



Ministry of Government Services
ServiceOntario
Policy and Regulatory Services
Branch

Bulletin No. 2009-02

***Land Titles Act
Registry Act
Land Registration
Reform Act***

DATE: APRIL 15, 2009

**Teraview Version 6.0
and Phase 2 System
Changes relating to
Real Estate Fraud
Action Plan**

**TO: ALL LAND REGISTRARS
AND
USERS OF THE ELECTRONIC
LAND REGISTRATION SYSTEM**

1. OVERVIEW

On December 20th, 2006, the Ministry of Government Services *Consumer Protection and Service Modernization Act, 2006* (Bill 152) received Royal Assent. The Act contained amendments to a number of statutes, including the *Land Registration Reform Act*, *Land Titles Act* and *Registry Act*, to address issues related to real estate fraud. Phase 1 of the system changes were implemented on April 7, 2008 wherein additional law statements were required in most transfer of title documents and in documents signed under the authority of a power of attorney for an individual. Changes were also made to the registration requirements of a power of attorney and a revocation of power of attorney. Bulletin 2008-05 was issued describing these changes and was later updated by the issuance of Bulletin 2009-01. **This Bulletin should be read together with Bulletin 2009-01 as this information is in addition to the information contained in that Bulletin. The one exception is Section 3 below replaces Section D of Bulletin 2009-01.**

This Bulletin provides information relating to the next set of system changes required to implement the Real Estate Fraud Action Plan, referred to as Phase 2. These are being introduced in Version 6.0 of the Teraview® software. Teraview 6.0 is anticipated to be released on April 20, 2009. Registrants will have approximately 5 weeks in which to download this new version of Teraview before the changes come into force. At the end of the day on May 22, 2009, all versions of Teraview lower than 6.0 will be retired and the changes described in this bulletin will come into force. It is anticipated that Teraview will be available to registrants for document preparation on Sunday, May 24, 2009 in order to give users the opportunity to update and re-sign any documents that are scheduled to be submitted for registration on Monday, May 25, 2009.

2. NEW GENERAL AUTHORITY STATEMENT REQUIRED ON ALL DOCUMENTS

New non-law statements are being added to every electronic document. The Teraview system will display the appropriate statement depending on the document type and which party the registrant has identified they are acting on behalf. This statement is mandatory and is selected on the signature window at the time when the signature for completeness is being applied to the document. The purpose of the statement is that the registrant is confirming that they have the authority to create and register the document on behalf of the party for whom they are acting. The Registration Agreement that all Account Holders execute requires that prior to the submission of a Transfer, Charge, Discharge or Power of Attorney for registration in the electronic land registration system, the Account Holder shall ensure that its User has obtained evidence of proper authorization from the owner of the land or holder of an interest in the land that has directed the registration, and can provide evidence of an

explicit consent from that person to release to the Director their authorization for the registration, upon request by the Director, in the event of any investigation regarding suspected fraudulent or unlawful activity or registration. A signed Acknowledgement and Direction from the party should meet this requirement. The statements are identified below, however as mentioned above, the system will only display the statements relevant to the information provided.

The statements will appear on a tab labeled "Authorization Statements" on the signature window when the user selects to sign the document. The statements will not be displayed and the tabs are greyed out until the selection has been made that the document is being signed for completeness and which party(s) the document is being signed on behalf of (e.g. 'Party From', the 'Party To' or that it is being signed on behalf of 'Both'.)

(i) Authorization Statements on Documents that are 2 party documents where 2 signatories are required:

(a) Statements available when signing on behalf of the Party From:

5051 I have the authority to sign and register the document on behalf of the Applicant(s).

5052 I have the authority to sign and register the document on behalf of the Party From(s).

5056 I have the authority to sign and register the document on behalf of the Transferor(s).

(B) Statement available when signing on behalf of the Party To:

5053 I have the authority to sign and register the document on behalf of the Party To(s).

5058 I have the authority to sign and register the document on behalf of the Transferee(s).

(c) Statement available when signing on behalf of Both parties:

5054 I have the authority to sign and register the document on behalf of all parties to the document.

(ii) Authorization Statements on Documents that are 2 party documents where only 1 signature is required:

5051 I have the authority to sign and register the document on behalf of the Applicant(s).

5052 I have the authority to sign and register the document on behalf of the Party From(s).

5055 I have the authority to sign and register the document on behalf of the Chargor(s).

5057 I have the authority to sign and register the document on behalf of the Cautioner(s).

5059 I have the authority to sign and register the document on behalf of the Owners(s).

5060 I have the authority to sign and register the document on behalf of the Trustee(s).

(iii) Authorization Statements on Documents that are 1 party document:

5051 I have the authority to sign and register the document on behalf of the Applicant(s).

3. TRANSFER STATEMENT CHANGES

The placement of the law statements that were added to most transfer type documents in the Phase 1 system changes was an interim measure until more complex systems changes could be

made to the Teraview system. Concerns have been raised about the placement of these statements and these changes will address this. The changes that are being implemented in phase 2 will move both the selection of and the placement of the law statements on transfer documents, to the window where the signature for completeness is being applied to the document. The statement will now also print in the signatory area on the printed document, below the name of the solicitor who has signed the document for completeness.

In order to facilitate the movement of the statements to the signature window, most of the law statements for transfers that were implemented in the Phase 1 system changes are being retired and will be replaced with statements with identical wording, however they will receive new statement numbers. To make it easier, the new statement number is very similar to the number being retired. For example, the statement currently numbered 4041 will be replaced with a statement numbered 5041.

In addition to the statement changes described in the section, beginning on May 24th, the system will be able to perform a check to ensure that when statement numbers 5041 and 5042 are selected, which indicated that there are 2 separate lawyers signing the document for completeness, that it is not the same Teraview account user that is signing the document for both the transferor and the transferee. This check will also be performed by the system when a document is re-signed after it has been returned for correction. This section replaces the information provided in Section D of Bulletin 2009-01.

(i) Statements being Retired:

- 4041** I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).
- 4042** I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).
- 4043** I am the solicitor for the transferor(s). The transferor(s) and the transferee(s) are one and the same, and the transfer is being made to effect a change in legal tenure.
- 4044** I am the solicitor for the transferor(s). The transferor(s) and the transferee(s) are one and the same, and the transfer is being made to effect a severance of the land prior to the expiry of a consent granted under the *Planning Act*.
- 4045** I am the solicitor for the transferor(s). The transferor(s) and the transferee(s) are one and the same, and the transfer is being made to effect a severance of land pursuant to a municipal by-law registered as *number*.
- 4049** I am the solicitor for the transferor(s) and the transferee(s), and this transfer is being completed in accordance with my professional standards.
- 4047** I am the solicitor for the transferor(s). The transfer is from an estate trustee, executor or administrator to a person who is beneficially entitled.

(ii) For a Transfer when Land is being acquired or disposed of by Government:

The following statement is still available for selection in the appropriate situations. The statement number and location have not changed and the statement is only available for selection on the Instrument level statement branch of the Teraview document. In addition, this statement will continue to print in the statements portion of the printed document. A lawyer is not required to sign the document for completeness, and the statements listed in (iii) and (iv) below will not be available for selection. However, the general authority statements as described in Section 2 of this bulletin are still required.

4046 The land is being acquired or disposed of by the Crown in Right of Ontario or the Crown in Right of Canada, including any Crown corporation, or any agency, board or commission of the Crown; or by a municipal corporation.

(iii) New Statements For Transfer Documents:

With the exception of a transfer specified in 3(ii) above, the solicitor(s) must select one of the applicable statements set out below from the appropriate tab. Depending on the situation, the statements will either be found on the tab labelled "Unique Lawyer Statements" or the tab labelled "Exemption Law Statements". The statements will not be displayed and the tabs are greyed out until the selection has been made that the document is being signed for completeness and which party(s) the document is being signed on behalf of (e.g. 'Party From', the 'Party To' or that it is being signed on behalf of 'Both'.) The system will default to the "Authorization Statements" tab.

The solicitor signing on behalf of Party From must select the following statement on the "Unique Lawyer Statement" tab:

5041 I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

The solicitor signing on behalf of Party To must select the following statement on the "Unique Lawyer Statement" tab:

5042 I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

OR

The solicitor signs on behalf of Both and must select one of the following statements on the "Exemption Law Statements" tab:

5043 I am the solicitor for the transferor(s). The transferor(s) and the transferee(s) are one and the same, and the transfer is being made to effect a change in legal tenure.

5044 I am the solicitor for the transferor(s). The transferor(s) and the transferee(s) are one and the same, and the transfer is being made to effect a severance of the land prior to the expiry of a consent granted under the *Planning Act*.

(Note: if statement 5044 is selected, the following non-law statement must also be selected: 4048 "The name has consented to the severance herein. (*import image*). Refer to Section 4(iii)(b) of this Bulletin for information regarding changes to statement 4048.)

5045 I am the solicitor for the transferor(s). The transferor(s) and the transferee(s) are one and the same, and the transfer is being made to effect a severance of land pursuant to a municipal by-law registered as number.

5049 I am the solicitor for the transferor(s) and the transferee(s), and this transfer is being completed in accordance with my professional standards.

(iv) For Registration of a Transfer by Personal Representative:

All of the above statements are available for this document type. In addition, the following Exemption Law Statement is available for selection in lieu of the above statements, when signing on behalf of Both:

5047 I am the solicitor for the transferor(s). The transfer is from an estate trustee, executor or administrator to a person who is beneficially entitled.

4. ADDITIONAL POWER OF ATTORNEY AND REVOCATION CHANGES

Additional changes to the Power of Attorney and Revocation of Power of Attorney documents to those that were made in Phase 1 of the system changes are being introduced. Currently, the "Acting on Behalf of" in these two documents always shows as being on behalf of the 'Donor'. This was the party that was required to register these documents prior to the Phase 1 changes being made.

The changes being introduced in Phase II, now allow the document to show that the registrant is acting on behalf of the Donee. These documents require only one electronic signature and either the 'Donor' or the 'Donee' may be the party that signs and registers the document, since the image of the document is attached. In order to allow for the flexibility regarding which party is signing the electronic document, two new statements are being added to both the Power of Attorney Document and the Revocation of Power of Attorney documents and the "Acting on Behalf of" will be changed to 'Applicant'. The statements below will be available for selection on the Instrument level statements branch of the Teraview document as of May 24th.

(i) New Instrument Level Statements

2933 The Donor(s) is the applicant for the registration of this document.

2934 The Donee(s) is the applicant for the registration of this document.

During the transition period between April 20th and May 25th, 2009 some of the reports will change once Teraview version 6.0 has been downloaded. Other reports will not change until May 25th. Therefore, between April 20th and May 25th, a user on Teraview version 5.4 will see "Acting on behalf of the Donor" on the Document in Preparation Report, the Acknowledgment and Direction Report, Confirmation Report and the Registered Document will all show "Acting on behalf of the Donor". A user on Teraview version 6.0 will see "Acting on behalf of the Applicant" on the Document in Preparation Report, the Acknowledgment and Direction Report and the Confirmation Report, however the Registered Document will show "Acting on behalf of the Donor". After May 25th, all reports will show "Acting on behalf of the Applicant" and either statement 2933 or statement 2934 must be selected.

(ii) Additional Party Level Authorizing Statements

To ensure that the same capabilities are available for the Donor or the Donee/Attorney to be able to complete the document, the party level authorizing statements that currently are available when entering the Donor(s) name(s) are being added to the Donee(s) section on the Teraview document. Although these statements contain the same wording in each section, they are given unique numbers.

(a) Available Donor(s) Party Level Authorizing Statements

10 I, name, have the authority to bind the corporation.

43 I am a partner.

48 I am a general partner.

45 This transaction is for a partnership purpose within the meaning of the *Limited Partnerships Act*.

54 This is the firm name of the Partnership/Limited Partnership.

(b) New Donee(s) Party Level Authorizing Statements

70 I, name, have the authority to bind the corporation.

71 I am a partner.

72 I am a general partner.

73 This transaction is for a partnership purpose within the meaning of the *Limited Partnerships Act*.

74 This is the firm name of the Partnership/Limited Partnership.

(iii) System Will Verify Image Attached

(a) Power of Attorney or Revocation of Power of Attorney

2912 The Power of Attorney is attached hereto as an image in electronic format, is still in full force and effect, and has not been revoked. (import image)

2913 The revocation of power of attorney, effective yyyymmdd, is attached hereto as an image in electronic format. (import image)

2914 The power of attorney is no longer in force, pursuant to an order which is in full force and effect and is attached hereto as an image in electronic format. (import image)

2915 Evidence that the power of attorney is no longer in force is attached hereto as an image in electronic format. (import image)

On May 24th statements 2912, 2913, 2914 & 2915 (shown above) are being updated so that the system will verify that the file imported into the "import image" portion of the statement is a .TIF or .PDF file. The statement numbers will remain the same, however because the system will verify that the file attached is an image and not a text file, any signed document in Work In Process with any of these statements will be affected. The statement will be removed and the user will receive an error message at registration indicating that one of the statements is required. The statement will have to be reselected and the schedule re-imported.

(b) Planning Act Consent

4048 "The name has consented to the severance herein. (import image)."

On May 24th statement 4048 above, for the *Planning Act* consent, will also be verified by the system to ensure a .TIF or .PDF file has been imported into the statement. If a work in process document has been signed, the signature will be removed, but a message will not be received indicating that the statement has been deselected. If a work in process document has not been signed, there will be no indication that the statement has been deselected. As in section 4(iii)(a) above, the statement number is not being changed.

Registrants are strongly encouraged to review any document in the work in process file as of May 25th that requires *Planning Act* consent to ensure the statement is selected. The system is not able to determine most situations where *Planning Act* consent is required and therefore, a rule can not be put in the system to ensure the statement is made. The only situation that it can enforce is when a transfer is registered with statement 5044 (shown in Section 3(iii) of this bulletin) selected.

5. ADDITIONAL CHANGES

(i) Application For Restrictions Based on Court Order

When implementing the changes to the "Acting on Behalf of" portion of the documents, we reviewed other documents to ensure there were no other similar issues. The Application for Restriction Based on Court Order required amendment. That document had the "Acting on Behalf of" set at 'Party From'. On this document type the 'Party From' should be the name of the Court, which does not sign the document.. Therefore, the "Acting on Behalf of" will be changed to 'Applicant'. As with the changes mentioned above on the power of attorney, this change will result with reports showing different information depending on which version of Teraview is used between April 20th and May 25th.

Between April 20th and May 25th, a user on Teraview version 5.4 will see "Acting on behalf of the Party From" on the Document in Preparation Report, the Acknowledgment and Direction Report, Confirmation Report and the Registered Document will all show "Acting on behalf of the Party from". A user on Teraview version 6.0 will see "Acting on behalf of the Applicant" on the Document in Preparation Report, the Acknowledgment and Direction Report and the Confirmation Report, however the Registered Document will show "Acting on behalf of the Party From". As of May 25th, all reports will show "Acting on behalf of the Applicant".

6. AFFECT ON DOCUMENTS IN PROCESS

Between April 20th and May 25th, the only affect on Documents that are in process will be as described in 4(i) and 5(i) above, regarding changes to the "Acting on Behalf of" portion of documents.

As of May 25th, every document will require the new statements described in Section 2 of this bulletin, and depending on the document type, may require alternate statement selection, as described in the remainder of this bulletin. Every document that is in process will have to be re-signed after the proper statement(s) are selected. If the user attempts to register without making any changes error messages will be displayed.

7. DOCUMENT CORRECTION

If a document is receipted prior to the introduction of Teraview 6.0 and returned for a correction after the introduction of Teraview 6.0, the system will validate that the statements selected were active on the date of the receipt of the document. However, the authorization statements are removed and the party signing for completeness for the corrected information will be required to make authorization statements, and if applicable, the authorization law statements for transfers. Changes have been made to the system and the original signatory will show on the document however the original signatory statement will be removed. The name of the party signing for completeness on the corrected document will require authorization or authorization law statements to be made before the document can be resubmitted. These statements will print below the name of the party signing for completeness on the resubmitted document.

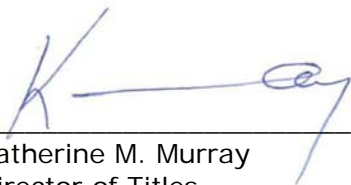
8. SUMMARY

The security and integrity of land registration records are continuing priorities of the Ministry. The Ministry continues to take steps to combat real estate fraud.

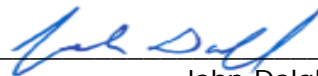
Regulation changes to 19/99 are scheduled. The Electronic Registration Procedural Guide will be updated with these changes and Teraview® version 6.0 will soon be available.

The Ministry is committed to working with its stakeholders and users of the land registration system on these important issues, and will continue to keep them informed of changes. Please continue to check the Ontario website (www.ontario.ca) and select Land Registration from the "Popular Topics" menu when you scroll to the bottom of the page.

Section D of Bulletin 2009-01 is hereby revoked.

A handwritten signature in blue ink, appearing to read 'K Murray', written over a horizontal line.

Katherine M. Murray
Director of Titles

A handwritten signature in blue ink, appearing to read 'John Dalgliesh', written over a horizontal line.

John Dalgliesh
Director of Land Registration