

# Ontario Government Releases Draft Regulation Under Condominium Management Services Act

After much anticipation, the Ontario Government has just recently released the first [draft regulation](#) in support of the implementation of the new Condominium Management Services Act (“CMSA”), which received Royal Assent on December 3, 2015, but has not yet been proclaimed into force. The draft regulation focuses on 2 key areas: licensing and transition of condominium managers and management providers, and regulation of licensees.

## **Licensing and Transition**

The regulation contemplates a graduated licensing process with two classes of licences, a limited licence and a general licence. Anyone applying for a limited or general licence must provide a police criminal records check dated within the prior 6 months.

### **Limited Licence**

The limited licence is an entry-level temporary licence that allows a licensee to work as a condominium manager under the supervision of a general licensee and get the necessary experience required to obtain a general licence. A limited licensee would not be permitted to sign status certificates or manage, control or disburse a client’s reserve fund account. In addition, a limited licensee would not be able to enter into contracts or manage, control or disburse a client’s general funds without the approval of the supervising general licensee.

### **General Licence**

In order to obtain a general licence, a candidate must hold a limited licence, have successfully completed the educational and exam requirements and have completed at least 2 years’ work experience as a condominium manager working under the supervision of a general licensee. The work experience must include:

- Planning and participating in condominium board meetings and owners’ meetings, including at least one annual general meeting
- Preparation of condominium budget and presentation to the board
- Interpretation and presentation of financial statements to the board
- Preparation and presentation of reports to the board
- Oversight of maintenance and repair of the units and the common elements

### **Transition**

Individuals and entities currently providing condominium management services will have 150 days after the CMSA comes into force to apply for a licence and those who apply within such time period will be able to continue to provide management services until a decision on their application has been rendered.

Individuals currently providing condominium management services may apply for one of three classes of licence:

- Limited licence If the applicant has up to 2 years' experience as a condominium manager
- Transitional general licence if the applicant has more than 2 years' experience as a condominium manager
- General licence if the applicant has more than 2 years' experience and has obtained the Registered Condominium Manager designation from the Association of Registered Condominium Managers of Ontario ("ACMO") or has successfully completed 4 mandatory courses developed by ACMO.

### **Regulation of Licensees**

The regulation also addresses a number of varied issues relating to the regulation of licensed managers, including:

- Disclosure of conflicts of interest
- Disclosure of the type and amount of insurance held by the condominium manager or provider, including clear disclosure where there is no insurance coverage
- Record keeping requirements
- 10-day time period to transfer condominium corporation records upon termination of condominium management services contract
- Types of information about licensees to be available for public access, including information about revoked or suspended licences, whether a licensee has been found guilty of an offence or has been subject to an order by the discipline or appeals committees
- Registrar's powers in dealing with complaints about a licensee
- A provision prohibiting a licensee from obstructing, interfering with or hindering a complaint or investigation.

### **Comments on the Proposed Regulation**

The Ministry of Government and Consumer Services is seeking feedback on the proposed regulation. Comments must be submitted by February 24, 2017. [Click here](#) to access the link to submit comments electronically.

The proposed regulation is targeted to come into force on July 1, 2017. Additional proposed CMSA regulations, including a proposed code of ethics as well as the appointment and processes for the discipline and appeals committees, are expected to be released for public comment early in 2017.