

Bill 142, Ontario's New Consumer Protection Legislation, Has Passed – Here's How You Can Impact the Development of Corresponding Regulations

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Bill 142: The Legislative Context

On October 23, 2023, the Ontario government introduced Bill 142, *Better for Consumers, Better for Business Act, 2023* in order to repeal the *Consumer Protection Act, 2002* (the CPA 2002) and replace it with the *Consumer Protection Act, 2023* (the CPA 2023). On December 6, 2023, Bill 142 received Royal Assent, meaning it has been signed by the Lieutenant Governor and will become law. The new CPA 2023 will come into force on a date to be proclaimed by the Lieutenant Governor.

The CPA 2023 represents a major overhaul of Ontario's consumer protection framework, which has not been updated in over two decades. The CPA 2023 will protect consumers in the context of most common personal and household transactions. As part of the modernized legislative framework, the Ontario government will develop new regulations setting out rights and obligations under the CPA 2023 in detail. A first phase of regulatory proposals will touch on, among other topics, disclosure requirements in consumer contracts, timeshare contract rules, price escalation clauses and purchase-cost-plus lease (PCPL) rules. Of particular note are the PCPL rules, which will establish a new category of long-term leases. A PCPL is defined as a lease under which the total amount payable exceeds 90% of the estimated retail value of the leased goods. This definition will likely capture leases for heating, ventilation and air conditioning (HVAC) and home comfort appliances. New PCPL rules will require additional disclosure in consumer contracts and determine the parameters of an allowable buyout schedule.

Bill 142: The Consultation Phase

Now that Bill 142 has received royal assent, the Ministry of Public and Business Service Delivery and Procurement (the Ministry) is inviting stakeholders to provide consultation feedback on the proposed regulations. The Ministry has published a discussion paper titled "*Consumer Protection Act, 2023, Consultation on Phase 1 Regulatory Proposals*" (the CPA Consultation Paper) with the intent of outlining these new regulations for review and comment by businesses and consumers. Businesses seeking to minimize costs associated with their regulatory compliance may want to stay informed of their potential

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future obligations as set out in the CPA Consultation Paper, and proactively provide input to the Ministry of potential disadvantages and benefits associated with the regulatory proposals. If you would like to influence the development of regulations under CPA 2023, you can provide comments to the Ministry until February 10, 2025.

The Ministry's CPA Consultation Paper and a link to provide comments to the Ministry on the same can be found on the Ministry's [Regulatory Registry website](#).

Over the next few weeks, we will provide further comments on specific areas of regulatory reform proposed under the CPA 2023. If you have any outstanding questions about the CPA 2023 and how it applies to your business, please do not hesitate to contact the authors or any member of our [Banking & Specialty Finance Group](#).

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.