

## AIT Annual Report 2009-2010

### Consumer-Related Measures and Standards (Chapter Eight)

Chapter Eight calls upon the Parties 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 officials of each government, 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 2009/2010, progress under the Chapter included the following:

The CMC Alternative Consumer Credit Market Working Group continued to carry out exchanges of information among jurisdictions to support the development of provincial payday lending laws. During the fiscal year, three provinces (Ontario, British Columbia and Alberta) were designated by the federal government for the purposes of the criminal interest rate provisions of the *Criminal Code*. These provinces brought their respective payday lending regulatory regimes into force. In addition, the Working Group carried out research respecting various international examples of the provision of low-cost credit to vulnerable consumers.

The CMC Consumer/Credit Reporting Working Group is currently at an advanced stage of negotiations on items that may be included on a harmonized list of regulating provisions. Once the working group has reached a final agreement on this list, it will be presented to the full CMC for consideration.

A CMC Enforcement Best Practices Research Group was formed with the objective of examining consumer law enforcement best practices and how those practices may help CMC members improve compliance rates. In 2007 and 2008 the Group completed its survey of CMC consumer protection enforcement agencies' compliance mechanisms and identified three areas for further research that they believed had the most potential to promote greater compliance with consumer laws: best practices in inspection and enforcement; the use of administrative monetary penalties (AMPs) in consumer law; and the use of memoranda of understanding and other formal and informal inter and intra-agency enforcement agreements. The Group conducted further in-house research in these three areas and a consultant was engaged to investigate international best practices. A report to CMC in February 2010 summarized the key research findings and proposed further work to assist members in meeting their compliance objectives.

The CMC Consumer Awareness Working Group delivered on all the objectives outlined in its 2009-2010 workplan, including developing an interactive application for the Canadian Consumer Handbook; developing a new *Build Your Buying Skills* information series to help consumers make informed purchasing decisions; re-distributing and evaluating the *Be Informed About...* Literacy Series; and undertaking an environmental assessment to uncover gaps in consumer information.

The CMC Household Moving Sector Working Group is engaging external stakeholders in their identification of consumer complaints in this sector, and assessment of how/whether consumer complaints are actively resolved under current provisions.

A CMC Gift Cards Research Group was established to draft an information report to Ministers on the status of provincial regulatory initiatives, with an analysis of variations among them.

In March 2008, the federal Minister of Industry, with the concurrence of the Minister of Finance, proposed to provincial consumer Ministers an approach that would bring a conclusion to the dispute that arose in 2004 concerning the federal Cost of Borrowing (Banks) Regulations. The CMC Cost of Credit Disclosure Working Group continued its efforts to reach a conclusion on the dispute.