

**Ministry of Finance**

Compliance Branch  
Tax Compliance & Benefits Division  
PO Box 625  
33 King Street West  
Oshawa ON L1H 8H9  
Tel: 1 866 ONT-TAXS  
Fax: 905 433-5770

**Ministère des Finances**

Direction de l'observation fiscale  
Division de l'observation fiscale et des  
avantages fiscaux  
C.P. 625  
33, rue King Ouest  
Oshawa ON L1H 8H9  
Tél: 1 866 ONT-TAXS  
Télé: 905 433-5770



## **Changes to Non-Resident Speculation Tax (Additional Tax on Foreign Entities and Taxable Trustees)**

The Non-Resident Speculation Tax (NRST) is a tax in addition to the general Land Transfer Tax (LTT) on the purchase or acquisition of an interest in residential by individuals who are not citizens or permanent residents of Canada or by foreign corporations (foreign entities) and taxable trustees.

Effective October 25, 2022, the Non-Resident Speculation Tax has been increased to 25%.

The changes apply to conveyances of land tendered for registration after October 24, 2022.

**Pending updates, Teraview will only calculated NRST up to 20%.** For conveyances subject to the 25% rate, the additional 5% must be paid directly to the Ministry of Finance. Instructions are set out below.

### **Transitional Provisions**

#### **20% Additional Tax**

The additional tax is 20% if all of the following criteria apply:

- the conveyance is pursuant to an agreement of purchase and sale or any assignment of an agreement of purchase and sale entered after March 29, 2022 but on or before October 24, 2022, and
- the land is not conveyed to any foreign entity 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.

#### **15% Additional Tax**

The additional tax is 15% if all of the following criteria apply:

- the conveyance is of designated land located within the Greater Golden Horseshoe Region,

- the conveyance is pursuant to an agreement of purchase and sale or any assignment of an agreement of purchase and sale entered into on or before March 29, 2022 and on or after April 21, 2017, and
- the land is not conveyed to any foreign entity 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.

### **Additional Tax Not Payable**

The additional tax is not payable if all of the following criteria apply:

- the conveyance is of land located outside the Greater Golden Horseshoe Region,
- the conveyance is pursuant to an agreement of purchase and sale or any assignment of an agreement of purchase and sale entered into on or before March 29, 2022, and
- the land is not conveyed to any foreign entity 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.

For clarification, the transitional provisions will not apply if land is conveyed to any foreign entity 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. The applicable tax rate is 25%.

### **NRST statements**

All conveyance must contain a declaration of NRST liability. The current applicable statements are:

- 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 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 or purchase and sale that was entered into AFTER March 29, 2022.

If the conveyance is subject to NRST, the registrant must select statement 9170 AND

- 9171 AND (9189 OR 9190 OR 9191) OR
- 9172 AND (9193 OR 9194 OR 9195)

## **25% - transitional payment instructions**

In addition to selecting the applicable statements noted above for the 20 per cent tax rate, the registrant must specify in Statement 9151 (Other remarks and explanation) that the additional 5 per cent tax will be submitted to the Ministry after registration.

The following documentation must be submitted after registration:

- Cheque for the additional NRST (certified, if not drawn on the solicitor's trust account), made payable to the "Minister of Finance"
- Copy of the Agreement of Purchase and Sale, with all schedules attached, and any assignments
- Copy of the draft Statement of Adjustments (if applicable)

- 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
- Any additional documents as may be required to determine the value of the consideration
- [Authorizing or Cancelling a Representative](#) form(s), completed by each transferee (if applicable)
- Proof of payment of LTT and NRST (such as a Teraview docket summary)
- Completed [Land Transfer Tax Affidavit](#), with a statement specifying that the conveyance is subject to the 25 per cent NRST rate

Note that payment of the additional NRST after registration of a conveyance is subject to interest.

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

For more information, please review the Ontario Ministry of Finance website (<https://www.fin.gov.on.ca/en/tax/lt/>) or call 1-866-668 8297