

Questions and answers – electronic records

Q1: Why are you publishing a guideline, and how is it different than the bulletins and other communications we've seen in the past?

A1: As part of its commitment to be a modern regulator, OMVIC is looking at ways to update our guidance and support for dealers. Guidelines will provide more clarity and certainty. These guidelines are policy statements about what's allowed and what's not, subject to the provisions of the Motor Vehicle Dealers' Act, 2002 (MVDA), its regulations and other provincial legislation that forms the basis of OMVIC's work.

Q2: If they're guidelines, does that mean the rules they spell out aren't mandatory?

A2: Some of what's in the guidelines is mandatory (for example, when it's based on legislative or regulatory requirements, the Code of Ethics, etc.). In other cases, there's a degree of flexibility. For example, with electronic records, dealers who choose to digitize their paper-based documentation can then safely dispose of those old documents unless they need them for some other purpose.

Q3: Does this mean that dealers are required to keep electronic records?

A3: No. It's an option available to dealers who choose to take it. Electronic records may be kept alongside or instead of paper-based records. The requirements for what dealers are required to maintain and for how long remain the same. Please refer to the MVDA and its regulations for additional detail.

Q4: I have many years' worth of paper records that I would like to digitize. Once I've done that, what do I do with all that paper?

A4: Once a dealer has digitized the business's records, OMVIC takes the view that the dealer is then free to dispose of them safely and securely, such as by shredding. However, dealers may have other reasons to keep paper records after digitization. For example, they may continue to be needed for other legal, taxation or accounting reasons, as part of a franchisee agreement, etc. Dealers are advised to consult these other parties regarding their policies.

Q5: What are the advantages and disadvantages of creating electronic records?

A5: Electronic records require less physical space, they are more easily searchable, and they allow dealers more easily to keep all the records related to a single transaction in one place. The security risks associated with electronic records are very different, and dealers should ensure they take the appropriate steps to safeguard their electronic records. This would include, for example, ensuring the proper security and encryption safeguards are in place so that electronic records are only available to people who are entitled to access them. They must also be available to OMVIC inspectors or consumers upon request.

Q6: What are the new rules for storing electronic records in a cloud-based system?

A6: Under Sections 31 and/or 56 of Ontario Regulation 333/08 of the MVDA, dealers are required to notify the Registrar in writing within five days of any change in address for service. This requirement extends to dealers who choose to host their electronic records off-site, including cloud-based or third-party servers. Examples of cloud-based services include Microsoft OneNote, Google Docs, Dropbox, etc.

Q7: What happens if my electronic records become corrupted or otherwise damaged and are therefore inaccessible?

Q7: It is strongly recommended that dealers keep a backup of all electronic records separate from their primary source. The safety and security of electronic records is the dealer's responsibility, just as with paper-based records.

Q8: What formats are acceptable for electronic records?

A8: Electronic records should be created and kept in a format 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. The documents must also be of a resolution and image quality sufficient to ensure that the content is both readable and understandable.

Q9: Who do I call if I still have questions?

A9: You can contact Dealer Support by phone at 1-800-943-6002, ext. 4 or via email at dealersupport@omvic.on.ca.