



Executive summary

Realtors in Ontario can now incorporate and pay themselves through that corporation. Significant tax advantages can now accrue to essential professionals for all the risk assumed by self-employed, commission-based registered brokerages, brokers and salespeople.

Elements of the “Trust in Real Estate Services Act, 2020” will protect consumers and real estate professionals with strong rules and a competitive environment.

Realtors should seriously consider the advantages of incorporating to explore ways to limit liability, reduce taxes, and increase income and savings.

What you need to know

On March 4, 2020 the Ontario Legislature’s Bill 145 received Royal Assent, bringing the law into force. Less than two weeks later the Premier effectively closed the province for business to protect Ontarians during the pandemic. After another twenty weeks passed, we are ready to resume more typical business activity.

Public consultation is included as specific regulations and the details of permitted actions are determined, but the bill is intended to:

- Enable regulatory changes to improve the information consumers receive about what a real estate professional and brokerage must do for them, and that would give consumers more choice in the real estate purchase and sale process.
- Improve professionalism among real estate professionals and brokerages by allowing for regulatory changes to enhance ethical requirements.
- Update the Real Estate Council of Ontario’s (RECO) regulatory powers, including allowing it to levy financial penalties (also known as administrative penalties) to promote compliance with the act — and allowing RECO’s registrar to take into account a broader range of factors when considering eligibility for registration.
- Create a stronger business environment by laying the foundation for allowing real estate professionals to incorporate and be paid through the corporation while maintaining measures that protect consumers, as well as by enabling the creation of a specialist certification program that may be developed by government or by RECO. (Source)

The bottom line

If there’s a legal way to protect yourself and increase your income by utilizing new legislation, the time to act is now. An experienced team can make this a turnkey solution for you by using your lawyer and accountant, or with trusted advisors in my professional circle.

For more information contact:

Wellington Financial

350 Speedvale Ave. W. Guelph, ON
519-763-4007

idileonardo@wellfinplan.ca