

ONTARIO REGULATION 17/05
made under the
CONSUMER PROTECTION ACT, 2002

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PART I

EXEMPTIONS FROM APPLICATION OF THE ACT

EXEMPTION FOR PROFESSIONAL SERVICES REGULATED BY STATUTE — CLAUSE 2 (2) (E) OF THE ACT

Professional services regulated by statute

1. A professional service provided by a person governed by, or subject to, any of the following Acts is exempt from the application of the *Consumer Protection Act, 2002*:

1. The *Architects Act*.
2. The *Certified General Accountants Association of Ontario Act, 1983*.
3. The *Chartered Accountants Act, 1956*.
4. The *Drugless Practitioners Act*.
5. The *Law Society Act*.
6. The *Ontario College of Teachers Act, 1996*.
7. The *Professional Engineers Act*.
8. The *Professional Foresters Act, 2000*.
9. The *Professional Geoscientists Act, 2000*.
10. The *Public Accountancy Act*.
11. The *Regulated Health Professions Act, 1991* and any Act named in Schedule 1 to the *Regulated Health Professions Act, 1991*.
12. The *Social Work and Social Service Work Act, 1998*.
13. The *Society of Management Accountants of Ontario Act, 1941*.
14. The *Surveyors Act*.
15. The *Veterinarians Act*.

OTHER EXEMPTIONS — CLAUSE 123 (1) (C) OF THE ACT

Professional services at facilities

2. A professional service provided at any of the following facilities is exempt from the application of the *Consumer Protection Act, 2002*:

1. An institution under the *Mental Hospitals Act*.
2. A hospital under the *Public Hospitals Act*.
3. A pharmacy under Part VI of the *Drug and Pharmacies Regulation Act*.

Services at an independent health facility

3. A service provided at an independent health facility pursuant to a licence issued under the *Independent Health Facilities Act* is exempt from the application of the *Consumer Protection Act, 2002*.

Accommodation

4. The supply of accommodation, other than time share accommodation, is exempt from the application of sections 21 to 26, 37 to 40 and 44 to 47 of the Act.

Public auction

5. (1) The supply by public auction of goods or services, other than personal development services and other than time shares, is exempt from the application of sections 21 to 26 and 37 to 47 of the Act.

(2) Subsection (1) applies regardless of whether the goods or services being auctioned are owned by the person operating the auction or by another supplier.

Supply to one person at the request of another

6. (1) The supply of goods or services to one person at the request of another is exempt from the application of sections 22, 23, 26, 37 to 40 and 44 to 47 of the Act, if,

- (a) the goods or services are to be supplied on a single occasion and not on an ongoing basis; and
- (b) the person requesting the supply of the goods or services pays the price in full at the time of the request.

(2) The exemption from the application of sections 22, 23 and 26 of the Act is effective even if section 21 of the Act states that sections 22 to 26 of the Act do apply in the circumstances.

Perishable food

7. The supply of perishable food or a perishable food product is exempt from the application of sections 21 to 26 and 37 to 47 of the Act, if the food or food product is to be delivered to the consumer within 24 hours after it is ordered from the supplier.

Lottery scheme

8. The supply of a lottery ticket or a good or service in the nature of a lottery ticket is exempt from the application of sections 21 to 26 and 41 to 47 of the Act, if the supplier is a charitable or religious organization licensed under the authority of paragraph 207 (1) (b) of the *Criminal Code* (Canada) to conduct or manage the lottery scheme and the proceeds from the lottery scheme are to be used for a charitable or religious object or purpose.

Agreements subject to other Acts

9. (1) The supply of goods or services pursuant to an agreement that is subject to any of the following Acts is exempt from the application of sections 22, 23, 26 and 37 to 47 of the Act:

- 1. The *Motor Vehicle Dealers Act* or the *Motor Vehicle Dealers Act, 2002*.
- 2. The *Real Estate and Business Brokers Act* or the *Real Estate and Business Brokers Act, 2002*.
- 3. The *Travel Industry Act* or the *Travel Industry Act, 2002*.
- 4. The *Cemeteries Act (Revised)*, the *Funeral Directors and Establishments Act* or the *Funeral, Burial and Cremation Services Act, 2002*.

(2) The exemption from the application of sections 22, 23 and 26 of the Act is effective even if section 21 of the Act states that sections 22 to 26 of the Act do apply in the circumstances.

PROVISIONS NOT APPLYING WHEN AGREEMENT IS OF MORE THAN ONE TYPE — SECTION 4 OF THE ACT

Exceptions to rule in s. 4 of the Act

10. (1) Sections 11 to 19 of this Regulation set out the exceptions to the rule in section 4 of the Act that a consumer agreement that meets the criteria of more than one type of agreement to which the Act applies shall comply with the provisions of the Act and of the regulations that apply to each type of agreement for which it meets the criteria.

(2) If any of sections 11 to 19 of this Regulation exclude the application of section 22, 23, 25 or 26 of the Act, the exclusion is effective even if section 21 of the Act states that sections 22 to 26 of the Act do apply in the circumstances.

(3) A word or expression that is used in sections 11 to 19 of this Regulation has the same meaning as in the part of the Act that defines it.

Credit agreement

11. (1) If a credit agreement, other than a supplier credit agreement, is also a future performance agreement, a direct agreement, an internet agreement or a remote agreement, Part IV of the Act does not apply to the agreement.

(2) If a supplier credit agreement is also a future performance agreement, a time share agreement, a personal development services agreement, a direct agreement, an internet agreement or a remote agreement,

- (a) Part IV of the Act does not apply to the part of the agreement under which the supplier or an associate of the supplier extends fixed credit to the consumer to assist the consumer in obtaining goods or services, other than credit or a loan of money, from the supplier;
- (b) Part IV of the Act applies to the part of the agreement under which the supplier supplies the goods or services, other than credit or a loan of money, to the consumer.

Lease

12. Sections 22, 23, 25, 26 and 29 to 47 of the Act do not apply to a lease that is also a future performance agreement, a personal development services agreement, a direct agreement, an internet agreement or a remote agreement, if Part VIII of the Act applies to the lease.

Agreement for work on or repairs to vehicle

13. Sections 22, 23 and 27 to 47 of the Act do not apply to a consumer agreement for work to be done on or repairs to be made to a vehicle, if the agreement is also a future performance agreement, a time share agreement, a personal development services agreement, a direct agreement, an internet agreement or a remote agreement.

Agreement for loan brokering or credit repair

14. Sections 22, 23 and 27 to 47 of the Act do not apply to a consumer agreement for loan brokering or credit repair that is also a future performance agreement, a time share agreement, a personal development services agreement, a direct agreement, an internet agreement or a remote agreement.

Time share agreement

15. Sections 22, 23 and 29 to 47 of the Act do not apply to a time share agreement that is also a future performance agreement, a personal development services agreement, a direct agreement, an internet agreement or a remote agreement.

Personal development services agreement

16. Sections 22, 23 and 37 to 47 of the Act do not apply to a personal development services agreement that is also a future performance agreement, a direct agreement, an internet agreement or a remote agreement but is not a time share agreement.

Direct agreement

17. Sections 22, 23, 37 to 40 and 44 to 47 of the Act do not apply to a direct agreement that is also a future performance agreement, an internet agreement or a remote agreement but is not a time share agreement or a personal development services agreement.

Internet agreement

18. Sections 22, 23 and 44 to 47 of the Act do not apply to an internet agreement that is also a future performance agreement or a remote agreement but is not a time share agreement, a personal development services agreement or a direct agreement.

Remote agreement

19. Sections 22 and 23 of the Act do not apply to a remote agreement that is also a future performance agreement but is not a time share agreement, a personal development services agreement, a direct agreement or an internet agreement.

**PART II
UNSOLICITED GOODS OR SERVICES — SECTION 13 OF THE ACT**

Material change

20. For the purpose of subsection 13 (4) of the Act, a change or a series of changes is a material change if it is of such nature or quality that it could reasonably be expected to influence a reasonable person's decision as to whether to enter into the agreement for the supply of the goods or services.

Time for refund

21. For the purpose of subsection 13 (7) of the Act, a supplier shall refund a payment received from a consumer in respect of unsolicited goods or services within 15 days after the day the consumer demands the refund under subsection 13 (6) of the Act.

**PART III
UNFAIR PRACTICES — SECTION 18 OF THE ACT**

Period for responding to consumer notice

22. For the purpose of subsection 18 (8) of the Act, a consumer may commence an action if the consumer does not receive a satisfactory response within 30 days after the day the consumer gives notice under section 18 of the Act.

**PART IV
SPECIFIC CONSUMER AGREEMENTS — PART IV OF THE ACT**

FUTURE PERFORMANCE AGREEMENTS

Prescribed amount

23. The prescribed amount for the purpose of subsection 21 (1) of the Act is \$50.

Requirements for future performance agreements

24. For the purpose of section 22 of the Act, a future performance agreement shall set out the following information:

1. The name of the consumer.
2. The name of the supplier and, if different, the name under which the supplier carries on business.
3. The telephone number of the supplier, the address of the premises from which the supplier conducts business, and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier.
4. A fair and accurate description of the goods and services to be supplied to the consumer, including the technical requirements, if any, related to the use of the goods or services.
5. An itemized list of the prices at which the goods and services are to be supplied to the consumer, including taxes and shipping charges.
6. A description of each additional charge that applies or may apply, such as customs duties or brokerage fees, and the amount of the charge if the supplier can reasonably determine it.
7. The total amount that the supplier knows is payable by the consumer under the agreement, including amounts that are required to be disclosed under paragraph 6, or, if the goods and services are to be supplied during an indefinite period, the amount and frequency of periodic payments.
8. The terms and methods of payment.
9. As applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance are to occur.
10. For goods and services that are to be delivered,
 - i. the place to which they are to be delivered, and
 - ii. if the supplier holds out a specific manner of delivery and will charge the consumer for delivery, the manner in which the goods and services are to be delivered, including the name of the carrier, if any, and including the method of transportation to be used.
11. For services that are to be performed, the place where they are to be performed, the person for whom they are to be performed, the supplier's method of performing them and, if the supplier holds out that a specific person other than the supplier will perform any of the services on the supplier's behalf, the name of that person.
12. The rights, if any, that the supplier agrees the consumer will have in addition to the rights under the Act and the obligations, if any, by which the supplier agrees to be bound in addition to the obligations under the Act, in relation to cancellations, returns, exchanges and refunds.
13. If the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
14. The currency in which amounts are expressed, if it is not Canadian currency.
15. Any other restrictions, limitations and conditions that are imposed by the supplier.
16. The date on which the agreement is entered into.

Express opportunity to accept or decline agreement

25. In the case of a future performance agreement to which sections 22 to 26 of the Act apply, the supplier shall provide the consumer with an express opportunity to accept or decline the agreement and to correct errors immediately before entering into it.

TIME SHARE AGREEMENTS**Requirements for time share agreements**

26. (1) For the purpose of section 27 of the Act, a time share agreement shall be signed by the consumer and the supplier and shall set out the following information:

1. The name of the consumer.
2. The name of the supplier and, if different, the name under which the supplier carries on business.
3. The telephone number of the supplier, the address of the premises from which the supplier conducts business, and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier.
4. The names of,

- i. the person, if any, who solicited the consumer in connection with the agreement,
 - ii. the person, if any, who negotiated the agreement with the consumer, and
 - iii. the person who concluded the agreement with the consumer.
5. If the supplier has contracted with a property manager, other than an employee of the supplier, to manage the property that is the subject of the agreement, the name and telephone number of the property manager and information respecting other ways, if any, in which the property manager can be contacted by the consumer, such as the fax number and e-mail address of the property manager.
6. The date on which and the place where the agreement is entered into.
7. The commencement date and the term of the agreement including, if that is the case, that the term is indefinite.
8. A statement containing the text set out in subsection (2) and, if applicable, the additional text set out in subsection (3),
 - i. which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type, and
 - ii. which shall appear on the first page of the agreement, unless there is a notice on the first page of the agreement in at least 12 point bold type indicating where in the agreement the statement appears.
9. A fair and accurate description of the consumer's rights in respect of the use of the property that is the subject of the agreement, including,
 - i. the precise location of the property,
 - ii. the precise suite or the type of suite that the consumer will have the right to occupy,
 - iii. the periods during or the dates on which the consumer will have the right to use the property,
 - iv. the goods and services, including facilities, that will be provided to the consumer or to which the consumer will have access, together with any conditions attached to, and any restrictions and limitations on, the use of or access to these goods and services, and
 - v. any conditions attached to, and any restrictions and limitations on, the consumer's right to dispose of the time share the consumer is acquiring under the agreement.
10. The details respecting the consumer's right, if any, to use a different property in substitution for the property that is the subject of the agreement, including,
 - i. the times at which the right may be exercised,
 - ii. the method by which the right is to be exercised,
 - iii. the amounts payable by the consumer in connection with exercising the right, and
 - iv. the name of the individual or entity responsible for co-ordinating the substitution and information respecting the various ways in which the individual or entity can be contacted by the consumer, such as the telephone number, fax number and e-mail address of the individual or entity.
11. The details respecting the consumer's right, if any, to exchange his or her right to occupy a precise suite or a type of suite for a right to occupy a different suite or type of suite, including,
 - i. the times at which the right may be exercised,
 - ii. the method by which the right is to be exercised,
 - iii. the amounts payable by the consumer in connection with exercising the right, and
 - iv. the name of the individual or entity responsible for co-ordinating the exchange and information respecting the various ways in which the individual or entity can be contacted by the consumer, such as the telephone number, fax number and e-mail address of the individual or entity.
12. A fair and accurate description of the access to be provided to the consumer with respect to discounts or benefits for the future provision of transportation, accommodation or other goods or services related to travel.
13. An itemized list setting out,
 - i. the amount of the one-time payment payable by the consumer upon entering into the agreement and the goods or services for which it is payable,
 - ii. the amount of each additional one-time payment payable by the consumer and the good or service for which it is payable, and
 - iii. the amount and frequency of the periodic payments payable by the consumer and the good or service for which each payment is payable.

14. An itemized list setting out,
 - i. each optional good and service, including a facility and a membership, that the supplier represents will be available to the consumer by virtue of the consumer entering into the agreement, and
 - ii. the amount that the consumer would have to pay for such good or service if the consumer decided to avail himself or herself of it.
 15. If any of the amounts set out in the agreement is subject to change or if the consumer may be required to make a payment in addition to the payments set out in the agreement,
 - i. a statement to that effect,
 - ii. a description of the circumstances in which the amount may change or the additional payment may be required, and
 - iii. either,
 - A. what the changed amount or the additional payment will be, or
 - B. the objective standard that will be applied to determine the changed amount or the additional payment.
 16. If the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
 17. The currency in which amounts are expressed, if it is not Canadian currency.
 18. With respect to every amount that is or may be payable by the consumer, as referred to in paragraphs 10, 11, 13, 14 and 15, the terms and methods of payment.
 19. The consequences of non-payment of any amount that is payable by the consumer.
- (2) The statement mentioned in paragraph 8 of subsection (1) shall set out the following:

Your Rights under the Consumer Protection Act, 2002

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the supplier a reason for cancelling during this 10-day period.

If the supplier does not make delivery within 30 days after the delivery date specified in this agreement or if the supplier does not begin performance of his, her or its obligations within 30 days after the commencement date specified in this agreement, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

If the delivery date or commencement date is not specified in this agreement and the supplier does not deliver or commence performance within 30 days after the date this agreement is entered into, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

In addition, there are other grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you.

If you cancel this agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

(3) If the consumer is to receive goods under the agreement, the statement mentioned in paragraph 8 of subsection (1) shall also set out the following:

If the supplier requests in writing repossession of any goods that came into your possession under the agreement, you must return the goods to the supplier's address or allow one of the following persons to repossess the goods at your address:

The supplier.

A person designated in writing by the supplier.

If you cancel this agreement, you must take reasonable care of any goods that came into your possession under the agreement until one of the following happens:

The supplier repossesses the goods.

The supplier has been given a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the agreement was cancelled.

You return the goods.

The supplier directs you in writing to destroy the goods and you do so in accordance with the supplier's instructions.

PERSONAL DEVELOPMENT SERVICES

Prescribed amount

27. The prescribed amount for the purpose of clause 29 (1) (b) of the Act is \$50.

Requirements for agreement where no alternate facility

28. (1) This section applies to a personal development services agreement,

(a) for a facility that is available; or

(b) for a facility that is not available, if the agreement does not provide for the consumer to use an alternate facility until the primary facility becomes available.

(2) For the purpose of subsection 30 (1) of the Act, a personal development services agreement described in subsection (1) shall be signed by the consumer and the supplier and shall set out the following information:

1. The name of the consumer.
2. The name of the supplier and, if different, the name under which the supplier carries on business.
3. The telephone number of the supplier, the address of the premises from which the supplier conducts business, and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier.
4. The names of,
 - i. the person, if any, who solicited the consumer in connection with the agreement,
 - ii. the person, if any, who negotiated the agreement with the consumer, and
 - iii. the person who concluded the agreement with the consumer.
5. The address of the facility at which the personal development services will be available.
6. An itemized list of the personal development services that the supplier is to make available to the consumer, that fairly and accurately describes each service.
7. For each personal development service contracted for, the date on or as of which it will be available to the consumer.
8. The reduction, if any, in the price payable by the consumer if a personal development service is not available on the date specified under paragraph 7.
9. If a personal development service will not be available at the time the consumer is to make a payment in respect of it,
 - i. a statement that, if a personal development service is not available at the time the consumer is to make a payment in respect of it, the consumer shall make the payment through the trust corporation whose name and address are set out in the agreement, and
 - ii. the name and address of the trust corporation.
10. A statement containing the text set out in subsection (3) and, if applicable, the additional text set out in subsection (4),
 - i. which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type, and
 - ii. which shall appear on the first page of the agreement, unless there is a notice on the first page of the agreement in at least 12 point bold type indicating where in the agreement the statement appears.
11. If the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
12. The total amount payable by the consumer and the terms and methods of payment.
13. The currency in which amounts are expressed, if it is not Canadian currency.
14. The date on which the agreement is entered into.
15. The commencement date of the agreement and the date on which the agreement expires.
16. If the agreement provides for the renewal or extension of the agreement,

- i. the requirements for renewal or extension of the agreement, as set out in section 30,
- ii. the manner in which the supplier shall deliver a notice about renewal and extension to the consumer, and the agreement may require the supplier to use one of the following methods or may permit the supplier to choose one method from among one or more of the following methods:
 - A. by mail or personal delivery to an address specified by the consumer in the agreement,
 - B. by e-mail to an e-mail address specified by the consumer in the agreement,
 - C. by fax to a fax number specified by the consumer in the agreement, or
 - D. in some other manner specified by the consumer in the agreement, and
- iii. that the agreement shall be deemed not to be renewed or extended if the consumer notifies the supplier, before the time for renewal or extension, that the consumer does not want to renew or extend.

(3) The statement mentioned in paragraph 10 of subsection (2) shall set out the following:

Your Rights under the *Consumer Protection Act, 2002*

You may cancel this agreement at any time during the period that ends ten (10) days after the later of the day you receive a written copy of the agreement and the day all the services are available. You do not need to give the supplier a reason for cancelling during this 10-day period.

In addition, there are grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you.

If you cancel this agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

(4) If the consumer is to receive goods under the agreement, the statement mentioned in paragraph 10 of subsection (2) shall also set out the following:

If the supplier requests in writing repossession of any goods that came into your possession under the agreement, you must return the goods to the supplier's address or allow one of the following persons to repossess the goods at your address:

The supplier.

A person designated in writing by the supplier.

If you cancel this agreement, you must take reasonable care of any goods that came into your possession under the agreement until one of the following happens:

The supplier repossesses the goods.

The supplier has been given a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the agreement was cancelled.

You return the goods.

The supplier directs you in writing to destroy the goods and you do so in accordance with the supplier's instructions.

Requirements for agreement where alternate facility to be used

29. (1) This section applies to a personal development services agreement for a facility that is not available, if the consumer agrees in writing to use an alternate facility until the primary facility becomes available.

(2) For the purpose of subsection 30 (1) of the Act, a personal development services agreement described in subsection (1) shall be signed by the consumer and the supplier, shall set out the information referred to in paragraphs 1, 2, 3, 4, 10, 11, 12, 13, 14, 15 and 16 of subsection 28 (2) and shall set out the following information:

1. The address of the primary facility and the address of the alternate facility.
2. An itemized list of the personal development services that the supplier is to make available to the consumer at the alternate facility, that fairly and accurately describes each service and that sets out the price payable for the services on a monthly basis.
3. An itemized list of the personal development services that the supplier is to make available to the consumer at the primary facility, that fairly and accurately describes each service.

4. For each personal development service that the supplier is to make available to the consumer at the alternate facility, the date on which it will be available, and for each personal development service that the supplier is to make available to the consumer at the primary facility, the date on which it will be available.
5. The reduction, if any, in the price payable by the consumer if a personal development service is not available at the facility at which it is supposed to be available on the date on which it is supposed to be available at that facility.

Supplier obligations for renewal or extension

30. (1) For the purpose of subsection 31 (3) of the Act, a personal development services agreement that provides for the renewal or extension of the agreement is not valid unless the supplier complies with the requirements of subsection (2).

(2) At least 30 days but not more than 90 days before the agreement expires, the supplier shall deliver to the consumer, in the manner specified in the agreement pursuant to subparagraph 16 ii of subsection 28 (2),

- (a) a written notice about renewal or extension,
 - (i) setting out the date of the proposed renewal or extension of the agreement,
 - (ii) stating that under the *Consumer Protection Act, 2002*, the supplier is required to deliver the notice to the consumer, in the manner specified in the agreement, at least 30 days but not more than 90 days before the agreement expires,
 - (iii) setting out the address of the premises from which the supplier conducts business and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier, and
 - (iv) stating that the agreement will not be renewed or extended if, before the date set out under subclause (i), the consumer notifies the supplier, at the address set out under subclause (iii) or by contacting the supplier in some other way as set out under that subclause, that the consumer does not want to renew or extend the agreement; and
- (b) a copy of the agreement that clearly notes all changes that the supplier has made to the agreement.

(3) A notice under clause (2) (a) that is sent to the consumer by registered mail shall be deemed to be delivered on the third day after the day of mailing.

INTERNET AGREEMENTS

Prescribed amount

31. The prescribed amount for the purpose of section 37 of the Act is \$50.

Disclosure of information

32. For the purpose of subsection 38 (1) of the Act, the information that the supplier shall disclose to the consumer before the consumer enters into an internet agreement is:

1. The name of the supplier and, if different, the name under which the supplier carries on business.
2. The telephone number of the supplier, the address of the premises from which the supplier conducts business, and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier.
3. A fair and accurate description of the goods and services proposed to be supplied to the consumer, including the technical requirements, if any, related to the use of the goods or services.
4. An itemized list of the prices at which the goods and services are proposed to be supplied to the consumer, including taxes and shipping charges.
5. A description of each additional charge that applies or may apply, such as customs duties or brokerage fees, and the amount of the charge if the supplier can reasonably determine it.
6. The total amount that the supplier knows would be payable by the consumer under the agreement, including amounts that are required to be disclosed under paragraph 5, or, if the goods and services are proposed to be supplied during an indefinite period, the amount and frequency of periodic payments.
7. The terms and methods of payment.
8. As applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance would occur.
9. For goods and services that would be delivered,
 - i. the place to which they would be delivered, and

- ii. if the supplier holds out a specific manner of delivery and intends to charge the consumer for delivery, the manner in which the goods and services would be delivered, including the name of the carrier, if any, and including the method of transportation that would be used.
10. For services that would be performed, the place where they would be performed, the person for whom they would be performed, the supplier's method of performing them and, if the supplier holds out that a specific person other than the supplier would perform any of the services on the supplier's behalf, the name of that person.
 11. The rights, if any, that the supplier agrees the consumer will have in addition to the rights under the Act and the obligations, if any, by which the supplier agrees to be bound in addition to the obligations under the Act, in relation to cancellations, returns, exchanges and refunds.
 12. If the agreement is to include a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
 13. The currency in which amounts are expressed, if it is not Canadian currency.
 14. Any other restrictions, limitations and conditions that would be imposed by the supplier.

Copy of internet agreement

33. (1) For the purpose of subsection 39 (1) of the Act, the supplier shall deliver a copy of the internet agreement in writing to the consumer within 15 days after the consumer enters into the agreement.

(2) For the purpose of subsection 39 (2) of the Act, the following information shall be included in the copy of the internet agreement:

1. The information listed in section 32 of this Regulation.
2. The name of the consumer.
3. The date on which the agreement is entered into.

(3) For the purpose of subsection 39 (3) of the Act, the manner in which the copy of the internet agreement shall be delivered is any one of the following:

1. Transmitting it in a manner that ensures that the consumer is able to retain, print and access it for future reference, such as sending it by e-mail to an e-mail address that the consumer has given the supplier for providing information related to the agreement.
2. Transmitting it by fax to the fax number that the consumer has given the supplier for providing information related to the agreement.
3. Mailing or delivering it to an address that the consumer has given the supplier for providing information related to the agreement.
4. Providing it to the consumer in any other manner that allows the supplier to prove that the consumer has received it.

DIRECT AGREEMENTS

Prescribed amount

34. The prescribed amount for the purpose of subsection 41 (1) of the Act is \$50.

Requirements for direct agreements

35. (1) For the purpose of section 42 of the Act, a direct agreement shall be signed by the consumer and the supplier and shall set out the following information:

1. The name and address of the consumer.
2. The name of the supplier and, if different, the name under which the supplier carries on business.
3. The telephone number of the supplier, the address of the premises from which the supplier conducts business, and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier.
4. The names of,
 - i. the person, if any, who solicited the consumer in connection with the agreement,
 - ii. the person, if any, who negotiated the agreement with the consumer, and
 - iii. the person who concluded the agreement with the consumer.
5. The date on which and the place where the agreement is entered into.

6. A fair and accurate description of the goods and services to be supplied to the consumer, including the technical requirements, if any, related to the use of the goods or services.
 7. The total amount payable by the consumer under the agreement or, if the goods and services are to be supplied during an indefinite period, the amount and frequency of periodic payments.
 8. The terms of payment.
 9. An itemized list of the prices at which the goods and services are to be supplied to the consumer, including taxes and shipping charges.
 10. If the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
 11. A statement containing the text set out in subsection (2) and, if applicable, the additional text set out in subsection (3),
 - i. which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type, and
 - ii. which shall appear on the first page of the agreement, unless there is a notice on the first page of the agreement in at least 12 point bold type indicating where in the agreement the statement appears.
 12. As applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance are to occur.
 13. The rights, if any, that the supplier agrees the consumer will have in addition to the rights under the Act and the obligations, if any, by which the supplier agrees to be bound in addition to the obligations under the Act, in relation to cancellations, returns, exchanges and refunds.
 14. The currency in which amounts are expressed, if it is not Canadian currency.
 15. Any other restrictions, limitations and conditions that are imposed by the supplier.
- (2) The statement mentioned in paragraph 11 of subsection (1) shall set out the following:

Your Rights under the Consumer Protection Act, 2002

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the supplier a reason for cancelling during this 10-day period.

If the supplier does not make delivery within 30 days after the delivery date specified in this agreement or if the supplier does not begin performance of his, her or its obligations within 30 days after the commencement date specified in this agreement, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

If the delivery date or commencement date is not specified in this agreement and the supplier does not deliver or commence performance within 30 days after the date this agreement is entered into, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

In addition, there are other grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you.

If you cancel this agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

However, if you cancel this agreement after having solicited the goods or services from the supplier and having requested that delivery be made or performance be commenced within ten (10) days after the date this agreement is entered into, the supplier is entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this agreement was entered into and the date on which you gave notice of cancellation to the supplier, except goods that can be repossessed by or returned to the supplier.

(3) If the consumer is to receive goods under the agreement, the statement mentioned in paragraph 11 of subsection (1) shall also set out the following:

If the supplier requests in writing repossession of any goods that came into your possession under the agreement, you must return the goods to the supplier's address, or allow one of the following persons to repossess the goods at your address:

The supplier.

A person designated in writing by the supplier.

If you cancel this agreement, you must take reasonable care of any goods that came into your possession under the agreement until one of the following happens:

The supplier repossesses the goods.

The supplier has been given a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the agreement was cancelled.

You return the goods.

The supplier directs you in writing to destroy the goods and you do so in accordance with the supplier's instructions.

(4) The supplier may meet the requirements of paragraph 11 of subsection (1) by providing a statement that is required under legislation of another province or territory of Canada that is enacted for the protection of consumers, if,

- (a) the statement is required in connection with agreements that are substantially equivalent to direct agreements; and
- (b) the statement is substantially equivalent to the statement requirement by paragraph 11.

REMOTE AGREEMENTS

Prescribed amount

36. The prescribed amount for the purpose of section 44 of the Act is \$50.

Disclosure of information

37. (1) For the purpose of section 45 of the Act, the information that the supplier shall disclose to the consumer before the consumer enters into a remote agreement is:

1. The name of the supplier and, if different, the name under which the supplier carries on business.
2. The telephone number of the supplier and, if the consumer is required to deal with the supplier at particular premises, the address of the premises at which the consumer is required to deal with the supplier.
3. A fair and accurate description of the goods and services proposed to be supplied to the consumer, including the technical requirements, if any, related to the use of the goods or services.
4. An itemized list of the prices at which the goods and services are proposed to be supplied to the consumer, including taxes and shipping charges.
5. A description of each additional charge that applies or may apply, such as customs duties or brokerage fees, and the amount of the charge if the supplier can reasonably determine it.
6. The total amount that the supplier knows would be payable by the consumer under the agreement, including amounts that are required to be disclosed under paragraph 5, or, if the goods and services are proposed to be supplied during an indefinite period, the amount and frequency of periodic payments.
7. The terms and methods of payment.
8. As applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance would occur.
9. For goods and services that would be delivered,
 - i. the place to which they would be delivered, and
 - ii. if the supplier holds out a specific manner of delivery and intends to charge the consumer for delivery, the manner in which the goods and services would be delivered, including the name of the carrier, if any, and including the method of transportation that would be used.
10. For services that would be performed, the place where they would be performed, the person for whom they would be performed, the supplier's method of performing them and, if the supplier holds out that a specific person other than the supplier would perform any of the services on the supplier's behalf, the name of that person.
11. The rights, if any, that the supplier agrees the consumer will have in addition to the rights under the Act and the obligations, if any, by which the supplier agrees to be bound in addition to the obligations under the Act, in relation to cancellations, returns, exchanges and refunds.
12. If the agreement is to include a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
13. The currency in which amounts are expressed, if it is not Canadian currency.
14. Any other restrictions, limitations and conditions that would be imposed by the supplier.

(2) The disclosure required under section 45 of the Act and subsection (1) of this section may be made orally or in writing, and may be made by referring the consumer to a pre-existing publication setting out the information required to be disclosed.

Express opportunity to accept or decline agreement

38. For the purpose of section 45 of the Act, before a consumer enters into a remote agreement, the supplier shall provide the consumer with an express opportunity to accept or decline the agreement and to correct errors.

Copy of remote agreement

39. (1) For the purpose of subsection 46 (1) of the Act, the period within which the supplier shall deliver a copy of the remote agreement in writing to the consumer is the period that begins on the day the consumer enters into the agreement and ends on the earlier of,

- (a) the day that is 30 days after the supplier bills the consumer for the goods or services; and
- (b) the day that is 60 days after the day the consumer enters into the agreement.

(2) For the purpose of subsection 46 (2) of the Act, the following information shall be included in the copy of the remote agreement:

1. The information listed in paragraphs 1 and 3 to 14 of subsection 37 (1) of this Regulation.
2. The telephone number of the supplier, the address of the premises from which the supplier conducts business, and information respecting other ways, if any, in which the supplier can be contacted by the consumer, such as the fax number and e-mail address of the supplier.
3. The name of the consumer.
4. The date on which the agreement is entered into.

(3) For the purpose of subsection 46 (3) of the Act, the manner in which the copy of the remote agreement shall be delivered is any one of the following:

1. Transmitting it in a manner that ensures that the consumer is able to retain, print and access it for future reference, such as sending it by e-mail to an e-mail address that the consumer has given the supplier for providing information related to the agreement.
2. Transmitting it by fax to the fax number that the consumer has given the supplier for providing information related to the agreement.
3. Mailing or delivering it to an address that the consumer has given the supplier for providing information related to the agreement.
4. Providing it to the consumer in any other manner that allows the supplier to prove that the consumer has received it.

LEASES TO WHICH PART VIII OF THE ACT DOES NOT APPLY

Requirements for certain leases

40. (1) This section applies to a lease, as defined in Part VIII of the Act, if,

- (a) Part IV of the Act applies to it; and
- (b) Part VIII of the Act does not apply to it by virtue of section 87 of the Act or section 77 of this Regulation.

(2) In addition to any other requirements that apply to it under Part IV of the Act, a lease described in subsection (1) shall set out the following:

1. That the lease does not transfer title to the leased goods to the lessee.
2. The penalties, or the manner of determining the penalties, that may be imposed on the lessee for unreasonable or excessive wear or use of the leased goods and the standards that will be applied to determine whether unreasonable or excessive wear or use of the leased goods has occurred.
3. In the case of an option lease, as defined in subsection 72 (1),
 - i. when and how the option may be exercised,
 - ii. the amount of the additional payment that the lessee is required to make in order to exercise the option at the end of the lease term, and
 - iii. the manner of determining the amount of the additional payment that the lessee is required to make in order to exercise the option before the end of the lease term.
4. That on early termination of the lease by the lessee, the lessee is not liable for more than the sum of the following amounts:

- i. The periodic payments due on or before the day the lease is terminated that have not already been paid.
- ii. The expenses incurred by the lessor for the removal of the leased goods from the possession of the lessee.
- iii. The penalties, if any, imposed on the lessee in accordance with the lease for unreasonable or excessive wear or use of the leased goods.

(3) In this section,

“lease term” has the same meaning as in section 86 of the Act.

AMENDMENT, RENEWAL AND EXTENSION OF CERTAIN CONSUMER AGREEMENTS

Amendment, renewal or extension by explicit agreement to proposal

41. (1) This section applies only to the following consumer agreements:

- 1. Future performance agreements to which sections 22 to 26 of the Act apply.
- 2. Time share agreements to which sections 27 and 28 of the Act apply.
- 3. Internet agreements to which sections 38 to 40 of the Act apply.
- 4. Direct agreements to which sections 42 and 43 of the Act apply.
- 5. Remote agreements to which sections 45 to 47 of the Act apply.

(2) A consumer agreement mentioned in subsection (1), whether it provides for amendment, renewal or extension or not, may be amended, renewed or extended if,

- (a) the supplier or the consumer makes a proposal for amendment, renewal or extension;
- (b) the supplier provides to the consumer an update of all of the information that was required by the Act or this Regulation to be set out in the agreement when it was first entered into and the update reflects the effect of the proposal to amend, renew or extend; and
- (c) the party who receives the proposal agrees, explicitly and not merely by implication, to the proposal.

(3) For the purpose of clause (2) (c), an acknowledgement that the proposal has been received does not in itself constitute agreement to the proposal.

(4) If the events described in clauses (2) (a), (b) and (c) occur, the amendment, renewal or extension is effective on the date specified in the proposal, but only if the supplier provides a written copy of an updated version of the agreement to the consumer within 45 days after the party who receives the proposal agrees to it.

(5) The amendment, renewal or extension does not retroactively affect rights and obligations acquired by the consumer before the effective date of the amendment, renewal or extension.

(6) On the day on which an amendment, renewal or extension of a time share agreement or a direct agreement is effective under this section, the supplier and the consumer shall be deemed to have entered into the updated version of the agreement for the purposes of subsections 28 (1) and 43 (1) of the Act.

Amendment, renewal or extension in accordance with consumer agreement

42. (1) This section applies only to the following consumer agreements:

- 1. Future performance agreements to which sections 22 to 26 of the Act apply.
- 2. Internet agreements to which sections 38 to 40 of the Act apply.
- 3. Remote agreements to which sections 45 to 47 of the Act apply.

(2) A consumer agreement mentioned in subsection (1) that provides for amendment, renewal or extension may, in addition to being amendable, renewable or extendable under section 41, be amended, renewed or extended if the following conditions are satisfied:

- 1. The agreement indicates what elements of the agreement the supplier may propose to amend, renew or extend and at what intervals the supplier may propose an amendment, renewal or extension.
- 2. The agreement gives the consumer at least one of the following alternatives to accepting the supplier’s proposal to amend, renew or extend:

- i. terminating the agreement, or
- ii. retaining the existing agreement unchanged.

3. The agreement requires the supplier to give the consumer advance notice of a proposal to amend, renew or extend.

(3) The amendment, renewal or extension takes effect on the later of,

- (a) the date specified in the notice; and
 - (b) the date that is 30 days after the day on which the consumer receives the notice.
- (4) The amendment, renewal or extension does not retroactively affect rights and obligations acquired by the consumer before the effective date of the amendment, renewal or extension.
- (5) The supplier's notice of a proposal to amend, renew or extend shall,
- (a) provide an update of all of the information that was required by the Act or this Regulation to be set out in the agreement when it was first entered into and ensure that the update reflects the effect of the proposal to amend, renew or extend;
 - (b) disclose all changes proposed to be made to the agreement, including, for each provision that is to be changed, the text of the provision as it would read after the change;
 - (c) be consistent with those aspects of the agreement mentioned in paragraphs 1 and 2 of subsection (2);
 - (d) specify the date on which the amendment, renewal or extension would become effective;
 - (e) specify a means that complies with subsection (6) for the consumer to respond to the notice;
 - (f) state what the effect will be if the consumer does not respond to the notice;
 - (g) be provided to the consumer in such a way that it is likely to come to his or her attention; and
 - (h) be provided to the consumer at least 30 days but not more than 90 days before the date on which it is proposed that the amendment, renewal or extension would take effect.
- (6) The means for the consumer to respond to the notice shall involve no cost to the consumer and shall be easy for the consumer to use.
- (7) A purported amendment, renewal or extension under this section that does not comply with subsections (5) and (6) is not effective.

Agreement type continues

43. A time share agreement, an internet agreement, a direct agreement or a remote agreement that has been amended, renewed or extended under section 41 or 42 shall continue to be considered a time share agreement, an internet agreement, a direct agreement or a remote agreement, as the case may be, even if the method by which the amendment, renewal or extension occurred would result in the agreement no longer being within the definition of "time share agreement", "internet agreement", "direct agreement" or "remote agreement", as the case may be, under subsection 20 (1) of the Act.

**PART V
LOAN BROKERING AND CREDIT REPAIR — PART V OF THE ACT**

Requirements for loan brokering agreements

- 44.** (1) For the purpose of section 49 of the Act, a consumer agreement for loan brokering shall be signed by the consumer and the loan broker and shall set out the following information:
- 1. The name of the consumer.
 - 2. The name of the loan broker and, if different, the name under which the loan broker carries on business.
 - 3. The telephone number of the loan broker, the address of the premises from which the loan broker conducts business, and information respecting other ways, if any, in which the loan broker can be contacted by the consumer, such as the fax number and e-mail address of the loan broker.
 - 4. The names of,
 - i. the person, if any, who solicited the consumer in connection with the agreement,
 - ii. the person, if any, who negotiated the agreement with the consumer, and
 - iii. the person who concluded the agreement with the consumer.
 - 5. An itemized list of the services and goods that the loan broker is to supply to the consumer, that fairly and accurately describes each service and good and that includes,
 - i. if known, the names of the persons from whom the loan broker will attempt to obtain credit or a loan of money for the consumer, and
 - ii. the amount of the credit or loan of money that the loan broker will attempt to obtain for the consumer.
 - 6. As applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance are to occur.

7. The date by which the consumer is to receive the credit or the loan of money.
 8. The total amount payable by the consumer to the loan broker and the terms and methods of payment.
 9. The portion, expressed in dollars and cents, of the total amount payable that is attributable to each service or good to be supplied under the agreement.
 10. The statement set out in subsection (2),
 - i. which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type, and
 - ii. which shall appear on the first page of the agreement, unless there is a notice on the first page of the agreement in at least 12 point bold type indicating where in the agreement the statement appears.
 11. The date on which the agreement is entered into.
 12. If the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
 13. The currency in which amounts are expressed, if it is not Canadian currency.
 14. Any other restrictions, limitations and conditions that are imposed by the loan broker.
- (2) The statement mentioned in paragraph 10 of subsection (1) is as follows:

Your Rights under the Consumer Protection Act, 2002

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the loan broker a reason for cancelling during this 10-day period.

In addition, there are grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this agreement, you must give notice of cancellation to the loan broker, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the loan broker that is on record with the Government of Ontario or the Government of Canada or is known by you.

It is an offence for the loan broker to require or accept payment or security for payment before you receive the credit or the loan of money that the loan broker is assisting you to obtain. If, before you receive the credit or the loan of money, the loan broker requires or accepts payment, or security for payment, from you, you may, within one (1) year after the date of providing the payment or security, demand that it be returned.

If you cancel this agreement, the loan broker has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

Prohibited representations, loan broker

45. For the purpose of section 53 of the Act, the following are prohibited representations in the case of a loan broker:

1. An express or implied representation that the loan broker is approved, licensed or registered by the Government of Canada, the Government of Ontario or the government of any other province or territory of Canada.
2. An express or implied representation that the operations of the loan broker are regulated by the Government of Canada, the Government of Ontario or the government of any other province or territory of Canada.

Requirements for credit repair agreements

46. (1) For the purpose of section 49 of the Act, a consumer agreement for credit repair shall be signed by the consumer and the credit repairer and shall set out the following information:

1. The name of the consumer.
2. The name of the credit repairer and, if different, the name under which the credit repairer carries on business.
3. The telephone number of the credit repairer, the address of the premises from which the credit repairer conducts business, and information respecting other ways, if any, in which the credit repairer can be contacted by the consumer, such as the fax number and e-mail address of the credit repairer.
4. The names of,
 - i. the person, if any, who solicited the consumer in connection with the agreement,
 - ii. the person, if any, who negotiated the agreement with the consumer, and
 - iii. the person who concluded the agreement with the consumer.

5. An itemized list of the services and goods that the credit repairer is to supply to the consumer, that fairly and accurately describes each service and good.
 6. As applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance are to occur.
 7. The date by which the credit repairer is to cause a material improvement to the consumer report, credit information, file, personal information, credit record, credit history or credit rating of the consumer.
 8. The total amount payable by the consumer to the credit repairer and the terms and methods of payment.
 9. The portion, expressed in dollars and cents, of the total amount payable that is attributable to each service or good to be supplied under the agreement.
 10. The statement set out in subsection (2),
 - i. which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type, and
 - ii. which shall appear on the first page of the agreement.
 11. The statement set out in subsection (3),
 - i. which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type, and
 - ii. which shall appear on the first page of the agreement, unless there is a notice on the first page of the agreement in at least 12 point bold type indicating where in the agreement the statement appears.
 12. The date on which the agreement is entered into.
 13. If the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance.
 14. The currency in which amounts are expressed, if it is not Canadian currency.
 15. Any other restrictions, limitations and conditions that are imposed by the credit repairer.
- (2) The statement mentioned in paragraph 10 of subsection (1) is as follows:

Your Rights under the Consumer Reporting Act

If a consumer reporting agency maintains a credit file with respect to you, you have the right to dispute with the agency, at no cost to you, the accuracy or completeness of the information about you in its file. You do not need to hire a credit repairer, or anyone else, to exercise this right. If the file contains inaccurate or incomplete information, the consumer reporting agency must correct it within a reasonable period of time.

However, you do not have the right to have negative information that is accurate removed from your credit file. The consumer reporting agency generally removes negative information after seven (7) years.

You may also file a complaint with the Ministry of Consumer and Business Services regarding the information about you in a credit file maintained by a consumer reporting agency.

- (3) The statement mentioned in paragraph 11 of subsection (1) is as follows:

Your Rights under the Consumer Protection Act, 2002

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the credit repairer a reason for cancelling during this 10-day period.

In addition, there are grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this agreement, you must give notice of cancellation to the credit repairer, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the credit repairer that is on record with the Government of Ontario or the Government of Canada or is known by you.

It is an offence for the credit repairer to require or accept payment or security for payment in advance of causing a material improvement to your credit file. If, before causing a material improvement to your credit file, the credit repairer requires or accepts payment, or security for payment, from you, you may, within one (1) year from the date of providing the payment or security, demand that it be returned.

If you cancel this agreement, the credit repairer has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

Prohibited representations, credit repairer

47. (1) For the purpose of section 53 of the Act, the following are prohibited representations in the case of a credit repairer:

1. An express or implied representation that the credit repairer is approved, licensed or registered by the Government of Canada, the Government of Ontario or the government of any other province or territory of Canada.
2. An express or implied representation that the operations of the credit repairer are regulated by the Government of Canada, the Government of Ontario or the government of any other province or territory of Canada.
3. Subject to subsection (2), an express or implied representation that the credit repairer will be able to cause a material improvement to the consumer report, credit information, file, personal information, credit record, credit history or credit rating of a consumer.

(2) The representation described in paragraph 3 of subsection (1) is not a prohibited representation if the credit repairer makes the representation after,

- (a) examining the consumer's consumer report, credit information, file, personal information, credit record, credit history or credit rating; and
- (b) reasonably concluding that the consumer's consumer report, credit information, file, personal information, credit record, credit history or credit rating is inaccurate or incomplete and correcting, supplementing or deleting any item of information would cause a material improvement to the consumer's consumer report, credit information, file, personal information, credit record, credit history or credit rating.

PART VI REPAIRS TO MOTOR VEHICLES — PART VI OF THE ACT

Estimates

48. For the purpose of subsection 56 (1) of the Act, an estimate of the total cost of work on and repairs to a vehicle shall be in writing and shall set out the following information:

1. The name of the consumer.
2. The name of the repairer and, if different, the name under which the repairer carries on business.
3. The telephone number of the repairer, the address of the premises from which the repairer conducts business, and information respecting other ways, if any, in which the repairer can be contacted by the consumer, such as the fax number and e-mail address of the repairer.
4. The make, model, vehicle identification number and licence number of the vehicle.
5. The odometer reading of the vehicle at the time of the estimate.
6. An exact description of the work to be done on and the repairs to be made to the vehicle.
7. An itemized list of the parts to be installed and a statement as to whether each part is a new part provided by the original equipment manufacturer, a new part not provided by the original equipment manufacturer, a used part or a reconditioned part.
8. The amount that the consumer will be charged for each part listed under paragraph 7.
9. The number of hours to be billed for doing the work and making the repairs, the hourly rate to be charged, any flat rate that will be applied in respect of any of the work or repairs and the total charge for labour.
10. An itemized list of all other goods and services, such as storing the vehicle, picking up or delivering the vehicle or providing the consumer with another vehicle on a temporary basis, that are to be provided to the consumer in connection with the transaction and for which the consumer will be charged, and the amount to be charged for each such good or service.
11. If the consumer has declined the return of any parts to be removed in the course of work on or repairs to the vehicle,
 - i. a statement to that effect, and
 - ii. the resulting reduction, if any, in price.
12. The total amount to be billed to the consumer.
13. The date on which the estimate is given and the date after which it ceases to apply.
14. The date by which the work and repairs will be completed.
15. That the repairer will not charge the consumer an amount that exceeds the amount estimated under paragraph 12 by more than 10 per cent.

Authorization not in writing

49. For the purpose of section 59 of the Act, if an authorization that is not in writing is given to a repairer who works on or repairs vehicles, the following is required to be recorded in order for the authorization to be effective:

1. The name of the person giving the authorization.
2. The date and time of the authorization.
3. If the non-written authorization is given by telephone, the telephone number of the person giving the authorization, and if the non-written authorization is given by a method other than telephone, information regarding how the person giving the authorization can be contacted using the other method.

Posting signs

50. For the purpose of section 60 of the Act, a repairer who works on or repairs vehicles shall post the following information on one or more signs, in such a manner that the disclosure of the information is clear, comprehensible and prominent:

1. That the repairer is required to provide a written estimate unless,
 - i. the repairer offers to give the consumer an estimate and the consumer declines the offer of an estimate,
 - ii. the consumer specifically authorizes a maximum amount that the consumer will pay the repairer to do the work and make the repairs, and
 - iii. the cost charged for the work and repairs does not exceed the maximum amount authorized by the consumer.
2. Whether there is a fee for an estimate and, if so,
 - i. the amount of the fee, and
 - ii. that if the work and repairs are authorized and carried out, the fee for the estimate will not be charged unless the authorization is unreasonably delayed and the vehicle is reassembled before being worked on or repaired so that it can be moved in order to free repair space.
3. A description of the method that will be used to compute labour charges, including,
 - i. the hourly rate that will be charged,
 - ii. whether a flat rate will be applied in respect of any of the work or repairs and, if so, the flat rate and the work or repairs to which it will be applied, and
 - iii. whether there will be a charge for diagnostic time and, if so, the manner of determining the amount that will be charged.
4. Whether the repairer or any of the persons doing the work or making the repairs on the repairer's behalf receive any commissions for parts sold and, if so, the manner of determining the commission and the parts to which it applies.
5. An itemized list of all goods and services, other than parts, shop supplies and labour, for which the consumer may be charged, such as storing the vehicle, picking up or delivering the vehicle or providing the consumer with another vehicle on a temporary basis, and the amount that will be charged for each such good or service.
6. That each part removed in the course of work or repairs will be available to the consumer after the work and repairs are completed, unless,
 - i. the repairer is advised, at the time the work and repairs are authorized, that the consumer does not require the return of the part,
 - ii. the part is replaced under a warranty that requires the return of the part to the manufacturer or distributor, or
 - iii. the consumer is not charged for the replacement part or for work on or repair to the part.

Invoices

51. For the purpose of section 62 of the Act, an invoice with respect to work on or repairs to a vehicle shall be in writing and shall set out the following information:

1. The name of the consumer.
2. The name of the repairer and, if different, the name under which the repairer carries on business.
3. The telephone number of the repairer, the address of the premises from which the repairer conducts business, and information respecting other ways, if any, in which the repairer can be contacted by the consumer, such as the fax number and e-mail address of the repairer.
4. The make, model, vehicle identification number and licence number of the vehicle.
5. The date on which the consumer authorized the work and repairs.

6. The date on which the work and repairs were completed.
7. The date on which the vehicle is returned to the consumer.
8. The odometer reading of the vehicle at the time the consumer authorized the work or repairs and the odometer reading of the vehicle at the time it is returned to the consumer.
9. An exact description of the work done on and the repairs made to the vehicle.
10. An itemized list of the parts installed and a statement as to whether each part is a new part provided by the original equipment manufacturer, a new part not provided by the original equipment manufacturer, a used part or a reconditioned part.
11. The amount that the consumer is being charged for each part listed under paragraph 10.
12. An itemized list of the shop supplies used and for which the consumer is being charged, and the amount charged for each of the supplies.
13. The total charge for labour and the method used to compute it, including,
 - i. the number of hours billed for doing the work and making the repairs and the hourly rate charged,
 - ii. if a flat rate was applied in respect of any of the work or repairs, the flat rate and the work or repairs to which it was applied, and
 - iii. the amount, if any, charged for diagnostic time.
14. An itemized list of all other goods and services, such as storing the vehicle, picking up or delivering the vehicle or providing the consumer with another vehicle on a temporary basis, that were provided to the consumer in connection with the transaction and for which the consumer is being charged, and the amount charged for each good or service.
15. If the consumer has declined the return of any parts removed in the course of work on or repairs to the vehicle,
 - i. a statement to that effect, and
 - ii. the resulting reduction, if any, in price.
16. The total amount billed to the consumer and the terms and methods of payment.
17. If the repairer gave the consumer an estimate, the amount set out in the estimate as the estimated total amount to be billed to the consumer.
18. If the repairer did not give the consumer an estimate, the maximum amount that the consumer specifically authorized under subsection 56 (2) of the Act.
19. The terms of the warranty given by the repairer for each new part provided by the original equipment manufacturer, each new part not provided by the original equipment manufacturer and each reconditioned part, and for the labour required to install each such part, if the repairer's warranty provides, in terms of time and distance, coverage equal to or greater than the coverage provided by the warranty under section 63 of the Act, which is subject to clauses 52 (a) and (b) of this Regulation.
20. For each new or reconditioned part or the labour required to install it, for which the repairer does not give a warranty described in paragraph 19,
 - i. that the repairer warrants it for a minimum of 90 days or 5,000 kilometres, whichever comes first,
 - ii. that the warranty set out in subparagraph i is provided under the Act and may not be waived by the consumer, and
 - iii. that the warranty set out in subparagraph i does not apply to,
 - A. fluids, filters, lights, tires or batteries, or
 - B. a part that was not warranted by the manufacturer of the vehicle when the vehicle was sold as new.
21. The currency in which amounts are expressed, if it is not Canadian currency.
22. Any other restrictions, limitations and conditions that are imposed by the repairer.
23. The following statement:

The *Consumer Protection Act, 2002* provides you with rights in relation to having a motor vehicle repaired. Among other things, you have a right to a written estimate. A repairer may not charge an amount that is more than ten (10) per cent above that estimate. If you waived your right to an estimate, the repairer must have your authorization of the maximum amount that you will pay for the repairs. The repairer may not charge more than the maximum amount you authorized. In either case, the repairer may not charge for any work you did not authorize.

If you have concerns about the work or repairs performed by the repairer or about your rights or duties under the *Consumer Protection Act, 2002*, you should contact the Ministry of Consumer and Business Services.

Exemption from vehicle warranty

52. Section 63 of the Act does not apply to,

- (a) fluids, filters, lights, tires or batteries;
- (b) a part that was not warranted by the manufacturer of the vehicle when the vehicle was sold as new;
- (c) a part installed or the labour required to install it under a warranty that provides, in terms of time and distance, coverage equal to or greater than the coverage provided by the warranty under section 63 of the Act.

**PART VII
CREDIT AGREEMENTS — PART VII OF THE ACT**

Definition

53. In this Part,

“grace period” means a period for which charges specified in the credit agreement that accrue during the period will be forgiven if the borrower satisfies conditions specified in the credit agreement.

Advance

54. (1) For the purpose of the definition of “advance” in section 66 of the Act, each of the following constitutes value received by a borrower under a credit agreement:

1. Money transferred to or to the order of the borrower in accordance with the credit agreement.
2. In the case of a supplier credit agreement under which the borrower obtains goods or services from the supplier,
 - i. the price of the goods or services, had they been sold for cash rather than on credit, subject to subparagraph ii,
 - ii. if, in order to enter into the supplier credit agreement at a particular interest rate, the borrower is required to decline a rebate or a portion of a rebate or is required to pay a higher price for the goods or services, the lowest price, less any applicable rebate, at which the goods and services are available from the supplier.
3. The amount of a pre-existing monetary obligation of the borrower that the lender pays, discharges or consolidates in connection with the credit agreement, whether or not the pre-existing monetary obligation is itself connected to the credit agreement.
4. Money obtained by the borrower, or the cash price of a good or service obtained by the borrower, through the use of a credit card issued under the credit agreement.
5. The expense incurred by the lender in paying all or any part of the following in connection with the credit agreement, if the borrower is required to repay the expense:
 - i. The cost of searching vehicle records under the *Highway Traffic Act* in order to confirm the ownership or vehicle identification number of a vehicle.
 - ii. The cost of obtaining a statement, or a certified copy of a statement, containing information from the vehicle records.
6. If the borrower gives a security interest in personal property to secure the borrower’s indebtedness under the credit agreement, the expense incurred by the lender in paying all or any part of the following, if the borrower is required to repay the expense:
 - i. The cost of professional services obtained for the purpose of confirming the value, condition, location or conformity to law of the property that is subject to the security interest, if the borrower receives a report signed by the person providing the professional services and is entitled to give the report to others.
 - ii. The cost of insurance for the property that is subject to the security interest, if the borrower is the beneficiary of the insurance and the insured amount is the full insurable value of the property.
 - iii. The cost of registering a financing statement or financing change statement in a public registry of security interests in personal property, and the cost of searching or obtaining information from the registry, in relation to the security interest given by the borrower.
 - iv. The cost of registering in the land titles or registry system a notice of security interest under clause 54 (1) (a) of the *Personal Property Security Act*, an extension notice under subsection 54 (3) of that Act or a certificate to discharge or partially discharge a notice of security interest under subsection 54 (4) of that Act, and the cost of searching or obtaining information from the system, in relation to the security interest given by the borrower.

(2) “Cost” means,

- (a) in subparagraphs 5 i and ii of subsection (1), the fees paid for the search or statement and the service fees paid to an agent, if any; and
- (b) in subparagraphs 6 iii and iv of subsection (1), the fees paid for the registration, search or information and the service fees paid to an agent, if any.

Annual percentage rate for credit agreement

55. (1) For the purpose of the definition of “annual percentage rate” in section 66 of the Act,

- (a) the annual percentage rate for a credit agreement is the annual interest rate set out in the credit agreement, if,
 - (i) the credit agreement does not provide for interest to be calculated more frequently than the frequency with which scheduled payments are required to be made by the borrower, and
 - (ii) there is no cost of borrowing, other than interest, in connection with the credit agreement; and
- (b) the annual percentage rate for any other credit agreement is the amount determined using the formula,

$$[C \div (T \times A)] \times 100$$

in which,

“C” is the cost of borrowing,

“T” is the length of the term of the credit agreement, in years, and

“A” is the average of the principal balances outstanding at the end of each interest calculation period during the term of the credit agreement before applying any payment due by the borrower, with all interest calculation periods under the credit agreement being of equal length.

(2) In calculating “A” in clause (1) (b),

- (a) the principal outstanding at the beginning of the term of the credit agreement is the result obtained by subtracting the total of all payments made by the borrower at or before the beginning of the term from the total of all advances received by the borrower at or before the beginning of the term;
- (b) principal does not include any portion of the cost of borrowing, and no portion of the accumulated cost of borrowing shall be included in the principal balance outstanding at any time;
- (c) each payment by the borrower in connection with the credit agreement shall be considered to be applied first against the accumulated cost of borrowing and then, to the extent that the payment exceeds the accumulated cost of borrowing, against the outstanding principal balance; and
- (d) applying the following formula in respect of each interest calculation period shall yield a result that is equal to the cost of borrowing for that period,

$$\text{APR}/100 \times L \times P$$

in which,

“APR” is the annual percentage rate,

“L” is the length of the interest calculation period as a fraction of a year, and

“P” is the principal balance outstanding at the end of the interest calculation period before applying any payment due by the borrower.

(3) In calculating the annual percentage rate for a credit agreement, a year shall be considered to have 365 days, despite the definition of “year” in section 1 of the Act.

(4) If a credit agreement provides for payments to be made at intervals measured by reference to weeks or months, the annual percentage rate for the credit agreement may be calculated on the assumption that each week is 1/52 of a year long and each month is 1/12 of a year long.

(5) If the annual percentage rate for a credit agreement is required to be calculated when the interest rate for any period during the term of the credit agreement is unknown, the annual percentage rate for the credit agreement shall be calculated as if the interest rate for that period was to be determined on the basis of circumstances existing at the time of the calculation.

(6) The annual percentage rate for a credit agreement for fixed credit that does not provide for scheduled payments by the borrower shall be calculated on the assumption that the outstanding balance will be repaid in full in a single payment at the end of the term of the credit agreement.

(7) The annual percentage rate for a renewed credit agreement shall be calculated on the assumption that the borrower receives, on the renewal date, an advance equal to the outstanding balance at the end of the term of the credit agreement being renewed.

(8) In subsections (3) to (7), the references to the calculation of the annual percentage rate include the calculation of any amount that is required to be calculated in order to calculate the annual percentage rate.

(9) A disclosure of an annual percentage rate for a credit agreement shall be considered to be accurate if it is within one-eighth of one per cent of the annual percentage rate calculated in accordance with this section.

Cost of borrowing

56. (1) For the purpose of clause (a) of the definition of “cost of borrowing” in section 66 of the Act, the cost of borrowing does not include a payment or repayment by the borrower of any portion of the total of the advances received by the borrower.

(2) For the purpose of clause (b) of the definition of “cost of borrowing” in section 66 of the Act, the following are prescribed as charges that are not included in the cost of borrowing:

1. If the borrower gives a security interest in personal property to secure the borrower’s indebtedness under the credit agreement,
 - i. the cost of professional services obtained for the purpose of confirming the value, condition, location or conformity to law of the property that is subject to the security interest, if the borrower receives a report signed by the person providing the professional services and is entitled to give the report to others,
 - ii. the cost of insurance for the property that is subject to the security interest, if the borrower is the beneficiary of the insurance and the insured amount is the full insurable value of the property,
 - iii. the cost of registering a financing statement or financing change statement in a public registry of security interests in personal property, and the cost of searching or obtaining information from the registry, in relation to the security interest given by the borrower, and
 - iv. the cost of registering in the land titles or registry system a notice of security interest under clause 54 (1) (a) of the *Personal Property Security Act*, an extension notice under subsection 54 (3) of that Act or a certificate to discharge or partially discharge a notice of security interest under subsection 54 (4) of that Act, and the cost of searching or obtaining information from the system, in relation to the security interest given by the borrower.
2. The cost of searching vehicle records under the *Highway Traffic Act* in order to confirm the ownership or vehicle identification number of a vehicle and the cost of obtaining a statement, or a certified copy of a statement, containing information from the vehicle records.
3. Default charges.
4. Prepayment charges and penalties.
5. Charges for optional services accepted by the borrower.

(3) “Cost” means,

- (a) in subparagraphs 1 iii and iv of subsection (2), the fees paid for the registration, search or information and the service fees paid to an agent, if any; and
- (b) in paragraph 2 of subsection (2), the fees paid for the search or statement and the service fees paid to an agent, if any.

Floating rate

57. In order for an index to qualify as a public index for the purpose of the definition of “floating rate” in section 66 of the Act, the index shall be one that is made public at least weekly in a publication that has general circulation in Ontario.

Maximum liability for unauthorized charges

58. (1) This section applies to charges that are incurred without the authorization of the borrower under a credit agreement for a credit card when the credit card is used after having been lost or stolen.

(2) For the purpose of section 69 of the Act,

- (a) the borrower is not liable for charges that are incurred after the borrower gives the lender oral or written notice of the loss or theft of the credit card; and
- (b) the maximum liability of the borrower for charges that are incurred before the borrower gives the lender oral or written notice of the loss or theft of the credit card is the lesser of,
 - (i) \$50, and
 - (ii) the amount fixed or agreed to by the lender as the maximum amount for which the borrower will be liable in such cases.

Transition, liability for cost of borrowing

59. In applying section 70 of the *Consumer Protection Act, 2002* to a credit agreement that was entered into before the day the section was proclaimed in force, a statement that was required to be furnished to the borrower in respect of the credit agreement under section 24 or 25 of the *Consumer Protection Act* before its repeal by the *Consumer Protection Statute Law Amendment Act, 2002* shall be deemed to be a statement required to be delivered to the borrower by Part VII of the *Consumer Protection Act, 2002*.

Refund or credit to borrower on prepayment

60. (1) For the purpose of subsection 76 (2) of the Act, if a borrower prepays the full outstanding balance under a credit agreement for fixed credit, the lender shall refund to the borrower or credit the borrower with the portion, determined under subsection (2), of each charge that was paid by the borrower under the agreement or added to the balance under the agreement and that forms part of the cost of borrowing, other than a charge for interest.

(2) For each charge, other than interest, that was paid by the borrower under the agreement or added to the balance under the agreement and that forms part of the cost of borrowing, the portion of the charge that is to be refunded or credited to the borrower is the amount determined using the formula,

$$C \times [(N - M) \div N]$$

in which,

“C” is the amount of the charge,

“N” is the length of the period between the time the charge was imposed and the scheduled end of the term of the credit agreement, and

“M” is the length of the period between the time the charge was imposed and the time of the prepayment.

(3) If a loan broker assists a consumer to obtain credit or a loan of money and the creditor is not in the business of extending credit or lending money, the obligation that subsection 76 (2) of the Act would impose on a lender shall, for the purpose of subsection 67 (2) of the Act, be deemed to be an obligation of the creditor and not the loan broker.

Advertising

61. (1) Any person who makes representations in respect of a credit agreement, or causes representations to be made in respect of a credit agreement, in an advertisement shall do so in accordance with this section, regardless of whether the representations are made orally, in writing or in any other form.

(2) An advertisement that offers fixed credit and discloses the interest rate payable by the borrower under the credit agreement or the amount of a payment to be made by the borrower to the lender in connection with the credit agreement shall also disclose the following information:

1. The annual percentage rate for the credit agreement.
2. The length of the term of the credit agreement.
3. If the advertisement is for a supplier credit agreement and applies to a specifically identified good or service,
 - i. the cash price of the good or service, and
 - ii. the cost of borrowing, unless,
 - A. the only element of the cost of borrowing is interest, or
 - B. the advertisement is broadcast on radio or television, displayed on a billboard or bus board or made through any other medium with similar time or space limitations.
4. If the advertisement is for a supplier credit agreement, applies to a range of goods or services and uses a representative credit agreement, the cash price of the good or service represented in the representative credit agreement.

(3) Subsection (2) applies even if the advertisement discloses that the interest rate payable by the borrower or the amount of a payment to be made by the borrower to the lender is zero.

(4) The annual percentage rate referred to in paragraph 1 of subsection (2) shall be disclosed as prominently as the most prominently disclosed of,

- (a) the interest rate payable by the borrower under the credit agreement; and
- (b) the amount of a payment to be made by the borrower to the lender in connection with the credit agreement.

(5) If the advertisement applies to a range of credit agreements for fixed credit and the information required to be disclosed under paragraph 1 or 2 of subsection (2) would not be the same for all credit agreements to which the advertisement applies, the advertisement shall disclose that information for a representative credit agreement and shall state that the information is for a representative credit agreement.

(6) An advertisement that offers open credit and that discloses the amount of any element of the cost of borrowing shall also disclose the following information:

1. The annual interest rate payable under the credit agreement at the time of the advertisement.
2. The amount or, if the amount cannot be determined at the time of the disclosure, the manner of determining the amount, of each element of the cost of borrowing, other than interest, that a borrower is required to pay at the time the borrower enters into the agreement or on a periodic basis.

(7) All disclosures with respect to an element of the cost of borrowing in an advertisement referred to in subsection (6) shall be of equal prominence.

(8) In addition to any other information that it is required to disclose under this section, an advertisement stating or implying that no interest is payable for a definite or indefinite period under a credit agreement shall disclose the following information:

1. Whether,
 - i. the credit agreement is unconditionally interest-free during the period, or
 - ii. interest accrues during the period but will be forgiven if certain conditions are met.
2. In the situation described in subparagraph 1 ii,
 - i. the conditions that are required to be met in order for the interest to be forgiven,
 - ii. in the case of an advertisement for fixed credit, what the annual percentage rate for the credit agreement would be if the conditions for forgiveness of the interest were not met, and
 - iii. in the case of an advertisement for open credit, what the annual interest rate for the period would be if the conditions for forgiveness of the interest were not met, assuming that the annual interest rate payable under the credit agreement at the time of the advertisement applied to the period.

(9) In this section,

“representative credit agreement”, in relation to an advertisement, means an example of a credit agreement that fairly depicts the credit agreements to which the advertisement applies and is identified as a representative of those credit agreements.

Disclosure, credit card applications

62. (1) A credit card issuer shall disclose, in the credit card application form that the issuer requires borrowers to complete or in a document accompanying the credit card application form,

- (a) the following information:
 - (i) the annual interest rate payable by the borrower under the credit agreement, if it is not a floating rate,
 - (ii) if the annual interest rate payable by the borrower under the credit agreement is a floating rate, the public index to which the floating rate bears a mathematical relationship and a statement of the mathematical relationship,
 - (iii) for each element of the cost of borrowing, other than interest, the nature of the element and,
 - (A) the amount payable by the borrower, or
 - (B) if the amount payable by the borrower cannot be determined at the time of the disclosure, the manner of determining the amount payable by the borrower,
 - (iv) the details with respect to grace periods under the credit agreement, and
 - (v) the date as of which the information disclosed under this clause is current; or
- (b) a telephone number at which the borrower can obtain the information described in subclauses (a) (i) to (iv) during ordinary business hours without incurring any charges for the telephone call.

(2) If a borrower applies for a credit card by telephone, the credit card issuer shall disclose the information described in subclauses (1) (a) (i) to (iv) when the borrower makes the application.

(3) A credit card issuer who solicits a borrower directly to apply for a credit card shall disclose the following information at the time of the solicitation, regardless of whether the solicitation is made in person, by mail, by telephone or by other means, including electronic means:

1. The annual interest rate in effect under the credit agreement at the time of the solicitation.
2. If the annual interest rate payable by the borrower under the credit agreement is a floating rate, the public index to which the floating rate bears a mathematical relationship and a statement of the mathematical relationship.
3. For each element of the cost of borrowing, other than interest, the nature of the element and,

- i. the amount payable by the borrower, or
 - ii. if the amount payable by the borrower cannot be determined at the time of the solicitation, the manner of determining the amount payable by the borrower.
4. The details with respect to grace periods under the credit agreement.

Initial disclosure statement, fixed credit agreement

63. (1) The initial disclosure statement for a credit agreement for fixed credit shall be in writing and, for the purpose of subsection 79 (2) of the Act, shall disclose the following information, in addition to the information required under subsection 78 (1) of the Act:

1. The total of the advances to be made to the borrower.
2. If more than one advance is to be made to the borrower, the nature, timing and amount of each advance.
3. The length of the term of the credit agreement.
4. The cost of borrowing.
5. The length of the term of the amortization period, if different from the length of the term of the credit agreement.
6. The interest rate payable by the borrower under the credit agreement, if the rate will not change during the term of the credit agreement.
7. If the interest rate payable by the borrower under the credit agreement may change during the term of the credit agreement,
 - i. the initial interest rate payable by the borrower under the credit agreement,
 - ii. the manner of determining the annual interest rate at any time during the term of the credit agreement, and
 - iii. unless the amount of the scheduled payments is adjusted to account for changes in the interest rate, the lowest interest rate at which the scheduled payments would not cover the interest that would accrue between consecutive scheduled payments based on the initial outstanding balance.
8. The date on which interest begins to accrue under the credit agreement.
9. The circumstances under which interest is compounded under the credit agreement.
10. For each element of the cost of borrowing, other than interest, the nature of the element and amount payable by the borrower.
11. The details with respect to grace periods under the credit agreement.
12. The annual percentage rate for the credit agreement.
13. Subject to subsection (2), the optional services accepted by the borrower, the charge for each optional service, the borrower's right to terminate any optional service of a continuing nature and the manner of exercising that right.
14. The total of all payments the borrower is required to make in connection with the credit agreement and the timing and amount of each payment, including, without limitation, any down payment, trade-in allowance, balloon payment and final payment.
15. If the credit agreement does not require the borrower to make scheduled payments,
 - i. the circumstances under which the outstanding balance or a portion of it is required to be paid by the borrower, or
 - ii. the provisions of the credit agreement that set out those circumstances.
16. The method used to apply each payment by the borrower against the accumulated cost of borrowing and against the outstanding principal balance.
17. The prepayment rights, charges and penalties that apply to the credit agreement.
18. The method of calculating the amount that the lender is required to refund or credit to the borrower under subsection 76 (2) of the Act and section 60 of this Regulation, if the borrower prepays the full outstanding balance under the credit agreement.
19. The default charges under the credit agreement.
20. If the borrower is giving a security interest in personal property to secure the borrower's indebtedness under the credit agreement, a description of the property that will be subject to the security interest.
21. If the credit agreement requires the borrower to purchase insurance,

- i. that the borrower may purchase the insurance from any insurer who may lawfully provide that type of insurance and may purchase the insurance directly from the insurer or through an agent of the borrower's choice, and
- ii. if the credit agreement gives the lender the following right, that despite subparagraph i, the lender has the right to disapprove, on reasonable grounds, an insurer selected by the borrower.

(2) The information referred to in paragraph 13 of subsection (1) need not be disclosed in the initial disclosure statement if it is disclosed in a separate statement delivered to the borrower before the optional services are provided to the borrower.

(3) If the interest rate payable by the borrower under the credit agreement may change during the term of the credit agreement, the information required under paragraphs 4 and 14 of subsection (1) shall be based on the initial interest rate disclosed under subparagraph 7 i of subsection (1).

Initial disclosure statement, open credit agreement

64. (1) The initial disclosure statement for a credit agreement for open credit shall be in writing and, for the purpose of subsection 79 (3) of the Act, shall disclose the following information, in addition to the information required under subsection 78 (1) of the Act:

1. Subject to subsection (2), the initial credit limit.
2. The annual interest rate payable by the borrower under the credit agreement, if the rate will not change during the term of the credit agreement.
3. If the annual interest rate payable by the borrower under the credit agreement may change during the term of the credit agreement,
 - i. the initial annual interest rate payable by the borrower under the credit agreement, and
 - ii. the manner of determining the annual interest rate at any time during the term of the credit agreement.
4. In the case of a credit agreement for a credit card, the manner in which interest is calculated.
5. The date on which interest begins to accrue under the credit agreement.
6. For each element of the cost of borrowing, other than interest, the nature of the element and,
 - i. the amount payable by the borrower, or
 - ii. if the amount payable by the borrower cannot be determined at the time of the disclosure, the manner of determining the amount payable by the borrower.
7. The details with respect to grace periods under the credit agreement.
8. Subject to subsection (3), the optional services accepted by the borrower, the charge for each optional service, the borrower's right to terminate any optional service of a continuing nature and the manner of exercising that right.
9. Each period for which a statement of account will be delivered to the borrower.
10. The minimum payment or, if the minimum payment cannot be determined at the time of the disclosure, the manner of determining the minimum payment, that the borrower is required to make for each period.
11. In the case of a credit agreement for a credit card, if the credit agreement requires the borrower to pay the outstanding balance in full on receiving a statement of account,
 - i. that requirement,
 - ii. the period after receipt of a statement of account within which the borrower is required to pay the outstanding balance in full in order to avoid being in default under the credit agreement, and
 - iii. the annual interest rate charged on any outstanding balance that is not paid when due.
12. The default charges under the credit agreement.
13. In the case of a credit agreement for a credit card, the maximum liability of the borrower for charges that are incurred without the authorization of the borrower when the credit card is used after having been lost or stolen.
14. A telephone number at which the borrower can make inquiries about the borrower's account during ordinary business hours without incurring any charges for the telephone call.
15. If the borrower is giving a security interest in personal property to secure the borrower's indebtedness under the credit agreement,
 - i. a description of the property that will be subject to the security interest, and
 - ii. the amounts, determined as at the time the disclosure statement is delivered, that the borrower will be charged in respect of,

- A. the cost of professional services obtained for the purpose of confirming the value, condition, location or conformity to law of the property,
 - B. the cost of insurance for the property,
 - C. the cost of registering a financing statement or financing change statement in a public registry of security interests in personal property and the cost of searching or obtaining information from the registry, in relation to the security interest given by the borrower, and
 - D. the cost of registering in the land titles or registry system a notice of security interest under clause 54 (1) (a) of the *Personal Property Security Act*, an extension notice under subsection 54 (3) of that Act or a certificate to discharge or partially discharge a notice of security interest under subsection 54 (4) of that Act, and the cost of searching or obtaining information from the system, in relation to the security interest given by the borrower.
16. The amounts, determined as at the time the disclosure statement is delivered, that the borrower will be charged in connection with the credit agreement in respect of,
- i. the cost of searching vehicle records under the *Highway Traffic Act* in order to confirm the ownership or vehicle identification number of a vehicle, and
 - ii. the cost of obtaining a statement, or a certified copy of a statement, containing information from the vehicle records.
17. If the credit agreement requires the borrower to purchase insurance,
- i. that the borrower may purchase the insurance from any insurer who may lawfully provide that type of insurance and may purchase the insurance directly from the insurer or through an agent of the borrower's choice, and
 - ii. if the credit agreement gives the lender the following right, that despite subparagraph i, the lender has the right to disapprove, on reasonable grounds, an insurer selected by the borrower.
- (2) The initial credit limit referred to in paragraph 1 of subsection (1) need not be disclosed in the initial disclosure statement if it is disclosed in the first statement of account delivered under section 81 of the Act or in a separate statement delivered to the borrower on or before the day the first statement of account is delivered to the borrower.
- (3) The information referred to in paragraph 8 of subsection (1) need not be disclosed in the initial disclosure statement if it is disclosed in a separate statement delivered to the borrower before the optional services are provided to the borrower.
- (4) Any information referred to in subsection (1) that would be relevant to the borrower only if a particular consumer transaction occurred need not be disclosed in the initial disclosure statement if it is disclosed in a separate statement delivered to the borrower before the particular consumer transaction occurs.
- (5) "Cost" means,
- (a) in sub-subparagraphs 15 ii C and D of subsection (1), the fees paid for the registration, search or information and the service fees paid to an agent, if any; and
 - (b) in subparagraphs 16 i and ii of subsection (1), the fees paid for the search or statement and the service fees paid to an agent, if any.

Subsequent disclosure, fixed credit agreement with floating rate

65. A disclosure statement required to be delivered under subsection 80 (1) of the Act shall be in writing and shall disclose the following information:

1. The period covered by the disclosure statement.
2. The annual interest rate at the beginning of the period covered by the disclosure statement and the annual interest rate at the end of that period.
3. The outstanding balance at the beginning of the period covered by the disclosure statement and the outstanding balance at the end of that period.
4. If the credit agreement requires the borrower to make scheduled payments, the timing and amount of each remaining payment and, if the credit agreement provides for the amount of the scheduled payments to be adjusted to account for changes in the interest rate and the annual interest rate is different at the end of the period covered by the disclosure statement than it was at the beginning of that period, the adjusted amount of the remaining payments based on the annual interest rate at the end of the period covered by the disclosure statement.

Subsequent disclosure, fixed credit agreement with changeable rate

66. A disclosure statement required to be delivered under subsection 80 (2) of the Act shall be in writing and shall disclose the following information:

1. The new annual interest rate.
2. The date the new annual interest rate takes effect.
3. How the change in the annual interest rate affects the timing or amount of any payment the borrower is required to make under the credit agreement.

Transition, open credit subsequent disclosure

67. In applying subsection 81 (1) of the Act to a credit agreement for open credit that was entered into before the day the subsection was proclaimed in force, the monthly period begins to run on the day the subsection was proclaimed in force.

Statement of account, open credit agreement

68. (1) A statement of account for a credit agreement for open credit shall be in writing and, for the purpose of subsection 81 (4) of the Act, shall disclose the following information:

1. The period covered by the statement of account.
2. The outstanding balance at the beginning of the period covered by the statement of account.
3. For each charge added to the outstanding balance during the period covered by the statement of account,
 - i. a description of the consumer transaction that resulted in the charge,
 - ii. the amount of the charge, and
 - iii. the date the charge was posted.
4. For each payment or credit subtracted from the outstanding balance during the period covered by the statement of account,
 - i. the amount of the payment or credit, and
 - ii. the date the payment or credit was posted.
5. The annual interest rates in effect during the period covered by the statement of account and the part of that period during which each interest rate was in effect.
6. The total amount of interest charged to the borrower during the period covered by the statement of account.
7. The total amount added to the outstanding balance during the period covered by the statement of account.
8. The total amount subtracted from the outstanding balance during the period covered by the statement of account.
9. The outstanding balance at the end of the period covered by the statement of account.
10. The credit limit.
11. The minimum payment due by the borrower.
12. The date on which payment by the borrower is due.
13. The conditions that the borrower is required to satisfy in order to take advantage of a grace period under the credit agreement.
14. The rights and obligations of the borrower with respect to the correction of billing errors.
15. A telephone number at which the borrower can make inquiries about the borrower's account during ordinary business hours without incurring any charges for the telephone call.

(2) For the purpose of subparagraph 3 i of subsection (1), a description of a consumer transaction shall be considered to be sufficient if the description, along with the transaction record included with the statement of account or made available to the borrower at the time of the transaction, can reasonably be expected to enable the borrower to verify the transaction.

Material and non-material changes

69. (1) For the purpose of clause 81 (7) (a) of the Act, the following are not material changes:

1. A change in the credit limit.
2. A decrease in the annual interest rate payable by the borrower.
3. A change in the manner of determining the annual interest rate payable by the borrower, if the change can result only in a decrease in the annual interest rate payable by the borrower.
4. A decrease in the amount payable by the borrower for an element of the cost of borrowing, other than interest.
5. A change in the manner of determining an amount payable by the borrower for an element of the cost of borrowing, other than interest, if the change can result only in a decrease in the amount payable by the borrower.

6. A decrease in any other charge payable by the borrower that is referred to in subsection 64 (1).

7. An increase in the length of a grace period.

(2) For the purpose of clause 81 (7) (b) of the Act, a change in any of the matters prescribed under subsection 79 (3) of the Act, other than a change mentioned in subsection (1) of this section, is a material change.

Disclosures under Part VII of the Act, general

70. (1) A disclosure statement under Part VII of the Act may be a separate document or part of another document.

(2) Subject to subsections 55 (3) to (8), a disclosure made under Part VII of the Act may be based on an estimate or assumption if,

- (a) the information is not ascertainable at the time the disclosure is made;
- (b) the estimate or assumption is reasonable; and
- (c) the estimate or assumption is clearly identified as an estimate or assumption.

(3) If a disclosure made under Part VII of the Act discloses a monetary amount that is not in Canadian currency, it shall disclose the currency in which the amount is expressed.

Exemptions from Part VII

71. (1) Subsection 67 (2) of the Act does not apply if all of the assistance by the loan broker occurred before the day the subsection was proclaimed in force.

(2) Section 68 of the Act does not apply if the credit card was first used before the day the section was proclaimed in force.

(3) Although section 69 of the Act applies regardless of whether the credit agreement for the credit card has been entered into before or is entered into after the section is proclaimed in force, the section does not apply to unauthorized charges that were incurred before the section was proclaimed in force.

(4) Section 75 of the Act does not apply to,

- (a) a credit agreement for open credit that was entered into before the day the section was proclaimed in force;
- (b) a credit agreement for fixed credit that was entered into before the day the section was proclaimed in force, unless the credit agreement is amended, extended or renewed on or after that day;
- (c) default charges that were imposed before the day the section was proclaimed in force.

(5) If a credit agreement was entered into before the day section 76 of the Act was proclaimed in force, section 76 of the Act does not apply to the credit agreement and section 28 of the *Consumer Protection Act*, as it read immediately before its repeal by the *Consumer Protection Statute Law Amendment Act, 2002*, continues to apply to the credit agreement.

(6) Subsection 78 (2) of the Act does not apply if the loan broker took the application from the borrower and sent it to a lender before the day the subsection was proclaimed in force.

(7) Subsection 80 (1) of the Act does not apply to a credit agreement for fixed credit that was entered into before the day the subsection was proclaimed in force, unless the credit agreement is amended, extended or renewed on or after that day and, in that case, the 12-month period begins to run on the day the agreement is amended, extended or renewed.

(8) Subsection 80 (2) of the Act does not apply to a credit agreement for fixed credit that was entered into before the day the subsection was proclaimed in force, unless,

- (a) the credit agreement is amended, extended or renewed on or after that day; and
- (b) the lender's increase of the annual interest rate occurs on or after that day.

(9) Subsections 80 (3) and (4) of the Act do not apply to a credit agreement for fixed credit that was entered into before the day subsection 80 (3) of the Act was proclaimed in force, unless,

- (a) the credit agreement is amended, extended or renewed on or after that day; and
- (b) the point when the amount of the borrower's scheduled payments required by the agreement is no longer sufficient to cover the interest accrued under the agreement occurs on or after that day.

(10) Subsection 80 (5) of the Act does not apply to a credit agreement for fixed credit that was entered into before the day the subsection was proclaimed in force, unless the amendment referred to in the subsection is made on or after that day.

(11) Subsection 81 (5) of the Act does not apply to a credit agreement for open credit that was entered into before the day the subsection was proclaimed in force, unless the change referred to in the subsection occurs on or after that day.

(12) In the case of a credit agreement for a credit card where the interest rate is not a floating rate, if the lender decreases the interest rate under the agreement pursuant to the agreement, the lender,

- (a) is exempt from the requirement in subsection 81 (5) of the Act to deliver a disclosure statement disclosing the decrease to the borrower at least 30 days before the decrease; and
- (b) shall deliver a disclosure statement disclosing the decrease to the borrower in the next statement of account.

(13) Subsection 81 (6) of the Act does not apply to a credit agreement for open credit that was entered into before the day the subsection was proclaimed in force, unless the amendment referred to in the subsection is made on or after that day.

(14) Subsection 81 (7) of the Act does not apply to a credit agreement for a credit card that was entered into before the day the subsection was proclaimed in force, unless the amendment referred to in the subsection is made on or after that day.

PART VIII LEASING — PART VIII OF THE ACT

Interpretation

72. (1) In this Part,

“advance”, to a lessee in connection with a lease, includes,

- (a) the amount of a pre-existing monetary obligation of the lessee that the lessor pays, discharges or consolidates in connection with the lease, whether or not the pre-existing monetary obligation is itself connected to the lease, and
- (b) the expense incurred by the lessor in paying all or any part of the following in connection with the lease, if the lessee is required to repay the expense:
 - (i) the cost of insurance for the leased goods, if the lessee is the beneficiary of the insurance and the insured amount is the full insurable value of the leased goods,
 - (ii) the cost of searching vehicle records under the *Highway Traffic Act* in order to confirm the ownership or vehicle identification number of a vehicle and the cost of obtaining a statement, or a certified copy of a statement, containing information from the vehicle records,
 - (iii) the cost of registering a financing statement or financing change statement in a public registry of security interests in personal property, and the cost of searching or obtaining information from the registry, in relation to the leased goods,
 - (iv) the cost of registering in the land titles or registry system a notice of security interest under clause 54 (1) (a) of the *Personal Property Security Act*, an extension notice under subsection 54 (3) of that Act or a certificate to discharge or partially discharge a notice of security interest under subsection 54 (4) of that Act, and the cost of searching or obtaining information from the system, in relation to the leased goods; (“avance”)

“annual percentage rate”, in relation to a lease, means the amount determined using the formula,

$$(M \times I) \times 100$$

in which,

“M” is the number of payment periods in a year under the lease, and

“I” is the periodic interest rate, as determined under this section; (“taux de crédit”)

“assumed residual payment” means,

- (a) in the case of a lease that is neither an option lease nor a residual obligation lease, the sum of the estimated residual value of the leased goods and the payment, if any, that the lessee is required to make in the ordinary course of events at the end of the lease term,
- (b) in the case of an option lease, the lesser of,
 - (i) the sum of the estimated residual value of the leased goods and the payment, if any, that the lessee is required to make in the ordinary course of events at the end of the lease term, and
 - (ii) the additional payment that the lessee is required to make in order to exercise the option at the end of the lease term,
- (c) in the case of a residual obligation lease, the sum of,
 - (i) the amount that the lessee is required to pay to the lessor at the end of the lease term if the realizable value of the leased goods at the end of the lease term equals the estimated residual value of the lease goods, and
 - (ii) the estimated residual value of the leased goods; (“versement résiduel présumé”)

“capitalized amount” means the amount determined by,

- (a) adding,

- (i) the lease value of the leased goods, and
 - (ii) the sum of the advances to be made to the lessee in connection with the lease before or at the beginning of the lease term, and
- (b) subtracting, from the amount determined under clause (a), the sum of the payments to be made by the lessee in connection with the lease before or at the beginning of the lease term, excluding,
- (i) payments that the lease expressly requires the lessor to hold as security for any of the obligations of the lessee to the lessor, and
 - (ii) periodic payments under the lease; (“somme capitalisée”)

“estimated residual value”, in relation to leased goods, means the lessor’s reasonable estimate of the wholesale value of the leased goods at the end of the lease term; (“valeur résiduelle estimative”)

“implicit finance charge”, in relation to a lease, means the amount determined by,

- (a) adding,
 - (i) the sum of all non-refundable payments to be made by the lessee under the lease, excluding,
 - (A) charges for optional services accepted by the lessee,
 - (B) termination charges and penalties, and
 - (C) taxes in connection with the lease, and
 - (ii) the assumed residual payment, and
- (b) subtracting the capitalized amount from the amount determined under clause (a); (“frais financiers implicites”)

“lease value of the leased goods” means,

- (a) for the purposes of a disclosure statement for a lease,
 - (i) if the lessor sells such goods to cash consumers in the ordinary course of business, the lesser of,
 - (A) an amount that fairly represents the price at which the lessor sells such goods to cash consumers in the ordinary course of business, and
 - (B) the price agreed to by the lessor and the lessee in the lease, or
 - (ii) if the lessor does not sell such goods to cash consumers in the ordinary course of business, a reasonable estimate of the retail price of the goods, or
- (b) for the purposes of an advertisement for a lease,
 - (i) if the lessor sells such goods to cash consumers in the ordinary course of business, an amount that fairly represents the price at which the lessor sells such goods to cash consumers in the ordinary course of business, or
 - (ii) if the lessor does not sell such goods to cash consumers in the ordinary course of business, a reasonable estimate of the retail price of the goods; (“valeur de location des marchandises louées”)

“option lease” means a lease that gives the lessee the option of acquiring title to the leased goods by making a payment in addition to the periodic payments required under the lease; (“bail avec option”)

“periodic interest rate” means the value of “I” in the equation,

$$PMT = (PV - FV(1 + I)^{-N}) \div [((1 - (1 + I)^{-N}) \div I) + A]$$

in which,

- “PMT” is the amount of each periodic payment under the lease,
- “A” is the number of periodic payments to be made under the lease before or at the beginning of the lease term,
- “PV” is the capitalized amount,
- “FV” is the assumed residual payment, and
- “N” is the number of payment periods under the lease; (“taux d’intérêt périodique”)

“total lease cost” means the total of the payments that are required to be made by the lessee in connection with the lease in the ordinary course of events, excluding payments that the lease expressly requires the lessor to hold as security for any of the obligations of the lessee to the lessor. (“coût total du bail”)

(2) In calculating the annual percentage rate for a lease, a year shall be considered to have 365 days, despite the definition of “year” in section 1 of the Act.

(3) If a lease provides for payments to be made at intervals measured by reference to weeks or months, the annual percentage rate for the lease may be calculated on the assumption that each week is 1/52 of a year long and each month is 1/12 of a year long.

(4) In subsections (2) and (3), the references to the calculation of the annual percentage rate include the calculation of any amount that is required to be calculated in order to calculate the annual percentage rate.

(5) “Cost” in the definition of “advance” in subsection (1) means,

(a) in subclause (b) (ii) of the definition, the fees paid for the search or statement and the service fees paid to an agent, if any; and

(b) in subclauses (b) (iii) and (iv) of the definition, the fees paid for the registration, search or information and the service fees paid to an agent, if any.

(6) In subsection (1), for the purposes of the definitions of “assumed residual payment”, “estimated residual value” and “total lease cost” and for the purposes of subclause (a) (i) of the definition of “implicit finance charge” and “N” in the definition of “periodic interest rate”,

(a) if the lease term is indefinite, the lease term shall be considered to be one year long; and

(b) if the lease term is the length of the useful life of the leased goods, the lease term shall be considered to be a reasonable estimate of the length of the useful life of the leased goods, and the same estimated length shall be used for the purpose of all of those definitions with respect to the same lease.

(7) An amount payable by the lessee, before or at the beginning of the lease term, in respect of a tax in connection with the lease shall be excluded from the sum of the payments to be made by the lessee, calculated under clause (b) of the definition of “capitalized amount” in subsection (1), if it was not included in the sum of the advances to be made to the lessee, calculated under subclause (a) (ii) of that definition.

(8) If a lease provides for the servicing of the leased goods and the lessee did not have the option of excluding the servicing provisions from the lease, a reference to the goods shall be interpreted as a reference to the goods and the servicing of the goods in,

(a) the expressions “estimated residual value of the leased goods”, “lease value of the leased goods” and “realizable value of the leased goods” in this Part; and

(b) the definitions of “estimated residual value” and “lease value of the leased goods” in subsection (1).

(9) If there is any irregularity in the amount or timing of payments required during the lease term, the equation in the definition of “periodic interest rate” in subsection (1) shall be modified as necessary to calculate the value of “I” in accordance with actuarial principles.

(10) A disclosure of an annual percentage rate for a lease shall be considered to be accurate if it is within one-eighth of one per cent of the annual percentage rate calculated in accordance with this section.

Advertising

73. (1) This section prescribes, for the purpose of section 88 of the Act, the requirements with which a person shall comply in making representations about the cost of a lease, or causing representations to be made about the cost of a lease, in an advertisement.

(2) An advertisement described in subsection (1), other than an advertisement to which subsection (3) applies, shall disclose the following information:

1. That the consumer agreement is a lease.
2. The length of the lease term or that the lease term is indefinite.
3. The amount of each payment to be made by the lessee in connection with the lease before or at the beginning of the lease term, other than a periodic payment.
4. The timing of the periodic payments to be made by the lessee under the lease and the amount of each payment.
5. For every other payment that the lessee is required to make in connection with the lease in the ordinary course of events, the amount or, if the amount cannot be determined at the time of the disclosure, the manner of determining the amount, of the payment.
6. For a motor vehicle lease with an allowance of less than 20,000 kilometres a year, the amount or, if the amount cannot be determined at the time of the disclosure, the manner of determining the amount, that the lessee will be charged for exceeding the kilometre allowance.
7. The annual percentage rate for the lease.
8. The currency in which amounts are expressed, if it is not Canadian currency.

(3) An advertisement described in subsection (1) that is broadcast on radio or television, displayed on a billboard or bus board or made through any other medium with similar time or space limitations shall disclose the information referred to in paragraphs 1, 3, 4 and 8 of subsection (2) and shall,

- (a) disclose the information referred to in paragraphs 2 and 7 of subsection (2);
 - (b) disclose a telephone number that can be called to obtain the information referred to in paragraphs 2 and 7 of subsection (2), without incurring any charge for the call; or
 - (c) refer to an advertisement that contains the information referred to in paragraphs 2 and 7 of subsection (2) and that is published in a publication having general circulation in the area of the radio or television broadcast, the area of the billboard or bus board display or the area covered by the other medium, as the case may be.
- (4) When the annual percentage rate for a lease is disclosed under subsection (2) or (3), it shall be disclosed as prominently as the most prominently disclosed amount of a payment that forms part of the total lease cost.
- (5) If the advertisement applies to a range of leases and any of the information required to be disclosed under this section would not be the same for all leases to which the advertisement applies, the advertisement shall disclose that information for a representative lease and shall state that the information is for a representative lease.

(6) In this section,
 “representative lease”, in relation to an advertisement, means an example of a lease that fairly depicts the leases to which the advertisement applies and is identified as a representative of those leases.

Disclosure statement for a lease

- 74.** (1) A disclosure statement for a lease shall be in writing and may be a separate document or part of another document.
- (2) For the purpose of subsection 89 (2) of the Act, a disclosure statement for a lease shall disclose the following information:
- 1. That the consumer agreement is a lease.
 - 2. The length of the lease term or that the lease term is indefinite.
 - 3. A fair and accurate description of the leased goods.
 - 4. The lease value of the leased goods.
 - 5. The nature and amount of each advance to be made to the lessee in connection with the lease before or at the beginning of the lease term, including, without limitation, an advance for an expense to be incurred by the lessee in connection with the lease before or at the beginning of the lease term, even if the expense is not payable until after the beginning of the lease term.
 - 6. The nature and amount of each payment to be made by the lessee in connection with the lease before or at the beginning of the lease term, other than a periodic payment.
 - 7. The timing and number of the periodic payments to be made by the lessee under the lease and the amount of each payment.
 - 8. The capitalized amount.
 - 9. The estimated residual value of the leased goods.
 - 10. In the case of an option lease,
 - i. when and how the option may be exercised,
 - ii. the amount of the additional payment that the lessee is required to make in order to exercise the option at the end of the lease term, and
 - iii. the manner of determining the amount of the additional payment that the lessee is required to make in order to exercise the option before the end of the lease term.
 - 11. In the case of a residual obligation lease,
 - i. the amount that the lessee is required to pay to the lessor under the lease at the end of the lease term if the realizable value of the leased goods at the end of the lease term equals the estimated residual value of the lease goods, and
 - ii. a statement that the lessee’s maximum liability at the end of the lease term is the sum of,
 - A. the amount that the lessee is required to pay to the lessor under the lease at the end of the lease term if the realizable value of the leased goods at the end of the lease term equals the estimated residual value of the leased goods, and

B. the difference, if any, between the estimated residual value of the leased goods and the realizable value of the leased goods at the end of the lease term.

12. The circumstances, if any, in which the lessor may terminate the lease before the end of the lease term.
13. The circumstances, if any, in which the lessee may terminate the lease before the end of the lease term.
14. The amount or, if the amount cannot be determined at the time of the disclosure, the manner of determining the amount, of the payments, if any, that the lessee is required to make on early termination of the lease.
15. The circumstances, if any, in which the lessee is required to make a payment in connection with the lease that is not disclosed under the preceding paragraphs and the amount or, if the amount cannot be determined at the time of the disclosure, the manner of determining the amount, of the payment.
16. The implicit finance charge for the lease.
17. The annual percentage rate for the lease.
18. The total lease cost.
19. The currency in which amounts are expressed, if it is not Canadian currency.

(3) The circumstances referred to in paragraph 15 of subsection (2) include, without limitation, unreasonable or excessive wear or use.

Consequence of non-disclosure

75. A lessee is not liable to pay the lessor,

- (a) the implicit finance charge for the lease, if the lessee does not receive a disclosure statement for the lease as required under subsection 89 (1) of the Act; or
- (b) any amount in excess of the amount specified as the implicit finance charge for the lease in the disclosure statement received by the lessee.

Maximum liability under residual obligation lease

76. (1) For the purpose of subsection 90 (2) of the Act, the maximum liability of the lessee at the end of the lease term of a residual obligation lease, after returning the leased goods to the lessor, is the amount determined using the formula,

$$P + (V - R)$$

in which,

“P” is the amount that the lessee is required to pay to the lessor under the lease at the end of the lease term if the realizable value of the leased goods at the end of the lease term equals the estimated residual value of the lease goods,

“V” is the estimated residual value of the leased goods, and

“R” is the realizable value of the leased goods at the end of the lease term, as determined under subsections (2), (3) and (4).

(2) Subject to subsections (3) and (4), the realizable value of leased goods at the end of the lease term is the greatest of,

- (a) the price, exclusive of taxes, at which the lessor disposes of the leased goods;
- (b) 80 per cent of the estimated residual value of the leased goods; and
- (c) the amount determined by subtracting, from the estimated residual value of the leased goods, the product obtained by multiplying the average monthly payment under the lease by three.

(3) If the amount determined under clause (2) (b) is the greatest of the three amounts, the realizable value of leased goods at the end of the lease term is the amount obtained by subtracting, from the amount determined under clause (2) (b), that part of the difference between the amount determined under clause (2) (b) and the amount determined under clause (2) (a) that is attributable to unreasonable or excessive wear or use of the leased goods or to damage to the leased goods for which the lessee is responsible under the lease.

(4) If the amount determined under clause (2) (c) is the greatest of the three amounts, the realizable value of leased goods at the end of the lease term is the amount obtained by subtracting, from the amount determined under clause (2) (c), that part of the difference between the amount determined under clause (2) (c) and the amount determined under clause (2) (a) that is attributable to unreasonable or excessive wear or use of the leased goods or to damage to the leased goods for which the lessee is responsible under the lease.

(5) Subsection 90 (2) of the Act does not apply to a lease that was entered into before the day the subsection was proclaimed in force.

Exemption from Part VIII

77. A lease is exempt from the application of Part VIII of the Act,

- (a) if the leased goods are required in order for the lessor to provide a service to the lessee; or
- (b) if the periodic payments required under the lease may change during the lease term in such a way that it is not possible to determine, at the time the lessee enters into the lease, the amount of every periodic payment required under the lease or if, for any other reason, it is not possible to determine, at the time the lessee enters into the lease, the amount of every periodic payment required under the lease.

**PART IX
PROCEDURES FOR CONSUMER REMEDIES — PART IX OF THE ACT**

Definitions

78. In this Part,

“consumer’s address” means,

- (a) subject to clause (b), the address of the consumer that is set out in the consumer agreement or, if the address of the consumer is not set out in the consumer agreement, the place where the consumer resided at the time the consumer agreement was entered into,
- (b) if the supplier knows that the address of the consumer that would be required under clause (a) has changed and knows the consumer’s current address, the consumer’s current address; (“adresse du consommateur”)

“supplier’s address” means the address of the supplier that is set out in the consumer agreement or, if the address of the supplier is not set out in the consumer agreement or the consumer did not receive a written copy of the consumer agreement,

- (a) any address of the supplier on record with the Government of Ontario or the Government of Canada, or
- (b) an address of the supplier known by the consumer. (“adresse du fournisseur”)

Supplier obligations on cancellation

79. (1) A supplier who is required to comply with subsection 96 (1) of the Act shall do so within 15 days after the day the consumer gives notice to the supplier in accordance with section 92 of the Act that the consumer is cancelling the consumer agreement.

(2) A supplier who is required to return goods to a consumer under clause 96 (1) (b) of the Act shall return the goods to the consumer’s address.

Consumer obligations on cancellation of certain agreements

80. (1) This section applies with respect to subsection 96 (2) of the Act, if the consumer agreement that has been cancelled is one of the following:

1. A direct agreement to which sections 42 and 43 of the Act apply.
2. A time share agreement.
3. A personal development services agreement to which sections 30 to 36 of the Act apply.
4. A consumer agreement to which section 49 of the Act applies.

(2) A consumer who receives from the supplier a written request for repossession of the goods shall,

- (a) give the supplier, or a person designated by the supplier in writing, a reasonable opportunity to repossess the goods at the consumer’s address; or
- (b) return the goods to the supplier’s address.

(3) In the case of goods that are created, recorded, transmitted or stored in digital form or in other intangible form by electronic, magnetic or optical means or by any other means that has capabilities for creation, recording, transmission or storage similar to those means, a consumer who receives from the supplier a written direction to destroy the goods shall destroy the goods in accordance with such instructions as may be set out in the direction.

(4) The consumer shall comply with subsection (2) or (3), as the case may be,

- (a) forthwith after the supplier complies with subsection 96 (1) of the Act; or
- (b) forthwith after receiving the written request for repossession of the goods mentioned in subsection (2) or the written direction to destroy the goods mentioned in subsection (3), as the case may be, if subsection 96 (1) of the Act does not apply because the consumer has not made any payment under the agreement or a related agreement and has not delivered any goods to the supplier under a trade-in arrangement.

(5) A consumer who has not received a written request for repossession of the goods under subsection (2) or a written direction to destroy the goods under subsection (3) may return the goods to the supplier's address.

(6) The supplier shall be deemed to consent to a return of goods under clause (2) (b) or subsection (5) and is responsible for the reasonable cost of returning the goods.

Consumer obligations on cancellation of other agreements

81. (1) This section applies with respect to subsection 96 (2) of the Act, if the consumer agreement that has been cancelled is one of the following:

1. An internet agreement to which sections 38 to 40 of the Act apply.
2. A remote agreement to which sections 45 to 47 of the Act apply.
3. A future performance agreement to which sections 22 to 26 of the Act apply.

(2) A consumer who has not received a written direction to destroy the goods under subsection (5) shall return the goods to the supplier's address, by any method that provides the consumer with confirmation of delivery, and shall do so within 15 days after the later of,

- (a) the day the consumer gives notice to the supplier in accordance with section 92 of the Act that the consumer is cancelling the consumer agreement; and
- (b) the day the goods come into the consumer's possession.

(3) Goods that are returned under subsection (2) other than by personal delivery shall be deemed to have been returned when sent by the consumer to the supplier.

(4) The supplier shall be deemed to consent to a return of goods under subsection (2) and is responsible for the reasonable cost of returning the goods.

(5) In the case of goods that are created, recorded, transmitted or stored in digital form or in other intangible form by electronic, magnetic or optical means or by any other means that has capabilities for creation, recording, transmission or storage similar to those means, a consumer who receives from the supplier a written direction to destroy the goods shall destroy the goods forthwith in accordance with such instructions as may be set out in the direction.

Period of reasonable care

82. For the purpose of subsection 96 (3) of the Act, the period for which a consumer who cancels a consumer agreement shall take reasonable care of the goods that came into the possession of the consumer under the agreement or a related agreement begins when the consumer gives notice to the supplier in accordance with section 92 of the Act that the consumer is cancelling the consumer agreement and ends at the earliest of the following:

1. The time the goods are destroyed under subsection 80 (3) or 81 (5).
2. The time the goods are returned under clause 80 (2) (b) or subsection 80 (5) or 81 (2).
3. The time the goods are repossessed, in the case of a consumer agreement to which section 80 applies.
4. The end of the 21st day after the day the consumer gives notice to the supplier in accordance with section 92 of the Act that the consumer is cancelling the consumer agreement if, in the case of a consumer agreement to which section 80 applies,
 - i. the consumer has received from the supplier a written request for repossession of the goods, has provided the reasonable opportunity to repossess required by clause 80 (2) (a), and the goods have not been repossessed, or
 - ii. the consumer has not received from the supplier a written request for repossession of the goods.

Limitations on cancellation of direct agreement

83. (1) This section applies upon the cancellation by a consumer of a direct agreement under section 43 of the Act, if the consumer,

- (a) solicited the goods or services from the supplier; and
- (b) requested that, within 10 days after the day the direct agreement is entered into, the supplier make delivery or commence performance under the direct agreement.

(2) In the circumstances described in subsection (1), the supplier is entitled to reasonable compensation for,

- (a) goods,
 - (i) that were received by the consumer under the direct agreement before the earlier of,
 - (A) the 11th day after the day the direct agreement was entered into, and

- (B) the time the consumer gives notice to the supplier in accordance with section 92 of the Act that the consumer is cancelling the direct agreement, and
- (ii) that cannot be repossessed by or returned to the supplier because they,
 - (A) have been used up,
 - (B) have perished, or
 - (C) have become such an integral part of other property that it would be impractical to remove them from the other property; and
- (b) services that were received by the consumer under the direct agreement before the earlier of,
 - (i) the 11th day after the day the direct agreement was entered into, and
 - (ii) the time the consumer gives notice to the supplier in accordance with section 92 of the Act that the consumer is cancelling the direct agreement.
- (3) If a supplier is entitled to reasonable compensation under this section with respect to goods described in sub-subclause (2) (a) (ii) (C) or with respect to services, the obligations owed to the consumer by any person with respect to those goods or services, under the direct agreement, under a related agreement or at law, continue despite the cancellation of the direct agreement and the related agreement.
- (4) A supplier who is entitled to reasonable compensation under this section may,
 - (a) deduct the amount of the reasonable compensation to which the supplier is entitled from the refund, if any, that the supplier is required to give the consumer under clause 96 (1) (a) of the Act;
 - (b) recover the amount of the reasonable compensation to which the supplier is entitled from the consumer; or
 - (c) deduct part of the amount of the reasonable compensation to which the supplier is entitled from the refund, if any, that the supplier is required to give the consumer under clause 96 (1) (a) of the Act and recover the balance from the consumer.
- (5) This section applies pursuant to subsection 20 (2) of the Act.

Time for refund of illegal payment

84. For the purposes of subsections 98 (2) and (4) of the Act, the refund shall be provided within 15 days after the day the consumer demands it under subsection 98 (1) of the Act.

Cancellation or reversal of credit card charges, etc.

85. (1) For the purpose of subsection 99 (4) of the Act, a request by a consumer under subsection 99 (1) of the Act shall be given to the credit card issuer within 60 days after the end of the period within which the supplier was required under the Act to refund the payment.

(2) For the purpose of subsection 92 (2) of the Act, a request by a consumer to a credit card issuer under subsection 99 (1) of the Act shall be signed by the consumer and shall set out the following information:

1. The name of the consumer.
2. The number of the consumer's credit card account.
3. The expiry date set out on the consumer's credit card.
4. The name of the supplier who was required to make the refund.
5. If known, the date of the consumer agreement, if any, between the consumer and the supplier.
6. Each charge to the consumer's credit card account that the consumer is requesting the credit card issuer to cancel or reverse, including,
 - i. the amount of the charge,
 - ii. the date the charge was posted, and
 - iii. a description of the consumer transaction that resulted in the charge.
7. If the charge to be cancelled or reversed relates to a payment in respect of a consumer agreement that has been cancelled under the Act,
 - i. a statement to that effect,
 - ii. the date the agreement was cancelled, and
 - iii. the method used by the consumer to give the supplier notice of cancellation.

8. If the charge to be cancelled or reversed relates to a payment that was received in contravention of the Act,
 - i. a statement to that effect,
 - ii. the date the consumer demanded the refund, and
 - iii. the method used by the consumer to give the supplier notice demanding the refund.
9. If the charge to be cancelled or reversed relates to a payment that was collected in respect of unsolicited goods or services for which payment is not required under section 13 of the Act,
 - i. a statement to that effect,
 - ii. the date the consumer demanded the refund, and
 - iii. the method used by the consumer to give the supplier notice demanding the refund.

(3) For the purpose of clause 99 (5) (a) of the Act, the credit card issuer shall acknowledge the consumer's request within 30 days after the day the consumer's request is given to the credit card issuer in accordance with section 92 of the Act.

(4) For the purpose of clause 99 (5) (b) of the Act, the prescribed period begins when the consumer's request is given to the credit card issuer in accordance with section 92 of the Act and ends on the date of the second statement of account that the credit card issuer delivers to the consumer after the consumer's request was given to the credit card issuer.

PART X PUBLIC RECORD — SUBSECTION 103 (2) OF THE ACT

Requirements for maintenance of public record

86. The following requirements for the maintenance of the public record are prescribed for the purpose of subsection 103 (2) of the Act:

1. The Director shall make the material described in paragraphs 1 to 4 of subsection 103 (2) of the Act available to the public, from time to time,
 - i. by posting it on a Government of Ontario website,
 - ii. by orally disclosing it to telephone callers who request it, and
 - iii. in printed form.
2. The Director shall ensure that the material remains available to the public, as described in subparagraphs 1 i, ii and iii, for a period of at least 21 months and not more than 27 months.

Orders made

87. Orders made under sections 110, 111, 112, 115 and 119 of the Act are prescribed for the purpose of paragraph 4 of subsection 103 (2) of the Act.

Charges laid

88. For the purpose of paragraph 4 of subsection 103 (2) of the Act, the following information is prescribed in respect of each person against whom a charge is laid, on or after the day this section comes into force, under section 116 of the Act or under the *Athletics Control Act*, the *Bailiffs Act*, the *Cemeteries Act (Revised)*, the *Collection Agencies Act*, the *Consumer Reporting Act* or the *Theatres Act*:

1. The name of the person against whom the charge was laid, as known to the Ministry.
2. Any business names used by the person, as known to the Ministry.
3. The person's business address, business telephone number, business fax number and business e-mail address, if known to the Ministry.
4. With respect to each charge laid against the person,
 - i. the Act under which the charge was laid and a description of the charge,
 - ii. the date on which the charge was laid, and
 - iii. the final disposition of the charge, including details of the sentence, if any.

Actions taken

89. For the purpose of paragraph 4 of subsection 103 (2) of the Act, the following information is prescribed in respect of each person who is required to hold a permit or to be appointed, licensed or registered under the *Athletics Control Act*, the *Bailiffs Act*, the *Cemeteries Act (Revised)*, the *Collection Agencies Act*, the *Consumer Reporting Act* or the *Theatres Act* and against whom action, other than laying a charge, has been taken under that Act on or after the day this section comes into force:

1. The name of the person against whom the action was taken, as known to the Ministry.
2. Any business names used by the person, as known to the Ministry.
3. The person's business address, business telephone number, business fax number and business e-mail address, if known to the Ministry.
4. With respect to each action taken against the person,
 - i. the Act under which the action was taken and a description of the action taken,
 - ii. the ground for taking the action,
 - iii. the date on which the action was taken, and
 - iv. the final result of the action, including the revocation or suspension of an appointment, a licence or a registration, if any.

Complaints received

90. (1) If all of the conditions set out in subsection (2) are met, the following information is prescribed for the purpose of paragraph 4 of subsection 103 (2) of the Act, in respect of each person about whom the Director receives, on or after the day this section comes into force, a complaint dealing with conduct that may be in contravention of the Act or in contravention of the *Athletics Control Act*, the *Bailiffs Act*, the *Cemeteries Act (Revised)*, the *Collection Agencies Act*, the *Consumer Reporting Act* or the *Theatres Act*, whether the conduct constitutes an offence or not:

1. The name of the person to whom the complaint relates, as known to the Ministry.
2. Any business names used by the person, as known to the Ministry.
3. The person's business address, business telephone number, business fax number and business e-mail address, if known to the Ministry.
4. The number of complaints received by the Director about the person.
5. The substance and disposition of each complaint.
6. With respect to each complaint, whether a charge was laid against the person as described in section 88 and whether any action was taken against the person as described in section 89, and
 - i. if a charge was laid, the information required by paragraph 4 of section 88, and
 - ii. if action was taken, the information required by paragraph 4 of section 89.

(2) The information described in subsection (1) is prescribed for the purpose of paragraph 4 of subsection 103 (2) of the Act, only if all of the following conditions are met:

1. The complaint received by the Director is in writing, identifies the complainant as a consumer and asserts that the complainant gave or attempted to give notice of the substance of the complaint to the person about whom the complaint is made.
2. The complainant's total potential payment obligation under the consumer transaction to which the complaint relates, excluding the cost of borrowing, exceeds \$100.
3. Either,
 - i. Ministry staff gave notice of the substance of the complaint by mail, telephone discussion, telephone message, fax or e-mail on two separate occasions no more than 20 days apart to the person about whom the complaint was made, and,
 - A. within 20 days after the day the second notice was given, the person did not remedy the situation to the satisfaction of the complainant or otherwise respond to the substance of the complaint and did not request an additional 10 days to do so, or
 - B. within 20 days after the day the second notice was given, the person requested an additional 10 days to remedy the situation or otherwise respond to the substance of the complaint, but within the additional 10 days, the person did not remedy the situation to the satisfaction of the complainant or otherwise respond to the substance of the complaint, or
 - ii. Ministry staff made at least two attempts to give notice of the substance of the complaint to the person about whom the complaint was made by any combination of mail, telephone, fax or e-mail, but the mail was returned or Ministry staff were unable to have a telephone discussion with the person, leave a telephone message, send a fax or send an e-mail.

(3) Information that is prescribed under this section ceases to be so prescribed if the person about whom the complaint was made proves, to the satisfaction of the Director, that,

- (a) the person did not receive notice of the complaint from Ministry staff; and
- (b) the person has remedied the situation to the satisfaction of the complainant or otherwise responded to the substance of the complaint.

PART XI
PRESCRIBED ACTS AND JURISDICTIONS — PART XI OF THE ACT

Prescribed Acts

91. The *Athletics Control Act* is prescribed for the purposes of section 105 of the Act.

Prescribed jurisdictions

92. The following jurisdictions are prescribed for the purpose of subsection 122 (2) of the Act:

1. Canada.
2. Every province and territory of Canada other than Ontario.

PART XII
COMMENCEMENT

Commencement

93. This Regulation comes into force on July 30, 2005.