

# The new “Surety Bonds” regulation under Ontario’s Planning Act

December 09, 2024

On November 20, 2024, the *Surety Bonds* regulation ([O.Reg. 461/24](#)) came into force under Ontario’s *Planning Act*.

This regulation provides land owners and those applying for planning approvals with the option to stipulate that a surety bond will secure their approval-related obligations.

This type of surety bond is generally called a subdivision or development bond. Section 2 of the *Surety Bonds* regulation requires the bond to provide as follows:

- guaranteed payment to the municipality if the principal under the surety bond defaults in performing an obligation guaranteed by the surety bond;
- the municipality may determine that the principal has defaulted in performing an obligation guaranteed by the surety bond;
- the guaranteed payment will be made within 15 business days after the municipality gives a notice of default under the surety bond, notwithstanding any objection by the principal;
- the surety will not assert any defence or grounds for not making payment; and
- in order for the surety to terminate its obligations under the surety bond, the principal must first deliver other financial security acceptable to the municipality.

The obligations guaranteed by the surety bond will depend on the wording both of the surety bond and the underlying “bonded” contract, such as a subdivision or site plan agreement authorized under the *Planning Act*.

[BLG’s Construction and Surety Group](#) is available to answer questions about this new regulation and related considerations for your contracts, and its [Municipal Group](#) is available to assist with agreements under the *Planning Act*.

*This article provides an overview and is not intended to be exhaustive of the subject matter contained therein. Although care has been taken to ensure accuracy, this article should not be relied upon as legal advice.*

By

[Laura Delemere](#)

Expertise

[Construction](#), [Surety and Bonding](#), [Municipal & Land Use Planning](#), [Commercial Real Estate](#)

---

## **BLG | Canada's Law Firm**

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](http://blg.com)

### **BLG Offices**

#### **Calgary**

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### **Ottawa**

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### **Vancouver**

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### **Montréal**

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### **Toronto**

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.