

Draft Guideline on rental of PMC real property

Under the *Medical Act*, 2005, professional medical corporations are restricted to providing the services of a medical practitioner and related matters.

The College has received enquiries regarding real property owned by PMCs, where only a portion of the real property would be used for the provision of the services of the medical practitioner practicing through the PMC (the “incorporated practitioner”), and where the remainder of the property would be rented to others for purposes unrelated to the provision of the services of the incorporated practitioner.

It is the College’s position that the commercial rental of property directly owned or leased by the PMC to persons carrying on business or other activities unrelated to the provision of the services of the incorporated practitioner would be contrary to the restriction on the PMC’s business.

It is the College’s position that commercial rental of property directly owned or leased by the PMC to other medical practitioners unaffiliated with the PMC, or to other health professionals, would be contrary to the restriction on the PMC’s business.

It is the College’s position that the foregoing circumstances would remain contrary to the restriction on the PMC’s business even where only a portion of the property is being rented for the unrelated purposes.

For greater certainty, the College wishes to make clear that the charging of a fee to another medical practitioner for temporary use of the medical facilities of a PMC, for instance to allow a duly licensed out-of-province practitioner to perform a locum or to conduct an independent medical examination, would not be considered by the College to be the “commercial rental” of PMC owned or leased property.

PMCs are special purpose corporations, which may only be incorporated by a medical practitioner, and which have no valid legal status unless registered and licensed by the College. The College notes that medical practitioners, as individuals, may incorporate business entities other than professional medical corporations if they wish to engage in commercial activities.

IMPORTANT: The College cannot give any legal or accounting advice in relation to professional medical incorporation, and recommends that medical practitioners consult with their own legal or accounting professional advisers.

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