

LEGEND — NA = Not applicable L = Lawyer LA = Legal assistant ACTION TO BE CONSIDERED	NA	L	LA	DATE DUE	DATE DONE
<p style="text-align: center;">INTRODUCTION</p> <p>Purpose and currency of checklist. This checklist is designed to be used with the CLIENT IDENTIFICATION, VERIFICATION, AND SOURCE OF MONEY (A-1), CLIENT FILE OPENING AND CLOSING (A-2), and ASSET PURCHASE AGREEMENT DRAFTING (B-2) checklists. It is primarily intended for use by the purchaser’s lawyer, but may be of use as a guide to the vendor’s lawyer. This checklist is current to September 1, 2021.</p> <p>New developments:</p> <ul style="list-style-type: none"> • COVID-19 pandemic. The COVID-19 pandemic continues to have significant impacts on business, including mergers and acquisitions: inability to attend, or aversion to, in-person meetings; possible delays at government agencies and public registries; border closures; unpredictable economic circumstances, etc. Counsel should keep apprised of developments related to COVID-19 (and response measures) that may affect transactions. Note that: <ul style="list-style-type: none"> ○ The Land Title Survey Authority has implemented temporary practice changes that remain effective until further notice. The main changes involve remote witnessing procedures and acceptance of true copies instead of originals. For further information see: tsa.ca/covid-19-resources/. ○ Counsel conducting due diligence searches will need to be mindful of the impact of the COVID-19 pandemic on the due diligence process. Response times for search requests may be delayed and, accordingly, such delays should be accounted for in the due diligence timeline. Counsel should be aware that search results may not disclose certain actions, fines, levies, or administrative penalties which have been delayed but are otherwise permitted to be filed or issued beyond the typical limitation period. • New Arbitration Act. The <i>Arbitration Act</i>, S.B.C. 2020, c. 2, came into force on September 1, 2020. It is strongly recommended that practitioners review the new legislation prior to drafting or revising arbitration clauses in agreements. • Enhanced Scrutiny under the Investment Canada Act, R.S.C. 1985, c. 28 (1st Supp.), s. 3. On April 18, 2020, in response to COVID-19, the Minister of Innovation, Science and Industry announced a new policy under which the Government of Canada will subject certain foreign investments to additional scrutiny. The policy targets foreign investments in Canadian businesses that are related to public health or involved in the supply of critical goods and services. See the full policy statement at “Investment Canada Act—Policy Statement on Foreign Investment Review and COVID-19”. • Land Owner Transparency Act. The <i>Land Owner Transparency Act</i>, S.B.C. 2019, c. 23 (the “LOTA”) came into force on November 30, 2020 (except for certain specified provisions that came into force on April 30, 2021). The Act includes the Land Owner Transparency Regulation, B.C. Reg. 250/2020, also made effective November 30, 2020. The <i>LOTA</i> requires a transparency declaration to be filed in the new Land Owner Transparency Register (the “LOTR”) any time an application is made to register or transfer an interest in land under the <i>Land Title Act</i>, R.S.B.C. 1996, c. 250. The LOTR will be administered by the Land Title and Survey Authority of British Columbia. A reporting body under the <i>LOTA</i>—which includes most corporations, trusts, and partnerships, subject to limited exemptions—will have to file a transparency report any time there is a change in interest holders or beneficial owners, even if legal title is not transferred. For further information, see the Land Owner Transparency Registry website and also the course presentation and materials by S. Carter, R. Dankody, 					

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<p>and C.R. MacDonald, “Land Title and Survey Authority of British Columbia: Land Owner Transparency Registry”, in <i>Residential Real Estate Conference 2020</i> (CLEBC, 2020), available through CLEBC Courses on Demand.</p> <ul style="list-style-type: none"> Exemptions on additional property transfer tax on foreign entities. The Property Transfer Tax Regulation, B.C. Reg. 74/88 provides for relief, in certain circumstances, from the additional 20% property transfer tax on transfers of residential property in the Metro Vancouver Regional District, Capital Regional District, Regional District of Central Okanagan, Fraser Valley Regional District, and Regional District of Nanaimo to “foreign entities”. Effective June 1, 2020, see s. 22 for the “Exemption for general partner or bare trustee in limited partnership”. See also ss. 17.1 to 20 for the exemption for a foreign national who has confirmation as a worker under the Provincial Nominee Program and s. 21 regarding the refund of the extra tax paid by a transferee who became a Canadian citizen or permanent resident within one year of the registration date. Transparency register. The operative provisions of the <i>Business Corporations Amendment Act, 2019</i>, S.B.C., 2019, c. 15 came into force on October 1, 2020 (B.C. Reg. 77/2020). The Act requires private companies incorporated under the <i>Business Corporations Act</i>, S.B.C. 2002, c. 57 (the “BCA”) to create and maintain a “transparency register” of information about “significant individuals”. Individuals will be considered “significant individuals” if: they directly or indirectly own, or indirectly control, 25% or more of the issued shares of the company, or shares that carry 25% or more of the voting rights of the company; or they are able to exercise rights or influence, directly or indirectly, that would result in the election, appointment, or removal of the majority of the company’s directors. If two or more individuals meet the above criteria by jointly holding the prescribed interest or right, then each will be deemed a “significant individual”. Similarly, two or more individuals who are acting in concert, or who meet the definition of “associate” in s. 192(1) of the <i>BCA</i>, must add their interests together. If the group meets the above criteria, the company must list every member of the group as significant individuals in its transparency register. The transparency register must contain the following information for each significant individual: full name, date of birth, and last known address; whether the individual is a Canadian citizen or permanent resident of Canada and, if not, a list of every country of which the individual is a citizen; whether the individual is a resident of Canada for tax purposes; the date on which the individual became or ceased to be a significant individual; a description of how the individual meets the definition of a significant individual; and any further information that may be required by regulation. For more information, see “Bearer Share Certificate Elimination & Transparency Register”. Benefit companies. The legislation governing benefit companies came into force on June 30, 2020 with changes to the <i>BCA</i>. A benefit company is a for-profit company that conducts business in a sustainable and responsible manner, while promoting one or more public benefits. For more information on benefit companies, see “Incorporating a Benefit Company” (PDF) and Part 2.3 of the <i>BCA</i>. 					

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<ul style="list-style-type: none"> MRAS. The Multi-Jurisdictional Registry Access Service (the “MRAS”) was introduced on June 29, 2020. The MRAS allows for the sharing of information under the New West Partnership Trade Agreement (the “NWPTA”). Extraprovincial registration (or cancellation thereof) under the NWPTA is no longer made through the home jurisdiction; it must now be made through each extraprovincial jurisdiction. For instance, prior to June 29, 2020, when a British Columbia company wanted to be extraprovincially registered in Alberta, the filing was made through BC Online. Now the extraprovincial filing must be made through the Alberta Corporate Registry. Manitoba joins the NWPTA. British Columbia and Alberta agreed, under the <i>Trade, Investment and Labour Mobility Agreement</i>, to reconcile their business registration and reporting requirements, so that an enterprise meeting the requirements of one province will be deemed to meet the requirements of the other. The relevant provisions of the <i>Trade, Investment and Labour Mobility Agreement Implementation Act</i>, S.B.C. 2008, c. 39 (the “<i>TILMA Act</i>”), and the Extraprovincial Companies and Foreign Entities from a Designated Province Regulation, B.C. Reg. 88/2009, came into force on April 27, 2009. The <i>TILMA Act</i> added several sections to the <i>BCA</i> and amended others. The NWPTA between British Columbia, Alberta, Saskatchewan, and Manitoba eliminates the requirement for British Columbia companies extraprovincially registered in those provinces to make separate filings there for annual returns or changes of directors (it does not eliminate the need for extraprovincial registration). Manitoba’s financial services and business registration and reporting became subject to the NWPTA effective January 1, 2020. For information about corporate registry procedures pursuant to the NWPTA, visit the NWPTA page on the Corporate Registry website at www.bcregistryservices.gov.bc.ca. <p>Of note:</p> <ul style="list-style-type: none"> Money laundering—companies, trusts, and other entities. The prevalence of money laundering in British Columbia (particularly in the area of real estate) continues to be a concern. In response to media reports and independent reviews into money laundering by retired RCMP deputy commissioner Dr. Peter Geman, Q.C. and an expert panel led by Maureen Maloney, Q.C., a professor at Simon Fraser University, Burnaby, and former deputy attorney general, the provincial government established the Commission of Inquiry into Money Laundering in British Columbia, with Austin Cullen J. appointed as the commissioner. The inquiry’s broad mandate includes the real estate and professional services sectors (including lawyers). It also includes the corporate sector in relation to the use of shell companies, trusts, securities, and financial instruments. The Law Society is a participant in the inquiry. The commissioner’s final report on money laundering in British Columbia, with recommendations, was scheduled for delivery in May 2021 but was granted an extension to December 15, 2021, as a result of the provincial election. <p>As a means of laundering money, criminals use ordinary legal instruments (such as shell and numbered companies, bare trusts, and nominees) in the attempt to disguise the true owners of real property, the beneficial owners. These efforts can be hard to detect. As such, lawyers must assess the facts and context of the proposed retainer and financial transactions. Lawyers should be aware of red flags, and if a lawyer has doubts or suspicions about whether they could be assisting in any dishonesty, crime, or fraud, they should make enough inquiries to determine whether it is appropriate to act (<i>BC Code</i> rules 3.2-7 and 3.2-8 and Law Society Rules 3-103(4), 3-109, and 3-110). See the resources on the Law Society’s Client ID & Verification resources webpage such as the Source of</p>					

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<p>Money FAQs and Risk Assessment Case Studies for the Legal Profession in the context of real estate, trusts, and companies, and the Red Flags Quick Reference Guide. Also see the Risk Advisories for the Legal Profession regarding real estate, shell corporations, private lending, trusts, and litigation; “Real Estate Transactions—Know Your Client Primer” (PDF) (Benchers’ Bulletin, Summer 2021); and the Discipline Advisories including country/geographic risk and private lending. Lawyers may contact a Law Society practice advisor at practiceadvice@lsbc.org for a consultation about the applicable <i>BC Code</i> rules and Law Society Rules and obtain guidance.</p> <ul style="list-style-type: none"> • Aboriginal law. Special considerations apply to businesses involving “Indians” and “reserves” (both as defined in the <i>Indian Act</i>, R.S.C. 1985, c. I-5). While significant tax and other advantages may be available under the <i>Indian Act</i>, these are affected by the type of business, transaction nature, business entity (sole proprietorship, partnership, joint venture, trust, or incorporated company), location of business activity on or off reserve land, and the specific reserve and its governance. If the transaction involves reserve or First Nation lands, consider seeking the advice of a lawyer who has experience in Aboriginal law matters. Further information on Aboriginal law issues is available on the “Aboriginal Law” page on the “Practice Areas” section of the Continuing Legal Education Society of British Columbia website (www.cle.bc.ca) and in other CLEBC publications. See also <i>Negotiating and Structuring Business Transactions with First Nations 2011</i> (CLEBC, 2011). • Additional resources. For further information about asset purchase procedures, see <i>Advising British Columbia Businesses</i> (CLEBC, 2006–); <i>Buying and Selling a Business: Annotated Precedents</i> (CLEBC, 2000–); <i>British Columbia Personal Property Security Act Practice Manual</i> (CLEBC, 1995–); and the <i>Due Diligence Deskbook</i> (CLEBC, 1994–). • Law Society of British Columbia. For changes to the Law Society Rules and other Law Society updates and issues “of note”, see LAW SOCIETY NOTABLE UPDATES LIST (A-3). Note in particular the commentary on fraud prevention, bank holds on trust funds, and all other matters that may be relevant to purchase and sale transactions. The Law Society’s resources related to procedures generally and issues arising from COVID-19 can be viewed at COVID recovery The Law Society of British Columbia <p style="text-align: center;">CONTENTS</p> <ol style="list-style-type: none"> 1. Initial Contact 2. Initial Interview 3. After the Initial Interview 4. Drafting the Agreement 5. Prior to Closing 6. Closing 7. Post Closing 					

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CHECKLIST					
1. INITIAL CONTACT					
1.1 Arrange the initial interview.					
1.2 Ask the client to bring to the initial interview all available financial and operational information on the target company and vendor, particularly financial statements, annual reports, prospectuses, press releases, list of assets, contracts, leases, government permits, etc. Where information is not available, consider how it will be obtained.					
1.3 Conduct a conflicts of interest check. Refer to the CLIENT FILE OPENING AND CLOSING (A-2) checklist.					
1.4 Confirm compliance with Law Society Rules 3-98 to 3-110 for client identification and verification and source of money for financial transactions and complete the CLIENT IDENTIFICATION, VERIFICATION, AND SOURCE OF MONEY PROCEDURE (A-1) checklist. Consider periodic monitoring requirements (Law Society Rule 3-110).					
2. INITIAL INTERVIEW					
2.1 Discuss the terms of your retainer and the calculation of your fee. Refer to the CLIENT FILE OPENING AND CLOSING (A-2) checklist. Clarify your role in the transaction and that of other advisors to the client. Make it clear for whom you are acting (in particular, if there is more than one purchaser). Urge others, in writing, to get independent legal representation. Make it clear that you are not protecting their interests and that you are acting exclusively in the interests of your client (<i>Code of Professional Conduct for British Columbia</i> (the “BC Code”), rule 7.2-9).					
2.2 Determine whether the client has already reached an agreement with the vendor concerning the general terms of the transaction. If not:					
.1 Advise the client regarding the possibility of structuring the transaction as a share purchase (if appropriate in the circumstances). Consider the tax consequences of purchasing assets versus purchasing shares.					
.2 Consider signing a confidentiality agreement to allow negotiations to commence. If the client and vendor are competitors, consider safe-guards in sharing competitively sensitive information. Sharing competitively sensitive information can be problematic, particularly if the transaction fails to close. Consider the implications of the <i>Competition Act</i> , R.S.C. 1985, c. C-34.					
2.3 Determine the client’s objectives and why the client wants to complete this transaction. Will it be integrated into an existing business? Assess any impact on the client’s existing business, if relevant. Seek to determine specific risks and regulatory requirements that may be of concern to the purchaser.					
2.4 Consider the name under which the business will be conducted post-closing to determine due diligence of trademarks and other intellectual property.					

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<p>2.5 Review financial statements and other information with the client, the client’s accountant, and tax advisor (if you are not providing tax advice).</p> <p>2.6 Determine the principal elements of the transaction: who is buying what from whom, and for how much? How does the client intend to finance the transaction? Are there any conditions to be met before the deal can proceed (e.g., regulatory approvals)? Are there any third-party consents or assignments that need to be obtained (e.g., landlord’s consent to an assignment of lease)? Are there any unusual restrictions, covenants, or conditions that are important? Does the business being conducted by the company involve any particular risks (e.g., environmental), and how are these risks to be allocated between the purchaser and the vendor? Are there any special or unusual procedures that need to be followed (e.g., governmental consultation with Indigenous groups)? Consider the use of any restrictive covenant against the vendor and the target, and its enforceability.</p> <p>2.7 Review any tax implications of the transaction: .1 Consider the applicability of PST/GST and input tax credits.</p> <p>2.8 If you are not in a position to act, advise the client. Make a record of the advice given, and file your notes. Send a non-engagement letter (for samples, see the Law Society website at www.lawsociety.bc.ca/Website/media/Shared/docs/practice/resources/Ltrs-NonEngagement.pdf).</p>					
<p>3. AFTER THE INITIAL INTERVIEW</p>					
<p>3.1 Confirm your retainer. Refer to the CLIENT FILE OPENING AND CLOSING (A-2) checklist. Confirm compliance with Law Society Rules 3-98 to 3-110 on client identification and verification (see item 1.4 in this checklist).</p> <p>3.2 If the client is a company, verify who has the authority to give instructions. Consider having a directors’ resolution confirm your retainer and giving one officer or director the authority to instruct you.</p> <p>3.3 If the client has not reached a tentative agreement with the vendor, draft a letter of intent outlining the transaction in clear terms. Consider whether the client wishes the letter of intent (or any parts of it) to be binding. Review the letter with the client to ensure that it reflects their intentions. Forward the letter to the vendor. Negotiate, if so instructed.</p> <p>3.4 Finalize the arrangements regarding financing, if any, if so instructed.</p> <p>3.5 Initiate the necessary searches to complete the due diligence for the transaction and, where necessary, obtain written authorization from the vendor and its shareholders for release of information and the relevant government account numbers (note: certain searches may vary for federally regulated undertakings even if operated only in British Columbia). Consider in particular the following:</p>					

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<p>.1 Corporate Registry (or equivalent office in jurisdiction of incorporation) re: memorandum (where still applicable), notice of articles, articles, and any amendments; registered and records offices; annual reports; directors and officers; whether the company has been struck off and subsequently restored; copies of encumbrances which may still bind the company; order certificate of good standing; check that there is no notice of dissent pursuant to s. 301 of the <i>Business Corporations Act</i>, S.B.C. 2002, c. 57.</p> <p>.2 Personal Property Registry.</p> <p>.3 ICBC Vehicle Records Department.</p> <p>.4 Land Title Office search for judgments; title; copies of charges and permitted encumbrances; copies of leases and restrictive covenants; other relevant information. (a) Consider searching Land Owner Transparency Register (see “<i>Land Owner Transparency Act</i>” under “New developments” in this checklist).</p> <p>.5 Office of the Superintendent of Bankruptcy (Innovation, Science and Economic Development Canada).</p> <p>.6 Canadian Securities Registration Systems for security under the <i>Bank Act</i>, S.C. 1991, c. 46, s. 427.</p> <p>.7 Canada Revenue Agency: (a) Income tax re: source deductions and corporate or personal income tax. (b) GST/HST.</p> <p>.8 B.C. Ministry of Finance: PST.</p> <p>.9 WorkSafeBC.</p> <p>.10 Employment Standards Branch.</p> <p>.11 Labour Relations Board. Search for pending certifications, collective agreements, or any disputes before the Board involving the target company.</p> <p>.12 Consider searches re: other special assets being acquired (e.g., Mineral Titles Online, Ministry of Forests, Lands, Natural Resource Operations and Rural Development, Canadian Register of Vessels (Commercial and Pleasure Craft), Small Vessel Register (Commercial)).</p> <p>.13 Insurance agent (confirming placement of adequate insurance).</p> <p>.14 Municipal offices re: taxes and utilities; planning department; licences and permits; fire inspector; health inspector; zoning and restrictive by-laws.</p> <p>.15 Court registry search re: actions commenced against the vendor and/or its shareholders (consider which registries to search).</p> <p>.16 Sheriff’s offices for writs of executions.</p> <p>.17 Environmental matters: environment ministries (federal and provincial), Fisheries and Oceans Canada, Contaminated Site Registry. Consider having an environmental audit conducted.</p>					

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<p>.18 Canadian Intellectual Property Office (patents, trademarks, copyrights, etc.).</p> <p>.19 Consider searching the Canadian Internet Registration Authority (www.cira.ca); perform domain name due diligence.</p> <p>.20 Review the <i>Due Diligence Deskbook</i> (CLEBC, 1994–) for other possibly relevant searches and the appropriate scope of the searches.</p> <p>3.6 Review all material contracts, including leases and licences, and permits to be assigned, and consider whether consents to assignment are required.</p> <p>3.7 Consider consulting a tax expert.</p> <p>3.8 Consider the impacts on the transaction of the <i>Family Law Act</i>, S.B.C. 2011, c. 25 (or, if applicable, the former legislation, <i>Family Relations Act</i>, R.S.B.C. 1996, c. 128); <i>Investment Canada Act</i>, R.S.C. 1985, c. 28 (1st Supp.); <i>Competition Act</i>, R.S.C. 1985, c. C-34 (i.e., regarding mergers and notifiable transactions); and other relevant legislation.</p> <p>3.9 Open a document file and retain successive drafts of the agreement. Open a separate sub-file for each major document required in the transaction.</p>					
<p>4. DRAFTING THE AGREEMENT</p>					
<p>4.1 Before drafting the agreement, prepare a timetable and a draft of the closing agenda that will act as a reminder of what is required in the transaction and when. See <i>Buying and Selling a Business: Annotated Precedents</i> (CLEBC, 2000–) for a sample closing agenda for an asset purchase.</p> <p>4.2 Prepare an outline of the document. The ASSET PURCHASE AGREEMENT DRAFTING (B-2) checklist may serve as a basis for the document.</p> <p>4.3 Prepare the first draft.</p> <p>4.4 Review the first draft for coherence and continuity. Go over the first draft with the client to ensure that it expresses the client’s intentions.</p> <p>4.5 When you and the client are satisfied with the agreement, send it to the vendor or their lawyer for comment and changes.</p> <p>4.6 Note changes to the agreement during the course of negotiation in some readily discernible manner.</p> <p>4.7 Do not alter the document without indicating the changes to the vendor’s lawyer.</p> <p>4.8 When negotiations conclude, prepare the final agreement and check to ensure that the document reflects the transaction as it has been formulated.</p> <p>4.9 Arrange for signing of the agreement.</p>					
<p>5. PRIOR TO CLOSING</p>					
<p>5.1 Prepare or obtain all the necessary documentation (for additional considerations, see the ASSET PURCHASE AGREEMENT DRAFTING (B-2) checklist), including:</p>					

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<p>.1 Conveyancing documents with respect to the transfer of real property interests. Note the obligation to maintain the security of the digital signature. Password entry is required each time a lawyer signs an electronic document. The offence provision under s. 168.7(2) of the <i>Land Title Act</i>, R.S.B.C. 1996, c. 250, the Juricert terms and conditions, Law Society Rule 3-64.1, and <i>BC Code</i> rule 6.1-5 prohibit lawyers from permitting others to use their personalized encrypted electronic access to register documents or from disclosing to others, including support staff, the password or access phrase or number.</p> <p>.2 Bill of sale for chattels and other personal property.</p> <p>.3 Assignment of contracts.</p> <p>.4 Transfer forms for licensed vehicles, registered vessels.</p> <p>.5 Assignment of receivables.</p> <p>.6 Assignment of intangible property, such as trademarks, patents, goodwill, etc.</p> <p>.7 Third-party consents as necessary, especially re: franchises, leases, licences, all contracts essential to operate the business, etc.</p> <p>.8 Releases of encumbrances not assumed by client.</p> <p>.9 Certified extract of a resolution of the vendor company’s directors authorizing the execution, delivery, and implementation of the agreement.</p> <p>.10 Certified extract of special resolution of members of the vendor company pursuant to <i>Business Corporations Act</i>, s. 301(1), if required.</p> <p>.11 Resolution of the purchaser’s directors authorizing the transaction.</p> <p>.12 Assumption agreements, confirmation of outstanding balances, and other covenants and assurances required to procure releases with respect to liabilities or indebtedness being assumed.</p> <p>.13 Certified copies of insurance policies with transfer and consent forms duly endorsed (if applicable).</p> <p>.14 Tax remittances (confirm obligation for and timing of payment):</p> <p>(a) Certified cheque payable to the Minister of Finance for applicable PST in respect of tax payable on the transaction, together with an appropriate remittance form.</p> <p>(b) Calculation of federal GST payable on closing, if an election under <i>Excise Tax Act</i>, R.S.C. 1985, c. E-15, s. 167, is not used.</p> <p>(c) Calculation of property transfer tax payable on closing of a conveyance of real property. (Note the additional property transfer tax applicable to foreign entities pursuant to s. 2.02 of the <i>Property Transfer Tax Act</i>, R.S.B.C. 1996, c. 378. The taxable amount is 20% for property transfers of residential properties on or after February 21, 2018, in the Capital Regional District, Fraser Valley Regional District, Regional District of Central Okanagan, and Regional District of Nanaimo. See the “New Developments” section in this checklist for specified exemptions to the additional tax requirement, effective June 1, 2020.)</p>					

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<p>.15 Extraprovincial registration pursuant to the <i>Business Corporations Act</i> (where the purchaser is a foreign corporation intending to carry on business in British Columbia). See “Manitoba joins NWPTA” under “New developments” in this checklist regarding the New West Partnership Trade Agreement and extraprovincial registration.</p> <p>.16 Statements of adjustments.</p> <p>.17 Certificate pursuant to <i>Income Tax Act</i>, R.S.C. 1985, c. 1 (5th Supp.), s. 116 (regarding tax to be withheld by purchaser if the vendor is not a resident of Canada).</p> <p>.18 Security documents and financing statements under the <i>Personal Property Security Act</i>, R.S.B.C. 1996, c. 359, if required.</p> <p>.19 Employment contracts, if required.</p> <p>.20 Non-competition and confidentiality agreements.</p> <p>.21 Banking arrangements.</p> <p>.22 Opinion of the vendor’s lawyer. Consider including that the vendor is duly incorporated, validly existing, and in good standing, and all necessary steps and corporate proceedings have been taken to validate the transfer of assets, the agreement has been duly executed and delivered, and is a legal, valid, and binding obligation, enforceable against the vendor, and that lawyers know of no claims or actions affecting the assets or the transfer of the assets to the purchaser. Consider opinions specific to the transaction (see statements and opinions of the Solicitors’ Legal Opinions Committee on the Law Society website at www.lawsociety.bc.ca/support-and-resources-for-lawyers/your-practice/solicitors-legal-opinions/). See also <i>Advising British Columbia Businesses</i> (CLEBC, 2006–), chapter 7 (Legal Opinions in Business Transactions).</p> <p>.23 Evidence of appropriate filings under the <i>Investment Canada Act</i>, the <i>Competition Act</i>, and any other required regulatory consents.</p> <p>.24 <i>Excise Tax Act</i>, s. 167 election regarding GST exemption, if applicable.</p> <p>.25 <i>Income Tax Act</i>, s. 22 election regarding accounts receivable exemption, if applicable.</p> <p>.26 Name the change documents for the vendor, if applicable.</p> <p>5.2 Ensure that the conditions of the client’s obligation to close have been satisfied.</p> <p>5.3 Complete the financial arrangements.</p> <p>5.4 Prepare the final draft of the closing agenda.</p> <p>5.5 Gather together the documents needed for closing.</p> <p>5.6 Update searches for closing.</p> <p>5.7 Remind the client to arrange insurance on the assets being purchased, and that the insurance should take effect when (or before) the risk passes.</p> <p>5.8 Consider application of the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>, S.C. 2000, c. 17.</p>					

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<p>5.9 Consider timing and management of funds (payment by wire transfers, lawyers' trust accounts, Law Society trust administration fee, etc.). Use directions to pay as necessary. With regard to wire transfers, see Law Society Rules 3-64.1 and 3-64.2 and the <i>Trust Accounting Handbook</i> at www.law-society.bc.ca/docs/trust/Trust-Accounting-Handbook.pdf.</p>					
<p>6. CLOSING</p>					
<p>6.1 Ensure that all the conditions of closing are satisfied.</p>					
<p>6.2 Ensure that each party receives the appropriate documents.</p>					
<p>6.3 Transfer the property and pay the purchase price and all applicable taxes.</p>					
<p>6.4 Obtain acknowledgment in writing from each party that all conditions of closing have been satisfied or waived.</p>					
<p>6.5 Complete filings at the Land Title Office as necessary in respect of real property interests; note and attend to the requirements of the <i>LOTA</i>, where applicable (see "<i>Land Owner Transparency Act</i>" under "New developments" in this checklist). Register any financing statements and financing change statements that require registration at the Personal Property Registry. Do these registrations on or before closing, if possible.</p>					
<p>7. POST-CLOSING</p>					
<p>7.1 Send copies of insurance policies to encumbrance holders, as required.</p>					
<p>7.2 Remit GST if <i>Excise Tax Act</i>, s. 221(1), applies.</p>					
<p>7.3 Prepare a reporting letter and account as soon as practicable after closing. Forward the brief of documents to the client and indicate those matters requiring further action on the part of the client. Alternatively or additionally, advise the client to review the documents to determine what further action is required. Consider including a "post closing" section in the closing agenda, setting out all post-closing matters (e.g., filings, registrations, deferred payments, press releases), and the party responsible for each matter.</p>					
<p>7.4 Remind the client to file tax elections in time (they must be filed within the regular reporting period in which the closing falls), and advise the client to confirm with their tax advisor what filings are required.</p>					

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7.5 Close the file. See the CLIENT FILE OPENING AND CLOSING (A-2) checklist.					

