

CHECKLIST: GST DUE DILIGENCE REPRESENTING BUYERS

The following checklist identifies the due diligence activities real estate professionals should undertake when representing buyers regarding GST. It is not an exhaustive list of all GST-related matters that may relate to a potential real estate transaction, but is provided to assist real estate professionals in their residential practice.

This GST information only relates to the sale or purchase of residential properties. As this information only relates to residential properties, this information should not be used for non-residential real estate transactions. Note: RECA's definition of residential may differ from Canada Revenue Agency's definition.

WHEN REPRESENTING BUYERS	Done
<p>Educate Buyers About GST Potentially Being a Concern in a Transaction</p> <ul style="list-style-type: none"> • Educate buyer about the potential for GST to be a concern in a transaction • Advise buyer that GST may be applicable to the property transaction 	<input type="checkbox"/> <input type="checkbox"/>
<p>Have Seller Confirm if GST is Applicable to the Property</p> <ul style="list-style-type: none"> • Ask seller/seller's real estate professional if GST applies to the property • If seller will not confirm if GST is applicable to the property, include a clause in the purchase contract that states that GST is included in the purchase price and is payable by the seller 	<input type="checkbox"/> <input type="checkbox"/>
<p>If GST is applicable to the property</p> <ul style="list-style-type: none"> • Advise buyer to consult with the GST expert to get advice regarding GST in the transaction • Determine if seller is a non-resident of Canada: <ul style="list-style-type: none"> - If seller is a non-resident buyer must remit the GST • Recommend the buyer discuss the GST-related matters in the offer to purchase with the GST expert • Update brokerage file to reflect all discussions with the buyer and all information received 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>