



October 21, 2022

Dear Real Estate Representatives, Presidents and Library Staff,

In an effort to keep real estate lawyers updated with the ever-changing situation, we have further information to be shared with the real estate lawyers in your association.

Teranet Hard Tokens Expiring

Many hard tokens will be expiring this fall and into the end of 2022. If you have a hard token, please see the back of the token to confirm your expiration date. Prior to this date, you will need to either renew your licence for a hard token or switch to a free soft token. Details can be found [here](#).

Reminder—Teranet Annual Fee Increase

Effective November 7, 2022, Teranet Connect Search Service fees will increase by \$1.10 plus HST per transaction and certain other land registration services will increase by an amount equal to 50% of the Consumer Price Index. The Bulletin 2022-03 outlines these increases [here](#). Please plan accordingly.

Know Your Client Rules and Bylaw 7.1

Effective January 1, 2022, the Law Society implemented amendments to Bylaw 7.1 which requires lawyers to identify and verify their clients upon engagement and in the use of a trust account. This includes confirming the source of client funds, periodically monitoring the relationship when engaged in ongoing financial transactions, keeping required records and mandating withdrawal of representation in certain circumstances. The summary of these requirements can be found [here](#). These amendments were to integrate with the recommendations of the Federation of Law Societies of Canada.

These enhanced rules will impact real estate lawyers specifically as our engagement is routinely to facilitate the transfer of funds for our clients.

Verification of Client Identification Virtually

Effective **January 1, 2023**, the Law Society's temporary emergency measure allowing licensees to virtually verify client identity without authentication will end. On and after that date, licensees must authenticate an individual's government-issued ID, meaning the licensee must use a process or method to determine if the ID is true and genuine and cannot do so virtually. Bylaw 7.1 allows two methods of verification virtually: the credit file method and the dual process method. Licensees can also use an agent to verify identity. Additional resources from the LSO can be found [here](#).

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*"The Voice of the
Practising Lawyer
in Ontario"*

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Reminder – DRA has been updated

The Document Registration Agreement and Multi-Party Document Registration Agreement have been updated and published on the Law Society of Ontario's website. The updated DRA and Multi-Party DRA are available in word [here](#). We encourage you to review and implement the updated DRA and Multi-Party DRA on your files and in your correspondence when you refer to same to be incorporated by reference.

Number of Parcels in Teraview System Limit

Contrary to a previous announcement, it appears that Teraview is not yet positioned to expand the system limit in Teraview for number of PINs available. The current limit is 450 PINs. We will update you once this changes.

Federal Prohibition on the Purchase of Residential Property by Non-Canadians Act

The federal government has passed legislation preventing non-Canadians from directly or indirectly purchasing residential property in Canada. The legislation is set to come into force **January 1, 2023** and the majority of the legislation will be prescribed by regulation. The short consultation period meant that many legal groups could not comment before the close of the consultation period. FOLA is submitting comments in any event. The budget and consultation paper has suggested this prohibition would only last for 2 years and apply to residential properties with 4 or more dwelling units in certain urban centres; however, these details are not in the legislation and are being considered for regulations by the government.

TARION Regulation Amendments

Tarion has circulated a consultation on regulatory amendments to the Ontario New Home Warranties Plan Act which examine amendments relating to i) extensions to the homeowner warranty submission periods; ii) defects can be a running list in the first year; iii) updates on conciliation process and timelines; iv) increase in warranty compensation limits in certain circumstances; and, v) creation of a Temporary Relocation Warranty where repairs render a home uninhabitable. Please provide any comments from your Association to the Real Estate Chair by **November 1, 2022** to be incorporated in FOLA's submission.

If and when we receive further information of interest to the real estate bar, we will pass it along.

Stay up to date with FOLA's real estate information at <https://fola.ca/real-estate-law>.

Mark Giavedoni
FOLA Real Estate Chair

Please note: The information provided herein is of a general nature only and is not intended to provide legal advice.