

## King, Kim J M JAG:EX

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**From:** Mittag, Greg JAG:EX  
**Sent:** Thursday, March 3, 2016 3:43 PM  
**To:** King, Kim J M JAG:EX  
**Subject:** RE: 419869: Filing please - FW: feedback from <http://www.ag.gov.bc.ca/contacts/emailag.htm>

Thanks for letting me know.

Greg Mittag  
Correspondence Coordinator/Writer  
Legal Services Branch

**From:** King, Kim J M JAG:EX  
**Sent:** Thursday, March 3, 2016 3:42 PM  
**To:** Mittag, Greg JAG:EX  
**Subject:** 419869: Filing please - FW: feedback from <http://www.ag.gov.bc.ca/contacts/emailag.htm>

Hi Greg,

FYI, I've imported this response from Finance to <sup>s.22</sup> into log 419869.

Thanks,  
Kim

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**From:** Minister, JAG JAG:EX  
**Sent:** Thursday, February 25, 2016 1:54 PM  
**To:** King, Kim J M JAG:EX  
**Subject:** Filing please - FW: feedback from <http://www.ag.gov.bc.ca/contacts/emailag.htm>

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**From:** FCSP FIN:EX  
**Sent:** Thursday, February 25, 2016 1:49 PM  
**To:** <sup>s.22</sup>  
**Cc:** Minister, JAG JAG:EX  
**Subject:** feedback from <http://www.ag.gov.bc.ca/contacts/emailag.htm>

349628

s.22

Thank you for your email dated February 7, 2016, to the Honourable Suzanne Anton, Minister of Justice, expressing concerns about practices of real estate licensees as reported in the February 6, 2016 Globe and Mail article. Your email has been referred to the Ministry of Finance as the issues you raise generally pertain to

licensing under the *Real Estate Services Act* (the Act) which is the responsibility of the Minister of Finance. The Honourable Michael de Jong, Q.C., Minister of Finance has asked me to respond on his behalf.

The Real Estate Council (Council) is a regulatory agency that protects the public by enforcing the licensing and licensee conduct requirements of the Act as they apply to persons engaged in real estate trading activities. On February 9, 2016, Council announced that Carolyn Rogers, Superintendent of Real Estate, will chair an independent advisory group. The advisory group is mandated to examine the ways the Council identifies and responds to licensee conduct that could pose a risk to consumers or that fails to meet the standards expected by the public. Members of the advisory group were named on February 22, 2016. An interim report is expected to be provided to Council by April 8, 2016, and a full report and recommendations is to be provided to Council by the end of May.

You may provide comments to the advisory group for consideration by visiting their website at [www.advisorygroupbc.ca](http://www.advisorygroupbc.ca). Thank you for taking the time to write.

Sincerely,

***Original signed by:***

Cynthia Callahan-Maureen  
A/Executive Director  
Financial and Corporate Sector Policy Branch  
Ministry of Finance

cc: Honourable Suzanne Anton,  
Minister of Justice

-----Original Message-----

**From:** s.22  
**Sent:** Sunday, February 7, 2016 11:06 PM  
**To:** Minister, JAG JAG:EX  
**Subject:** feedback from <http://www.ag.gov.bc.ca/contacts/emailag.htm>

First Name: s.22  
Address: \_\_\_\_\_  
Postal Code: s.22 \_\_\_\_\_  
Atty General

As reported extensively in the Globe and Mail article dated feb 6 2016 sat there is a vast crime wave of unknown dimensions in the housing markets of British Columbia . The extent is probably large and there are no significant penalties for wrong doers to be seen.

The government and the enforcement authorities are apparently passive like the public. Meanwhile our social fabric is being trampled.

The realestate boards are complicit apparently leaving our cities under foreign attack.

What is your position?

s.22



## King, Kim J M JAG:EX

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**From:** King, Kim J M JAG:EX  
**Sent:** Thursday, March 3, 2016 2:47 PM  
**To:** FIN OFFICE FIN:EX  
**Subject:** RE: JAG ref. 419887: Please redirect to Ministry of Finance ... FW: Request legal controls and taxation of assignment sales/ flips

Thanks for confirming Jessica, appreciated.  
Kim

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**From:** FIN OFFICE FIN:EX  
**Sent:** Thursday, March 3, 2016 2:42 PM  
**To:** King, Kim J M JAG:EX  
**Subject:** RE: JAG ref. 419887: Please redirect to Ministry of Finance ... FW: Request legal controls and taxation of assignment sales/ flips

We can respond to this one & we will ask for a cc to Minister Anton.

Jessica Gillies  
Manager, FOI & Correspondence Unit | Ministry of Finance  
[Correspondence intranet page](#)  
phone 250 387-3513

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
**From:** King, Kim J M JAG:EX  
**Sent:** Monday, February 15, 2016 1:20 PM  
**To:** FIN OFFICE FIN:EX  
**Subject:** JAG ref. 419887: Please redirect to Ministry of Finance ... FW: Request legal controls and taxation of assignment sales/ flips

Hi Jessica,

Redirecting the following email to your ministry for response as appropriate. If a response is sent, it would be appreciated if Minister Anton could be cc'd on the reply.

Thanks,  
Kim

*Many thanks,*  
*Kim Jung Mee King*  
Correspondence Coordinator | CCU  
and Program Assistant | Office of the Deputy Attorney General  
Ministry of Justice | PO Box 9290 Stn Prov Govt | Victoria BC | V8W 9J7  
Phone: 250-356-0149 | Fax: 250-387-6224

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**From:** Minister, JAG JAG:EX  
**Sent:** Friday, February 12, 2016 4:17 PM

**To:** King, Kim J M JAG:EX

**Subject:** Please redirect to Ministry of Finance ... FW: Request legal controls and taxation of assignment sales/ flips

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**From:** Allison, Brittany JAG:EX

**Sent:** Friday, February 12, 2016 4:11 PM

**To:** Minister, JAG JAG:EX

**Subject:** FW: Request legal controls and taxation of assignment sales/ flips

Yes, please. Redirect to appropriate minister.

Thanks,

Brittany

---

**From:** Minister, JAG JAG:EX

**Sent:** Tuesday, February 9, 2016 11:07 AM

**To:** Allison, Brittany JAG:EX

**Subject:** FW: Request legal controls and taxation of assignment sales/ flips

Hi Brittany,

I understand the Real Estate Act is under Ministry of Finance – would you like all of these redirected to Finance?

Candice

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**From:** s.22

**Sent:** Saturday, February 6, 2016 10:18 PM

**To:** mngh.minister@gov.bc.ca; OfficeofthePremier, Office PREM:EX; Minister, JAG JAG:EX; Ralston.MLA, Bruce H LASS:EX; Krog.MLA, Leonard LASS:EX; Huntington.MLA, Vicki LASS:EX; Horgan.MLA, John LASS:EX

**Subject:** Request legal controls and taxation of assignment sales/ flips

To Premier Christy CLark, R. Coleman , Min of Housing, S. Anton, Min. of Justice [ with multiple bcc ]

1 This is a request that **you investigate and take action within the next 90 days on the deplorable lack of legal controls and taxation of Assignment sales/ flips and Clear conflicts of interests when realtors participate in assignment sales, which substantially contribute to denying decent housing to BC Canadians.**

See the abuses of realtors detailed in the Feb. 5, 2016 Globe and Mail article,

<http://www.theglobeandmail.com/news/investigations/the-real-estate-technique-fuelling-vancouvers-housing-market/article28634868/>

2 **Can you advise what of the below suggestions, made in the comments to above article, your government will be implementing?**

1 How to burst this bubble, and fast:

- Canada Revenue to go after capital gains tax on each successive pre-closing flip (law already on the books)
- GST to be paid on each successive pre-closing flip as well (already on the books)

-every pre-closing flip to be reported and paid by the realtor personally if the foreign flippers don't declare these capital gains

-legislation to force realtors to report all the identities of the flippers

-legislation to collect transfer tax on each pre-closing flip

-non-resident buyers prohibited from land-speculating

-municipalities zone property back to the stone-age, and make it very clear the hurdles/brick walls facing new owners who think they can built-family projects on single-family neighbourhoods

-all of the above to be advertised in select foreign media

2 ...Compare to PEI that has very strict non-residence requirements as well as double the tax for non-residence. If PEI had not had those rules much of the province would have ended up as vacation property for wealthy east-coast American

This article begins to expose what essentially is a huge Ponzi scheme, with the freight ultimately being paid by those whose primary interest is acquiring shelter. The wilful blindness of our governments constitutes negligence. The complicity of realtors and their regulators - who have consistently insisted the absurdity of the Vancouver market is the result of normal market forces - borders on criminal fraud.

This is Vancouver's - maybe Canada's - Bernie Madoff story. Bring on the investigations.

3 Mr. C. Montgomery Burns 11 hours ago

Clearly, there is the need for transparency in the RE market. My proposals would include the following:

1) All bidders on a home should know what each other has bid. This will give all bidders information on how much, if any, they want to increase their bid.

2) RE agents should not be allowed to become buyers of homes in which they are acting as the agent. These off market deals would become prohibited.

3) The RE agents commission would be on a sliding rate scale proportional with the selling price of the home. Any home over \$1 million would net the agent a 1% commission.

4) A new regulator would oversee the practises of RE agents. RE agents would be licensed, pay a renewal fee annually, and take a course annually to keep their registration current.

5) CRA would place a limit on the Principal Residence Exemption in that any gains of \$100,000 or more would be taxable at 50%.

yours very truly



**King, Kim J M JAG:EX**

---

s.22

**Full Name:**

**Last Name:**

**First Name:**

**Company:**

**Business Address:**

**Business:**

**Other Fax:**

**E-mail:**

**E-mail Display As:**



## King, Kim J M JAG:EX

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**From:** King, Kim J M JAG:EX  
**Sent:** Thursday, March 3, 2016 2:31 PM  
**To:** FIN OFFICE FIN:EX  
**Subject:** RE: JAG ref. 419889: Redirection to Finance FW: A Proud British Columbian


Hi Jessica,

No worries, fine with us. ☺

*Many thanks,*

*Kim Jung Mee King*

Correspondence Coordinator | CCU  
and Program Assistant | Office of the Deputy Attorney General  
Ministry of Justice | PO Box 9290 Stn Prov Govt | Victoria BC | V8W 9J7  
Phone: 250-356-0149 | Fax: 250-387-6224

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**From:** FIN OFFICE FIN:EX  
**Sent:** Thursday, March 3, 2016 2:20 PM  
**To:** King, Kim J M JAG:EX  
**Subject:** RE: JAG ref. 419889: Redirection to Finance FW: A Proud British Columbian

Hi Kim,

Sorry for the delay; we also received this and our MO actioned it as FYI. OK with you?

Jessica Gillies  
Manager, FOI & Correspondence Unit | Ministry of Finance

[Correspondence Intranet page](#)

phone 250 387-3513

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**From:** King, Kim J M JAG:EX  
**Sent:** Monday, February 15, 2016 1:31 PM  
**To:** FIN OFFICE FIN:EX  
**Subject:** JAG ref. 419889: Redirection to Finance FW: A Proud British Columbian

Hi Jessica,

Another one on the same topic for your ministry's response on behalf of Minister Anton, as appropriate.


Thanks,  
Kim

*Many thanks,*

*Kim Jung Mee King*

Correspondence Coordinator | CCU

and Program Assistant | Office of the Deputy Attorney General  
Ministry of Justice | PO Box 9290 Stn Prov Govt | Victoria BC | V8W 9J7  
Phone: 250-356-0149 | Fax: 250-387-6224

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**From:** Minister, JAG JAG:EX  
**Sent:** Friday, February 12, 2016 4:16 PM  
**To:** King, Kim J M JAG:EX  
**Subject:** AAA please FW: A Proud British Columbian

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**From:** Allison, Brittany JAG:EX  
**Sent:** Friday, February 12, 2016 4:06 PM  
**To:** Minister, JAG JAG:EX  
**Subject:** FW: A Proud British Columbian

AAA.  
Thanks,  
B

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**From:** Minister, JAG JAG:EX  
**Sent:** Tuesday, February 9, 2016 11:08 AM  
**To:** Allison, Brittany JAG:EX  
**Subject:** FW: A Proud British Columbian

Hi Brittany,

Action please – many thanks,

Candice

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...s.22  
**From:**  
**Sent:** Sunday, February 7, 2016 10:22 AM  
**To:** Minister, JAG JAG:EX  
**Subject:** A Proud British Columbian

Dear Hon. Suzanne Anton,

As a proud British Columbian and Liberal supporter, for many years I have defended your government vigorously inside the union ‘bubble’ for which I work. I have supported the work you are doing in turning around our provincial economy and yet today I am both annoyed and heartbroken as I fear you have lost control of this provinces future trajectory.

As highlighted in The Globe & Mail this weekend, Kathy Tomlinson has, yet again, done an incredible job uncovering outright fraud, and malpractice throughout the real estate industry in our province.

Government at all levels has catered for far too long to developers, the real estate industry and has essentially put a ‘for sale’ sign up at the front entrance to our province. Our province has essentially become a casino and a global hub for money laundering. These actions have allowed unknown sums of wealth to arrive here and wreak absolute havoc on our local economy. While Millennials struggle to start families, Baby Boomers have

been lulled into a sense of complacency thinking the wealth they've made and locked up in their homes is something they can reliably borrow against, and in many cases, **excessively**.

This point of view is not racist. And contrary to Bob Rennie, we're not "living in Disneyland" looking to close the gates. We are trying to live our lives and make smart financial decisions! What is taking place in Vancouver is wrong on so many levels. We **cannot** continue to turn a blind eye to wealth arriving here that distorts local markets sets us up for future pain.

I am annoyed because I fear my defence of your party was misguided. I am heartbroken as I know how this ends. We are setup to financially ruin the young families buying into real estate today, trying to start their lives all while we provide lottery winnings to those who bought before we 'sold out'. We are mirroring exactly what transpired south of the border, and we all know how that ended.

regards.  
s.22

### **The real estate technique fuelling Vancouver's housing market**

The Globe & Mail - Feb. 6th 2016

<http://www.theglobeandmail.com/news/investigations/the-real-estate-technique-fuelling-vancouvers-housing-market/article28634868/>

Page 12 to/à Page 13

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## King, Kim J M JAG:EX

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**From:** King, Kim J M JAG:EX  
**Sent:** Friday, February 26, 2016 9:55 AM  
**To:** FIN OFFICE FIN:EX  
**Subject:** JAG 419730 redirection to FIN: FW: The Home Purchase Assignment Flipping Loophole That Avoids Property Transfer Taxes

Good morning Jessica,

I received our MO's approval to redirect the following to your ministry for response. Apologies for the delay in referring.

Thanks,  
Kim

*Many thanks,*  
*Kim Jung Mee King*  
Correspondence Coordinator | CCU  
and Program Assistant | Office of the Deputy Attorney General  
Ministry of Justice | PO Box 9290 Stn Prov Govt | Victoria BC | V8W 9J7  
Phone: 250-356-0149 | Fax: 250-387-6224

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**From:** Minister, JAG JAG:EX  
**Sent:** Friday, February 26, 2016 9:42 AM  
**To:** King, Kim J M JAG:EX  
**Subject:** RE: AG Pending 419730 FW: Real estate fraud investigation

Yes please Kim – that would be great ... and we can get it off the Friday report.

C

**From:** King, Kim J M JAG:EX  
**Sent:** Tuesday, February 9, 2016 4:45 PM  
**To:** Minister, JAG JAG:EX  
**Subject:** FW: AG Pending 419730 FW: Real estate fraud investigation

Hi Candice,

Have you already redirected to Finance, or would you like me to?

Thanks for advising,  
Kim

**From:** Mittag, Greg JAG:EX  
**Sent:** Tuesday, February 9, 2016 9:51 AM  
**To:** Hughes, Candice JAG:EX; King, Kim J M JAG:EX  
**Subject:** Real estate fraud investigation

Hi Candice and Kim. Sandra Wilkinson has advised as follows regarding the real estate fraud investigation matter: "It's a Ministry of Finance / Real Estate Council of BC issue. The Council is undertaking a review of the involvement of real estate agents with contract assignments."

Greg Mittag  
Correspondence Coordinator/Writer  
Legal Services Branch

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**From:** Minister, JAG JAG:EX

**Sent:** Tuesday, February 9, 2016 9:26 AM

**To:** King, Kim J M JAG:EX

**Subject:** Kim - Does this issue fall under JAG? MFW: The Home Purchase Assignment Flipping Loophole That Avoids Property Transfer Taxes

Hi Kim,

Is this an issue that JAG would respond to? We have a few of these emails this morning and wanted to double check.

Many thanks,

Candice

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**From:** s.22

**Sent:** Saturday, February 6, 2016 10:01 PM

**To:** OfficeofthePremier, Office PREM:EX; Minister, FIN FIN:EX; Minister, JAG JAG:EX; Minister, MNGD MNGD:EX; [oppositionleader@leg.bc.ca](mailto:oppositionleader@leg.bc.ca); James.MLA, Carole A LASS:EX; Farnworth.MLA, Mike LASS:EX; Krog.MLA, Leonard LASS:EX; Heyman.MLA, George LASS:EX; Sullivan.MLA, Sam LASS:EX; Anton.MLA, Suzanne LASS:EX; Simpson.MLA, Shane L LASS:EX; Elmore.MLA, Mable LASS:EX; Dix.MLA, Adrian LASS:EX; Stilwell.MLA, Moira LASS:EX; Eby.MLA, David LASS:EX; Wilkinson.MLA, Andrew LASS:EX; [spencer.herbert.MLA@leg.bc.ca](mailto:spencer.herbert.MLA@leg.bc.ca); [justin.trudeau@parl.gc.ca](mailto:justin.trudeau@parl.gc.ca); [Diane.Lebouthillier@parl.gc.ca](mailto:Diane.Lebouthillier@parl.gc.ca); [bill.morneau@canada.ca](mailto:bill.morneau@canada.ca); [rona.ambrose@parl.gc.ca](mailto:rona.ambrose@parl.gc.ca); [Ziad.Aboultaif@parl.gc.ca](mailto:Ziad.Aboultaif@parl.gc.ca); [Lisa.Raitt@parl.gc.ca](mailto:Lisa.Raitt@parl.gc.ca); [Thomas.Mulcair@parl.gc.ca](mailto:Thomas.Mulcair@parl.gc.ca); [Pierre-Luc.Dusseault@parl.gc.ca](mailto:Pierre-Luc.Dusseault@parl.gc.ca); [Guy.Caron@parl.gc.ca](mailto:Guy.Caron@parl.gc.ca)

**Subject:** The Home Purchase Assignment Flipping Loophole That Avoids Property Transfer Taxes

Good Day Esteemed Leaders of British Columbia and Canada,

As a BC resident frustrated with the unsustainable rise in house prices, I would like to express my concerns about the real estate sales techniques described in The Globe and Mail article, The real estate technique fuelling Vancouver's housing market, by Kathy Tomlinson (<http://www.theglobeandmail.com/news/national/assignment-flipping-feeding-into-speculative-real-estate-market-in-bc/article28634868/>).

The article presents flipping through assignment as a shrewd yet legal technique that evades the BC property transfer tax:

*"Middlemen do not pay land-transfer taxes on assignment deals because the property is not technically changing hands. The transfer tax – \$38,000 on a \$2-million sale in B.C. and increasing with the price – is triggered only at closing, when a final buyer assumes the title. And while assessment takes into account any price changes between offer and close, this leaves an unusual loophole in which assignment flipping is effectively tax-free. This loophole diminishes the effectiveness of the tax as a deterrent to speculation."*

The 347+ Readers' Comments include:

*"Some may try and argue that the gains are capital gains and tax free to non residents and only half subject to tax for Canadian residents. The case law is pretty clear that any agent's gain is treated as fully taxable as ordinary income and the non-resident's gain from flipping contracts is also an income gain from the sale of an interest in real property and is therefore fully taxable in Canada because it is not a capital gain. The fact that co-ownership is used weakens the argument for capital gains. No tax treaty with Canada exempts these gains from Canadian taxation-rather they all reinforce Canada's right to tax such gains."*

I encourage you all to read the article carefully and investigate how assignment flipping in residential real estate transactions can be deterred to help give ordinary residents a chance of purchasing their own home at a reasonable price.

Sincerely,  
s.22