

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-100

Condo Smarts

Headline: Stratas are not companies

Topic: Are stratas companies?

Publication date: October 24, 2004

Publication: The Province

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If your strata has a business bank account, or uses an accounting service, odds are you will have received a notice indicating that your strata will be required to register the strata under the Business Corporations Act (the new company act). It is not possible for your strata to consider such a conversion.

But is your strata a company?

The Business Corporations Act does not apply to strata corporations. When the strata opens a new bank account, a copy of the registered strata plan and letter on behalf of council should be sufficient information for the accounts as the strata has no articles of incorporation. When you file tax returns, you file a T-2 short form as a non taxable corporation.

Strata Law: Application of other laws

291 (1) The *Business Corporations Act* does not apply to a strata corporation except as specifically provided in this Act.

(2) Section 5 of the *Offence Act* does not apply to this Act or to the regulations.

(3) The rule against perpetuities and the *Perpetuity Act* do not apply to an agreement or instrument entered into by a strata corporation.

(4) For the purposes of the *Land (Spouse Protection) Act*, a strata lot is deemed to be land on which a building is located.

Tips: The term "corporation" used in the Strata Property Act is only to identify the collective ownership assets and common property of the corporation as set out in the strata plan. Even though the strata is not a business corporation and is generally not taxable, it still may function as an employer, investor, purchaser or vendor of assets, and subject to any limitations under the legislation have the power and capacity of a natural person of full capacity

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