

# Working Group on Lawyers and Real Estate

## Ontario Standard Closing Documents

### User Guide

(Updated February 28, 2019)

The Ontario Standard Closing Documents have been designed to assist lawyers to be more efficient in closing standard residential real estate transactions. This Guide is provided to assist the users of the Ontario Standard Closing Documents.

1. The Ontario Standard Closing Documents were originally approved as of **April 2, 2009** by the Working Group on Lawyers and Real Estate. The official versions of the documents (updated and earlier version) are posted in English and French on the Working Group's web site at ([www.lawyersworkinggroup.com](http://www.lawyersworkinggroup.com)). The approved documents are:
  1. Vendor's Closing Certificate;
  2. Purchaser's Undertaking & Direction Re Title;
  3. Lawyer's Direction Re Funds;
  4. Lawyer's Undertaking;
  5. Lawyers' Delayed Closing Escrow Agreement; and
  6. Section 116 ITA Undertaking.

The current and latest updated versions of the documents are dated February 28, 2019.

2. Each document states at the top, "***This Document is in the Form approved by the Working Group on Lawyers and Real Estate on (APPROVAL DATE), except for clearly shown changes. Any changes not clearly shown are of no effect.***" Thus, each document may be relied upon as being in its original approved format, except for matters which are added or modified in a clear highlighted fashion such as *handwritten text*, BLOCK CAPITALIZED LETTERS, underlined, **bolded** or ~~struck-out~~ so as to be clearly obvious to the reader. Whichever method is used should remain visible if the document is photocopied or faxed. A different colour font or text highlighted in yellow is not always visible when photocopied or faxed and is not recommended.
3. The documents are designed to require no, or a minimum number of, additions or modifications. Inapplicable clauses should not be struck or deleted as they are drafted to apply only if necessary by using such terms as "if any", "if applicable" or "in accordance with the Agreement of Purchase and Sale".

4. The documents are based on the OREA Agreement of Purchase and Sale (“APS”) and the generally use the same words as used in the APS. The documents reflect the rights and obligations of the parties as set out in the standard APS. Lawyers should review their clients’ agreement to determine if any modifications or additions to the usual terms have been made and whether any other changes to the documents need to be made.
5. The documents all have the same heading and only require inserting the name of the purchasers and vendors, the municipal address or legal description of the property, and the Completion Date. All the documents are one page long, except for the Vendor’s Closing Certificate, which requires the Vendor’s initials on the bottom of the first page, both lawyers on the bottom of the first page.
6. The Direction re Title has been expanded to show the complete legal name of the Purchasers, their dates of birth and the manner of taking title. Their address for service need not be added as the document refers the reader to the address in the Transfer.

#### **Purchaser’s Undertaking and Direction re Title:**

This document combines the Purchaser's Undertaking and Direction re Title as both should be used in every transaction. The Undertaking mirrors the Undertaking given in the Vendor's Closing Certificate. The Direction ensures that the correct names and manner of taking title of the Purchasers are set forth in writing.

#### **Lawyers’ Delayed Closing Escrow Agreement**

This document is not truly a standard closing document as it will rarely be used. This document does not replace the DRA, but may be used when a transaction is delayed beyond its original closing date. This document, whether used as drafted or as a checklist, provides lawyers with a useful tool when dealing with a delayed closing. Lawyers should review their clients' situation and modify this document accordingly to reflect the parties’ rights and obligations.

#### **Section 116 ITA Undertaking**

This document is new as of 2019. This document, whether used as drafted or as a checklist, provides lawyers with a useful tool when dealing with a closing where the Vendor cannot produce a S. 116 Certificate. Lawyers should review their clients' situation and modify this document accordingly to reflect the circumstances of the transaction and the parties’ rights and obligations.