

CHECKLIST: GST DUE DILIGENCE REPRESENTING SELLERS

The following checklist identifies the due diligence activities real estate professionals should undertake when representing sellers 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 SELLERS	Done
<p>Educate Sellers About GST Potentially Being a Concern in a Transaction</p> <ul style="list-style-type: none"> • Educate seller about the potential for GST to be a concern in a transaction • Advise seller that GST may be applicable to the property transaction 	<input type="checkbox"/> <input type="checkbox"/>
<p>Have Seller Determine if GST is Applicable to the Property</p> <ul style="list-style-type: none"> • Advise seller to engage a GST expert to determine if GST applies to the property (real estate professionals must never advise whether or not GST is applicable to a property) 	<input type="checkbox"/>
<p>If GST is applicable to the property</p> <ul style="list-style-type: none"> • Advise seller to consult with the GST expert to get advice regarding GST in the transaction • Recommend the seller discuss the GST-related matters in the offer to purchase with the GST expert • Update brokerage file to reflect all discussions with the seller and all information received 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>