



Ministry of Consumer
and Commercial
Relations

Registration Division

Real Property
Registration Branch

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TO: All Land Registrars

Land Titles Act
Registry Act
Land Registration Reform Act
Electronic Registration Act (Ministry
of Consumer and Commercial
Relations Statutes), 1991

ELECTRONIC REGISTRATION OF
LAND TITLES DOCUMENTS

I. Background

The Ministry of Consumer and Commercial Relations and Teranet Land Information Services Inc. have been working on the development of electronic delivery of land registration services for a number of years. The first phase of these services began with the automation of the land registration records and the conversion of Registry properties to Land Titles. This process is ongoing with automation having been introduced and in many cases completed in 24 Land Registry Offices (LRO). With this automation came the introduction of electronic remote search services through the Teranet gateway software known as Teraview®. Now, clients of the land registration system have the convenience of remote electronic document registration services for land titles documents in Middlesex County, known as e-reg™, also through the Teraview gateway.

The *Land Registration Reform Act* ("LRRA") was amended in 1994 to allow for electronic registration of documents. The legislation set the framework for electronic document registration and provided that the registration requirements were to be dealt with by Regulation. It is these requirements that are the subject matter of the Regulations and Orders that will be referred to in this Bulletin. Extensive consultation with users including the Law Society of Upper Canada, the Canadian Bar Association, the Ontario Real Estate Lawyers Association and the Association of Ontario Land Surveyors occurred during the drafting of these regulations and during the development of the electronic registration system.

The key concepts of the 1994 LRRA amendments were the removal of the requirement that a document be in writing and signed and the creation of the authority for direct electronic transmission of the documents was permitted. The Act provides that an electronic document that creates, transfers or otherwise disposes of an estate or interest in land is not required to be in writing or to be signed. It also provides that a document registered in electronic format prevails over any copy of the document that exists in written form that is not a printed copy of the electronic document. The Regulations introduce another key concept, that of law statements. The electronic document registration system allows for the use of law statements which replace the need for the registrant to provide evidence of the matter dealt with by the statement. Land Registrars may rely on these statements and give effect to the registration if the electronic document is otherwise capable of registration. In the electronic document registration system, it is the information required in a document which is prescribed, the form is not. Therefore, the "POLARIS" forms introduced under LRRA in 1984 do not apply to the electronic document registration system.

II. Introduction of Electronic Registration of Land Titles Documents

Testing of the electronic document registration system for land titles documents by Teranet and the Ministry was completed and electronic document registration has been introduced on an optional basis, in the pilot office, the Middlesex County (London) LRO, on January 25, 1999. The electronic document registration system will be introduced in a phased manner, both with respect to the "functionality" (i.e. what the system can do electronically) and to which counties the system is available. For example, with respect to functionality, the system is now built so that documents can be receipted electronically but must still be reviewed by LRO staff for the purposes of certification of the document and title.

Once the pilot is completed in the Middlesex County (London) LRO, clients will be given sufficient notice of when the second regulation under LRRRA will be filed to make electronic registration of most land titles documents mandatory in Middlesex County. Once the London pilot is completed, electronic document registration will be introduced into other LROs. Clients will be given sufficient notice of this roll-out schedule, however, it is the Ministry's and Teranet's expectation that electronic document registration will be introduced next in the Halton (Milton) LRO.

III. Regulations and Orders

On January 25, 1999, Regulations and Orders under the *Electronic Registration Act, LRRRA*, the *Land Titles Act* and the *Registry Act* were filed to enable electronic registration of land titles documents, on an optional basis, in Middlesex County (London) LRO. These Regulations and Orders also amend existing land registration regulations and were effective on filing. They are similar in content to the draft Lieutenant Governor in Council ("LGIC") Regulations which were circulated to Land Registrars and were contained in the material in the November 10, 1997 programme sponsored by the Canadian Bar Association - Ontario, the Law Society of Upper Canada and the County and District Law Presidents' Association.

Bill 25, the *Red Tape Reduction Act, 1998* received Royal Assent on December 18, 1998. That Act contains numerous amendments to the land registration statutes, including the Regulation making powers under LRRRA required to introduce electronic document registration. It vests the authority to make certain Regulations and Orders with the Minister of Consumer and Commercial Relations ("Minister") and others with the Directors of Land Registration and Titles. Generally speaking, under the Red Tape amendments, the Minister will make regulations which deal with any matter with the exception of the forms for registration or the contents thereof; the Director of Land Registration will make these regulations. The Minister will make orders dealing with such things as fees and administrative matters and the Director of Land Registration will make orders dealing with office processes. The Director of Titles will also make certain orders under the *Land Titles Act*.

As a result, the draft 1997 Regulations were no longer capable of being filed as the LGIC did not have the authority to make the Regulations under the relevant Statutes. The LGIC retained power to revoke those Regulations made by the LGIC. As a result, those Regulations under the land registration statutes which required revocation were revoked by the LGIC as follows:

- O.Reg 14/99 under LRRRA;
- O.Reg. 20/99 under the *Registry Act*; and
- O.Reg 23/99 under the *Land Titles Act*.

The substance of the 1997 draft Regulations have not changed and these new Regulations and Orders which were filed on January 25, 1999 are essentially a reorganized version of the 1997 draft Regulations.

There were also complementary amendments to the existing land registration regulations. It is important in reviewing these complimentary amendments to understand that their overall effect is minimal. Essentially, a number of forms that have not been in use since the introduction of the POLARIS forms with the passage of LRRRA in 1984, were revoked. The existing land registration regulations also required amendment to address the change in Regulation making powers and deal with the distinction that is drawn between electronic and non-electronic formats.

The following is a summary of the Regulations and Orders.

(a) *Electronic Registration Act (Ministry of Consumer And Commercial Relations Statutes), 1991*

1. O.Reg. 13/99: LGIC Regulation

This statute enables electronic registration for statutes administered by the Ministry. This Regulation designates LRRRA and the LTA as Acts to which this statute applies.

(b) *Land Registration Reform Act Regulations*

1. O.Reg. 15/99: Minister's Regulation to Amend O.Reg. 688 under LRRRA

Section 1 of O.Reg 688 had designated all lands in Ontario under Part I of LRRRA. This Regulation revoked section 1 because the section was redundant as the designation was addressed in the Red Tape amendments.

2. O.Reg. 16/99: Minister's Regulation under LRRRA

This Regulation makes the electronic registration of land titles documents, on an optional basis in Middlesex County, possible. In subsection 3(2), there is the ability to designate areas in which electronic document registration is a requirement; at this time, no areas are designated. A further regulation designating the appropriate areas will be filed on completion of the pilot.

3. O.Reg. 17/99: Director of Land Registration Regulation Amending O.Reg. 688 under LRRRA

This Regulation amends O.Reg 688 to include reference to a non-electronic format. The effect of this change is that the POLARIS forms are to be used for non-electronic or paper registrations.

4. O.Reg. 18/99: Minister's Regulation under LRRRA

This Regulation reiterates the powers of the Director of Land Registration with respect to issuing instructions for the execution of documents and the approved forms. It should be noted that in this Regulation, reference is made to the process of filing Standard Charge Terms. This will continue to be done in paper format.

5. O.Reg. 19/99: Director of Land Registration Regulation under LRRRA

This Regulation most affects the users of the land registration system as the content of the electronic documents are prescribed here. This Regulation is essentially unchanged from the draft 1997 Regulation which was distributed, with the exception of some minor changes such as the increase of the writs clearing amounts to \$50,000. (See also: Bulletin 98003) The formats and statements for documents created in the electronic document registration system were designed to comply with this Regulation.

(c) Registry Act Regulations and Orders:

1. O.Reg. 21/99: Minister's Regulation under the Registry Act

This Regulations states which registry divisions are designated for the purposes of accepting french language documents.

2. O.Reg. 22/99: Director of Land Registration Regulation under the Registry Act

A certificate of discharge was formerly required to be registered in Form 24 of O.Reg 995; this form has been revoked. This certificate, which applies to non-electronic documents, is now required to be in Form 3 of O.Reg. 688 of LRRRA.

3. MRPR - 002/99: Minister's Order under the Registry Act

This Order is essentially a housekeeping Order which deals with how the indices of the LRO are to be kept and with the administrative details of record keeping. (See Order attached)

(d) Land Titles Act Regulations and Orders

1. Minister's Regulation - O.Reg. 24/99

This Regulation amends O/Reg 690 to add the definition of electronic and non-electronic format.

2. O.Reg. 25/99: Director of Land Registration Regulation

This Regulation amends O/Reg. 690 to deal with registrations in non-electronic format.

3. O.Reg. 26/99: Minister's Regulation under the Land Titles Act

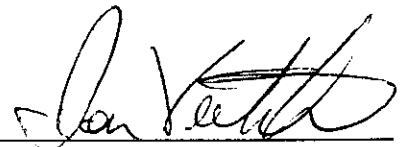
This complements the similar Regulation under the *Registry Act* (O.Reg. 21/99) and states which Land Titles divisions have been designated for the purposes of accepting french language documents. It also prescribes some evidentiary matters required in certain non-electronic documents.

4. O.Reg. 27/99: Director Of Land Registration Regulation

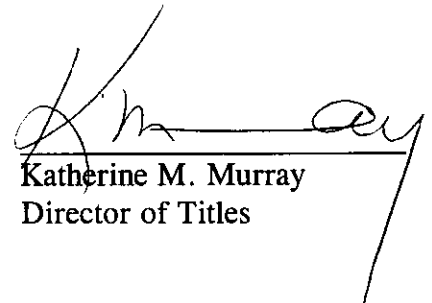
This complements O.Reg.17/99 under the *Registry Act* (see above) and amends O.Reg. 690 to include reference to a non-electronic format. This Regulation deals with the form of documents to be registered.

5. MRPR - 001/99: Minister's Order under the *Land Titles Act*

This Order deals with the format of the records and is similar to the Order referred to above under the *Registry Act* (MRPR - 002/99). These requirements were previously contained in O.Reg. 690.



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