

Canada's 2-Year Foreign Buyer Ban

On **January 1, 2023**, the [*Prohibition on the Purchase of Residential Property by Non-Canadians Act*](#) is in effect for a period of two years. This means that certain customers are not allowed to buy residential property in Canada

1. Who would still qualify for a mortgage after this Act goes into effect?

To qualify, a buyer **must** be a Canadian Citizen, Permanent Resident, a person registered as an Indian (as defined under the Indian Act), or other persons as defined in the Act. **Non-Canadians do not qualify.**

2. Who is considered a non-Canadian as defined under the Act?

- A. An **individual** who is NOT:
 - a Canadian citizen
 - a permanent resident, **or**
 - a person registered as an Indian under the Indian Act.
- B. A **corporation** that is incorporated*:
 - 1. otherwise than under the laws of Canada or a province, **or**
 - 2. under the laws of Canada or a province:
 - o whose shares are not listed on a stock exchange in Canada for which a designation under section 262 of the Income Tax Act is in effect, **and**
 - o that is controlled by a person referred to in A or B1.
- C. A **prescribed person** (or prescribed class of persons, by regulation) or **entity**.

3. Who is exempt from this Act and permitted to buy residential property in Canada?

In addition to those listed in question #1, the individuals below are also exempt from this Act:

- A. A **temporary resident** (within the meaning of the Immigration and Refugee Protection Act)
- B. A **protected person** (within the meaning of subsection 95(2) of that Act)
- C. A **non-Canadian individual** who purchases residential property in Canada *with their spouse or common-law partner* who is a
 - o Canadian Citizen
 - o Permanent Resident
 - o person referred to in A or B, **or**
 - o person registered as an Indian under the Indian Act

4. What types of applications are exempt from this Act?

This Act does not apply to real-estate transactions where the non-Canadian signed the *Purchase and Sale Agreement* prior to January 1, 2023.