

**For Use with Statutory Offers to Purchase made after November 1, 2025**

**Buyer's Lawyer's Trust Letter**  
*Conveyancing Practices Working Group, version 2025.1*

<<Name and Address of Seller's Law Office>>

**Delivered**

**Attention: <<Name of Seller's Lawyer>>**

Dear Sir/Madam:

**Re: <<Buyer>> Purchase from <<Seller>>  
<<Property Address>>  
Possession Date: <<Possession Date>>  
Our File No.: <<File No.>>**

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We enclose our trust cheque in the sum of \$\_\_\_\_\_ representing [the balance due on closing/the cash to mortgage], and the Buyer's Undertaking.

We confirm that: [*check one*]

\_\_\_\_ we have obtained title insurance with gap coverage for both the Buyer and the lender, if applicable.

OR

\_\_\_\_ we are closing in accordance with the Western Law Societies Conveyancing Protocol (the "Protocol").

We understand that, to provide gap registration protection for the Buyer, standard closing practices require one option or the other to be selected. We confirm that, if neither option has been selected, we have explained to the Buyer that sale proceeds may be released before title issues and the Buyer may be exposed to uninsured risk.

We confirm that the following references shall have the following meanings:

- a) "Closing" means INSERT POSSESSION DATE at 6:00 p.m. or at such earlier time as your office and our office confirm that the transaction has closed;
- b) "Seller" means INSERT SELLER'S FULL NAME;
- c) "Buyer" means INSERT BUYER'S FULL NAME;
- d) "Non-Permitted Registrations" means:  
    <<Non-permitted encumbrances>>;
- e) "Permitted Registrations" means:  
    <<Permitted encumbrances>>;

- f) “Outstanding and Unadjusted Taxes and Penalties” means <<Nil or outstanding and unadjusted tax amount>>;
- g) “Agreement” means the agreement of purchase and sale between the Seller and the Buyer;
- h) “Key” means any form of access device, including keys, keypad lock code, garage door openers, wireless technology passwords or other passwords or security codes necessary to allow the Buyer to access and use the Property.

Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to it under the Agreement.

The enclosed funds are forwarded to you upon the following trust conditions:

**Additional or Amended Trust Conditions:**

The standard conveyancing practice (“SCP”) trust conditions hereafter are subject to the following additions or amendments:

[INSERT ADDITIONS OR AMENDMENTS OR STATE “NONE”]

We confirm that we have made no additions or amendments to the standard SCP trust conditions below [*Conveyancing Practices Working Group, Version 2025.1*] except as set out above.

**Standard SCP Trust Conditions** [*Conveyancing Practices Working Group, version 2025-1, unamended*]:

1. Documents: On or before Closing, you will deliver to our office:
  - a) a transfer of land or, if using an eTransfer, your client’s executed portion thereof, in registrable form, together with any additional supporting documents required by the Land Titles Office, which to the best of your knowledge will be sufficient to cause the Land Titles Office to register a title in favour of the Buyer, free and clear of registrations except for the Permitted Registrations, the Non-Permitted Registrations, and any registrations arising by, through or against the Buyer;
  - b) a declaration as to possession executed by each Seller or, in the case of a bare trust, by each beneficial owner of the Property, in standard form and executed in accordance with *The Manitoba Evidence Act*, and containing, *inter alia*, a statement that such Seller or beneficial owner is not, and will not be on Closing, a non-resident of Canada within the meaning of the *Income Tax Act (Canada)* (“Declaration of Residency”). In the event that you are unable to deliver a Declaration of Residency from each Seller or beneficial owner, then condition no. 9 shall apply;

- c) a statement of adjustments, which accurately reflects the terms of the Agreement, errors and omissions excepted;
  - d) the Seller's written undertaking, in standard form; and
  - e) a Key.
2. Closing Instructions: You will instruct your client that:
- a) possession is to be given to the Buyer on Closing in accordance with the Agreement, and any Key not otherwise delivered to the Buyer is to be left on the Property;
  - b) all chattels and fixtures included in the Agreement are to remain on the Property, free and clear of encumbrances unless otherwise allowed in the Agreement, together with any municipal garbage and recycling bins;
  - c) the final water accounts for all services to the Property up to Closing are to be paid in full, based on an actual water meter reading conducted on or immediately before or after Closing; and
  - d) if a condominium, any condominium fees or charges up to Closing are to be paid in full.
3. Equity: Prior to Closing, you will have performed an equity calculation and will have taken all reasonable steps to ensure that, upon your receipt from us of all monies due to the Seller, you will have sufficient sale proceeds to pay out and discharge the Non-Permitted Registrations, the Outstanding and Unadjusted Taxes and Penalties, and any other amounts required to be paid in order to comply with the trust conditions herein.
4. Private Encumbrances: Prior to Closing, you will have obtained a registrable discharge of any Non-Permitted Registration held by any party other than a government body or a lender that is a bank, a trust company, an insurance company, a credit union, or a finance company that lends money in the ordinary course of its business.
5. Release of Funds: You may release funds only:
- a) after Closing;
  - b) forthwith after you have obtained a Status of Title, effective on or after Closing, confirming that title is subject to no registrations other than the Permitted Registrations, the Non-Permitted Registrations, and any registrations by, through, or against the Buyer; and
  - c) subject to condition no. 6.

6. Retention of Funds: If, prior to the release of funds, we provide you in writing with *prima facie* evidence that:
  - a) the Seller has failed to provide possession of the Property, vacant of persons and personal property as required by the Agreement, to the extent that the Buyer, acting reasonably, is unable to access and use the Property for their own purposes; or
  - b) the Property has suffered substantial and unremedied damage which materially affects the use or value of the Property, then you will continue to hold the enclosed funds pending agreement of the parties or an order of the court as to their disposition, provided that if, within 30 calendar days of your receipt of such evidence, the Buyer has not commenced court proceedings and obtained an order for the payment of the enclosed funds into court, the enclosed funds may be released.
7. Document Defects: If advised by the Land Titles Office or our office that any corrections of your documents are necessary, you will forthwith use your best efforts to correct the same by correction letter or otherwise or, if necessary, by obtaining and providing to us newly-executed documents together with any related rejection fee.
8. Discharges and Pay-outs: Subject to conditions 5 and 6 above, upon your receipt of all monies due to your client or sooner, you will forthwith:
  - a) pay-out as necessary and ensure that all Non-Permitted Registrations are discharged and, within a reasonable time, forward to our office a new Status of Title evidencing the same;
  - b) ensure that any Outstanding and Unadjusted Taxes and Penalties, together with any further penalties, are paid; and
  - c) if we have indicated above that we are closing in accordance with the Protocol, pay the final water account (if same represents a lienable amount), such account being based on a final actual reading taken on or immediately before or after the Closing date.
9. Non-Resident Seller: In the event that one or more of the Sellers or beneficial owners has not provided a Declaration of Residency on Closing ("Non-Resident Seller"):
  - a) you will provide us with an undertaking executed by each Non-Resident Seller to file with the Canada Revenue Agency ("CRA"), within 10 calendar days of the Closing, the request for a certificate of compliance prescribed by s. 116 of the *Income Tax Act* (Canada) ("Certificate of Compliance");

- b) you will hold back and deposit to your trust account:
- (i) 25% of each Non-Resident Seller's share of the gross purchase price under the Agreement (the "Purchase Price"), if the Declaration as to Possession of each Non-Resident Seller contains a statement that the Property has not been income-producing during the Non-Resident Seller's ownership ("Declaration of Personal Use"); or
  - (ii) if each Non-Resident Seller has not provided a Declaration of Personal Use, 25% of the land value and 50% of the building value of each Non-Resident Seller's share of the Purchase Price as pro-rated from current municipal assessed values to the actual Purchase Price; or
  - (iii) if each Non-Resident Seller has not provided a Declaration of Personal Use and current municipal assessed values of the land and building are not available, 50% of each Non-Resident Seller's share of the Purchase Price, (the "Holdback"), and you will remit the Holdback to the Receiver General for Canada so that it is received by the Receiver General for Canada not later than the 30<sup>th</sup> day following the last day of the month of Closing (the "Remittance"), on behalf of the Buyer and on account of the Buyer's obligations pursuant to subsection 116(5) and/or subsection 116(5.3) of the *Income Tax Act* (Canada), as the case may be, except that:
  - (iv) if, prior to the Remittance, we receive a Certificate of Compliance issued by CRA (a copy of which we will forthwith provide to you), you will forthwith remit to the Receiver General for Canada 25% (or 50%, if required) of the amount, if any, by which the Purchase Price exceeds the Certificate of Compliance limit, following which the balance of the Holdback may be released; or
  - (v) if, prior to the Remittance, a comfort letter is issued by CRA to either party in respect of the Holdback, confirming that application for the Certificate of Compliance has been made and is being reviewed and instructing that the Holdback not be remitted until the application is processed, then you will retain the Holdback in trust until CRA directs that the Holdback or some portion of it either is to be remitted to the Receiver General for Canada or may be released, and you will forthwith comply with such direction.
- c) you will obtain from each Non-Resident Seller, before Closing, an irrevocable Order to Pay authorizing the foregoing.

If you are unable or unwilling to accept any of the conditions herein, the enclosed funds are to be returned to our office upon our request.

The tender herein is made prior to Closing but shall be deemed to have been made and to be effective only as of Closing. If we give you written notice, prior to Closing, that the within tender is of no effect and is withdrawn due to then-current circumstances, the enclosures are to be returned to our office forthwith upon request.

Yours truly,

**<<Buyer's Law Firm>>**

Per:

**<<Buyer's Lawyer>>**

Encl.