) must be made to the minister at the address at the end of this bulletin.
Electronic Registration	<p>Where the transfer is to be submitted electronically, the following documentation must be submitted to the Land Taxes section of the ministry to obtain an endorsement to indicate that land transfer tax has been paid:</p> <ul style="list-style-type: none"> • two hard copies of the document to be registered, and • a completed supplementary trust affidavit. The Guide to the Requirements to Evidence NIL Value of Consideration for Conveyances Involving Trusts, must be followed when preparing the supplementary trust affidavit, with modifications setting out the particulars of the change in beneficial ownership, the consideration paid and the date tax was paid to the ministry. <p>The land transfer statements must be completed on the hard copies of the document to be submitted for registration. Statement 9089 must be selected under the exemption tab of the electronic affidavit:</p> <p style="padding-left: 40px;">“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)”.</p> <p>One hard copy of the document to be registered will be endorsed by the ministry with the receipt number, and returned. This endorsed document must be submitted to the Land Registrar as evidence that the endorsement from the ministry was received.</p>
Paper Registration	<p>If a paper Transfer/Deed will be registered, then the following documentation must be submitted to the Land Taxes section of the ministry to obtain an endorsement by the ministry to indicate that land transfer tax has been paid:</p> <ul style="list-style-type: none"> • one original and two duplicate copies of the Transfer/Deed to be registered, and • a completed supplementary trust affidavit. The Guide to the Requirements to Evidence

[NIL Value of Consideration for Conveyances Involving Trusts](#) must be followed when preparing the supplementary trust affidavit, with modifications setting out the particulars of the change in beneficial ownership, the consideration paid and the date tax was paid to the ministry.

The original and one duplicate copy of the Transfer/Deed will be endorsed by the ministry and returned for registration.

Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

Ministry of Revenue
Land Transfer Tax Program
33 King Street West
Oshawa, ON L1H 8H9

Tel.: 1 866 ONT-TAXS (1 866 668-8297)
Fax: 905 436-4511
Teletypewriter (TTY): 1 800 263-7776

This bulletin and various other English and French tax materials published by the Ministry of Revenue may be obtained online at ontario.ca/revenue.

The *Land Transfer Tax Act* and Ontario's other public statutes and regulations may be obtained online at www.e-laws.gov.on.ca.

Ce bulletin est disponible en français.

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