

03/04 Sectoral Chapter Annual Reports

Consumer-Related measures and Standards (Chapter Eight)

Chapter Eight of the Agreement on Internal Trade (AIT) calls upon the federal, provincial and territorial (FPT) governments to report on and cooperate in, the enforcement of consumer protection measures. As part of that agreement, the Committee on Consumer Related Measures and Standards (CMC), composed of federal, provincial and territorial officials, undertook negotiations to reach agreement on specific commitments made under the AIT. This work was substantially completed in 1998. The CMC is tasked with monitoring the implementation and administration of these agreements.

The CMC is also responsible for identifying any substantive measures for inclusion in future negotiations, acting as a forum for discussions between the Parties on consumer-related measures, and undertaking dispute resolution.

In 2003/2004 the following steps were taken by the Parties:

- Federal, provincial and territorial Ministers Responsible for Consumer Affairs met for the sixth time, on January 16, 2004, in Winnipeg, Manitoba.

Ministers:

- Endorsed the **Canadian Code of Practice for Consumer Protection in Electronic Commerce**, and directed officials to work with partners in the development of options for implementing the Code.
- Endorsed the extension of **charge-back** rights to all forms of distance sales, where applicable, and initiated consultations with industry and other stakeholders on the effective implementation of such rights.
- Directed the **Alternative Consumer Credit Market** Working Group to continue working on: the establishment of a viable consumer protection framework; the development of a consumer awareness program; cooperation with traditional financing institutions to improve access to small loans; and the development of best practices for the pay day lending sector; and to bring proposals on these issues to them at their next meeting.
- Directed officials to work with relevant stakeholders to assess options for addressing consumer protection gaps in the **travel marketplace**.
- Published the **Canadian Consumer Handbook 2004** and the **Reality Choices** information booklets, an information initiative directed at young adults who are faced with first-time choices in a complex and changing marketplace. Initiated

development of the **Identity Theft Consumer Information Kit** that will help consumers reduce their risk of identity theft.

Other steps taken by the Parties included:

- In May 2003, FPT Consumer Ministers attempted to resolve the dispute between Canada and Alberta concerning the **Cost of Credit Disclosure Harmonization Agreement**. Alberta alleged that the *federal Cost of Borrowing Regulations* are inconsistent with Canada's obligations under Chapter Eight (Consumer-Related Standards and Measures) of the Agreement on Internal Trade (AIT). Ministers directed Deputy Ministers to attempt to resolve the dispute. In July, FPT Consumer Deputy Ministers advised the Ministers that they were unable to reach resolution. Alberta confirmed its intention to pursue the formal dispute resolution process under Chapter 17 of the Agreement on Internal Trade.
- An **Article 1704 Dispute Resolution Panel** was struck to hear the dispute. Alberta was joined in this dispute with Canada by the governments of British Columbia and Québec. The Panel is expected to report in mid 2004.
- The Uniform Law Conference of Canada (ULCC) and the CMC prepared model legislation to explore possible frameworks for **protecting consumers' interests in cross-border transactions**.
- The **Internet Sales Contract Harmonization Template** was implemented in Nova Scotia in December 2003 as an amendment of the Consumer Protection Act.
- Legislative amendments in order to implement the **Harmonized Collection Practices Agreement** were passed in Nova Scotia, Newfoundland and Labrador, and in the Northwest Territories.