

Title:	Electronic record-keeping for registrants
Guideline topic:	Records management
Legislation:	Motor Vehicle Dealers Act
Section/subsection(s):	S. 52 (1) - Motor Vehicle Dealer Records and Accounts
Date created:	2021-12-03
Date revised:	Click or tap to enter a date.

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Key highlights

- Electronic records are acceptable if registrants comply with the established guidelines.
- Registrants require the Registrar’s permission to keep electronic records off-site, such as in a cloud-based service or on a third-party computer server.
- Electronic record-keeping is optional, not mandatory.
- Registrants who digitize records currently in paper form can then dispose of the paper copies in a safe and secure manner.

OMVIC's role and mandate

The Ontario Motor Vehicle Industry Council (OMVIC) administers and enforces the [Motor Vehicle Dealers Act, 2002](#) (MVDA), its regulations and code of ethics, as well as relevant sections of the Consumer Protection Act (CPA), on behalf of Ontario's Ministry of Government and Consumer Services. OMVIC's mandate is to maintain a fair and informed marketplace by protecting the rights of consumers, enhancing industry professionalism, and ensuring fair, honest, and open competition for registered motor vehicle dealers.

Purpose

Just as OMVIC and other organizations are doing, many registrants are moving to electronic records management and paperless processes. These processes allow for quick retrieval and effective organization of files and free up physical space that registrants can use for other purposes. All these changes have resulted in an increased need for registrants to manage and maintain records electronically. The current legislation doesn't speak specifically to electronic record keeping.

Several registered dealers have asked for OMVIC's position regarding the creation, maintenance and management of electronic records and whether electronic records comply with the relevant legislation and regulations.

As a result, in the fall of 2021, OMVIC consulted stakeholders, including industry associations, and asked for their views on what guidance OMVIC can provide on electronic record-keeping.

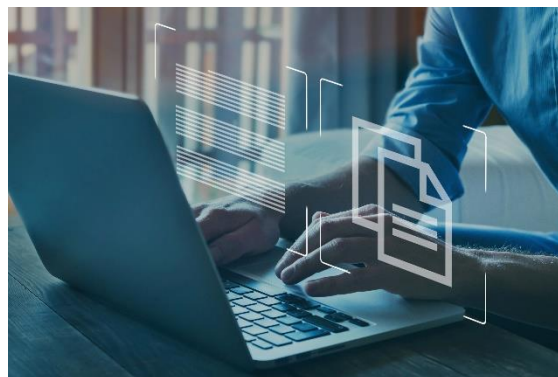
This document reflects that advice and is intended to support the industry in meeting the most appropriate current standards.

Current legislation and regulations

There are several sections of Ontario Regulation 333/08 – including S.52, 53, 54 and others – that set out the required records that registered dealers must maintain and how long they must be retained. Specifically, the registered dealer must keep a record of all employees, positions they hold, dates of employment, how much they are paid, proof of payment, records related to the financing of the business, etc. The dealer must also keep records related to:

- All motor vehicles that come into the dealer's possession for the purpose of trade;
- Sales of new and used vehicles;
- Lease agreements, trade-ins, consignments agreements;
- The people associated with the dealer, as defined in S. 1(2) of the MVDA; and
- All financial transactions, including loan agreements and credit arrangements.

Dealers must also ensure that they are familiar with the MVDA's requirements for access to documents and files. For example, when a representative of the Registrar requests records



under Section 14 of the MVDA, such as when there has been a complaint, they can request information from the dealer. There is an additional requirement under Section 15 of the MVDA that the dealer provide the relevant records related to inspection without obstruction.

Registrants must keep these records for six years at a location approved by the Registrar. The format in which these records must be maintained is not specified within the MVDA, nor is the treatment of original documents, backup copies, or the disposal of records.

Generally, other provinces share similar legislative requirements to Ontario concerning records management. Only British Columbia and Quebec specify acceptable formats in which records may be maintained. Respectively, these are set out via policy citing that written records include electronic records, and the other relating to consumer protection legislation where the format is acceptable provided the consumer can easily retain it and print it.

Regardless of any guidelines or other documents OMVIC might produce, it is always advisable for registrants to ensure that their records meet the needs of their financial institutions and other regulatory bodies, such as the Canada Revenue Agency. They should also seek and obtain independent legal advice where necessary.

Guidelines

Subject to the Guidelines below, registrants may keep electronic records (either instead of or alongside paper records) and remain in compliance with the law, regulations, and Code of Ethics. Electronic record-keeping is an option, not a requirement. Registrants who wish to continue only keeping physical records may do so.

Sections 31 and/or 56 of Ontario Regulation 333/08 of the MVDA require registrants to notify the Registrar in writing within five days of any change in address for service. This requirement for approval of the Registrar extends to Registrants who choose to keep electronic records in a location controlled by a third party. This requirement would include, for example, records that are kept on an off-site server or in a cloud-based storage system.

OMVIC also recommends that registrants who are considering moving to electronic record-keeping, and those who have already done so, should ensure that any electronic records that are created or reproduced:

- Are kept safe and secure, protected by the necessary software, such as firewalls and encryption packages, to be accessible only to those entitled to view them, such as those in control of the dealership.
- Are subject to regular security audits to ensure their integrity.
- Remain confidential and cannot be used to violate provincial privacy or other laws and regulations, even if those laws and regulations are outside OMVIC's jurisdiction.
- Are backed up regularly to a secondary source, such as a cloud service or external hard drive, in case of erasure, theft or corruption.
- In a format that that meets the requirements to be easily printed if requested by inspectors, consumers, or others with the right to access the material (e.g., PDF). PDFs can be either scanned copies or documents created initially in digital form.

- Of a resolution and image quality sufficient to ensure that the content is both readable and understandable.
- Are organized in a manner that facilitates easy review. All records related to a single trade, for example, should be kept in the same electronic file.
- Adhere to the rules for paper records, such as ensuring that they are available to consumers during regular business hours.
- Accurately and faithfully reflect the information that is required to complete the transaction.

Registrants who choose a fully electronic approach to record-keeping should ensure proper disposal of their paper copies, for example, through a commercial shredding service. After records have been digitized, there is no further requirement from OMVIC'S perspective to keep the original paper copies. Before destroying paper copies, dealers should check whether they are required to keep them for any other purposes (e.g., franchisee agreements).

Related links

- [Consumer Protection Act](#)
- [Electronic Commerce Act](#)
- [The Personal Information Protection and Electronic Documents Act \(PIPEDA\)](#)
- [Keeping a garage register](#)
- [Motor Vehicle Dealers Act](#)
- [New online course available at Georgian College](#)
- [Off-site Trade Application](#)
- [Premises Policy for General Dealers FAQs](#)

Contact

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