

Ministry of Finance
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Tax Compliance and Benefits Division

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December 8, 2017

To: The Law Society of Upper Canada

RE: Section 5.0.3 of the *Land Transfer Tax Act*

The following describes the enforcement policy of the Ministry of Finance with respect to the application of section 5.0.3 of the *Land Transfer Tax Act* to lawyers in good standing with the Law Society of Upper Canada (LSUC) who act for persons that purchase or acquire land in Ontario.

This policy recognizes that lawyers are held to high ethical standards and are required to follow the LSUC's *Rules of Professional Conduct* and its *By-Laws*, through professional regulation by the LSUC. Therefore, the Ministry will exercise discretion not to enforce section 5.0.3 against a lawyer who makes, or assists in making a statement in a statement, affidavit or return required under section 5 of the Act on behalf of his or her client; lawyers will be expected to meet their professional obligations in accordance with the requirements of the LSUC. This exercise of discretion may not apply where there is evidence of a lawyer failing to meet the LSUC's professional obligations in making or assisting in making these statements.

This policy only applies with respect to the enforcement of section 5.0.3 of the Act. For greater certainty, this policy does not apply to section 6 of the Act.

Sincerely,



Agatha Garcia-Wright
Assistant Deputy Minister

cc: Heather Bowie, Director, Compliance Branch
Michael Waterston, Director (A), Legal Services Branch
Sriram Subrahmanyam, Assistant Deputy Minister, Taxation Policy Division