

Canada: New Registration Obligations for Electrical Products Sold in Ontario

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Summary

The provincial Government of Ontario has announced new registration requirements for manufacturers (including U.S. manufacturers) of electrical products for sale and distribution in Ontario, Canada.

In August 2007, the Government of Ontario introduced the <u>Product Safety Regulation 438/07</u> to ensure the safety of electrical products and equipment sold and used in Ontario. The regulation specifically requires reporting any serious electrical incident, accident or defect with electrical products. In addition, the <u>Electrical Safety Authority</u> (ESA), Ontario's administrative authority, recently announced that new registration requirements for manufacturers of electrical products for sale or distribution in the Province of Ontario will come into effect on April 1, 2009. Registration will have to be completed no later than August 30, 2009.

As a result, all manufacturers of electrical products for sale and distribution in Ontario, Canada will be required to register, and renew annually, with Ontario's ESA.

Canadian importers, distributors, wholesalers and retailers are not required to register, but need to be aware of the requirements to ensure that the products they are selling or representing are properly registered. In addition to registration, the product will still be required to have a recognized certification mark or field evaluation label for electrical products to be approved for sale in Ontario.

Background

Ontario regulation 89/99, under the Ontario Electricity Act, 1998, appoints the Electrical Safety Authority - ESA (a not-for-profit corporation delegated by the Ministry of Small Business and Consumer Services) to ensure, under Part VIII of the Act, the safety of electrical products and equipment sold and used in the Province of Ontario. The electrical industry must abide by the Ontario Electricity Act and its related regulations.

Product Safety Regulation 438/07 affects all manufacturers of products currently sold in Ontario as well as any manufacturer who intend on manufacturing and selling new electrical product(s) in Ontario.

Electrical Incidents Reporting Requirements

Product Safety Regulation 438/07 requires manufacturers, wholesalers, product importers, distributors, retailers, certification organizations, and field evaluators of electrical products for sale in the Province of Ontario to:

- Report to ESA any serious electrical incident, accident or defect with electrical products or devices that affect
 or are likely to affect the safety of any person or cause damage to property,
- Assist in the investigation of serious electrical product incidents, accidents or defects in design, construction or functioning of the electrical product or device,
- Undertake notification of the public or any person or class of persons of a risk or defect in an electrical product or device or occurrence of a serious electrical incident,
- Undertake further appropriate corrective action if requested to do so by ESA.

If a reportable incident occurs outside of Ontario on a product available for sale in Ontario or sold in Ontario, a report **MUST** be made to ESA. An on-line form to accommodate mandatory and voluntary reports regarding electrical products is available on <u>ESA</u>'s official website.

Examples of electrical products and devices covered include: consumer electrical products, commercial electrical products, electrical medical devices, industrial electrical products, and wiring products.

New Manufacturers' Registration Requirements

According to the <u>ESA Announcement to Industry</u>, in addition to the obligations outlined in Product Safety Regulation 438/07, manufacturers of products currently sold in Ontario as well as any manufacturer who intends on manufacturing and selling new electrical product(s) in Ontario will be required to register with Ontario's ESA beginning April 1, 2009. Manufacturers will have until August 30, 2009 to complete the registration process. This includes manufacturers of products currently sold in Ontario as well as any manufacturer who intends on manufacturing and selling new electrical products in Ontario. Registration by the manufacturers' authorized representative in Ontario will also be required. Products will not be approved for sale in Ontario until the manufacturer has registered with ESA.

Initial registration will cost CDN\$350 (approx. US\$275) and annual renewal will be CDN\$300 (approx US\$235). An online English-language <u>registration</u> will be made available on April 1, 2009. Please refer to the <u>FAQ</u> document for additional guidance on how to register electrical products. Registration with ESA will take place through a secure on-line registration system, and information will be kept confidential and protected under the provisions for confidentiality defined in the Electricity Act 1998 and ESA's privacy policy.

In addition to the registration, manufacturers' products are required to continue displaying a <u>recognized</u> <u>certification mark</u> or field evaluation label for electrical products to be approved for sale in Ontario. Products failing to meet these requirements will be considered "unapproved" and subject to investigation, public notification and fines under the Electricity Act 1998.

Ontario Electricity Act 1998

The Ontario Electricity Act, 1998 sets out a variety of offence provisions, making it an offence to fail to comply to the provision of the Act, any regulation or any order made by ESA under subsection 113(11). Upon conviction individuals may be liable to pay a fine of up to \$50,000 and/or imprisonment for a term of up to one year; corporations may be subject to fines of up to \$1,000,000 under sections 113(12), (13), and 113.20(1)-(5).

Market Issues & Obstacles

In Canada, electrical product safety can fall under different jurisdiction levels. At the provincial level, ESA is by far the only regulatory body mandated by the Province of Ontario to enforce the new registration obligations for electrical products in Ontario.

Although no similar registration requirements for electrical products have been imposed in Canada's remaining nine provinces and three territories, ESA is currently proposing a Nation Wide System for the Management of Electrical Products, therefore impacting the cost of entry of electrical products coming into Canada. The U.S. Commercial Service Canada will monitor the outcome of this national proposal and inform U.S. manufacturers of electrical products whose product destination is intended for out-of- Ontario locations.

Implications for U.S. Manufacturers

All U.S. manufacturers of electrical products for distribution and sale in the Province of Ontario must register with ESA effective April 1, 2009. U.S. companies will be subject to an initial registration fee of CDN\$350 (approx. US\$275), and an annual renewal fee of CDN\$300 (approx. US\$235). U.S. manufacturers of electrical products looking to enter the Ontario marketplace may, depending on the terms and conditions of negotiation, consider adjusting the price on each product line subject to the new registration requirement.

ESA and all its certification bodies are communicating the new registration requirements to their customers. As a manufacturer you may receive a communication from a product certifier if your intention is to sale or distribute your electrical products in the Province of Ontario.

Contacts

Questions regarding new registration requirements for electrical products in Ontario contact:

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Resources

The following links are available to the public through the Electrical Safety Authority's official website:

- ESA announcement to Industry
- Final Guidelines for the Management of Electrical Product Safety
- FAQ for the registration of manufacturers of electrical products

Other useful websites include:

<u>Canadian Standards Association</u>
<u>Ministry of Small Businesses and Consumer Services</u>
Standards Council of Canada

For More Information

For information on this report or for general inquiries on Electronic Products under the Consumer Electronics Industry contact Luz.Betancur@mail.doc.gov; Phone: (613) 688-5216; Fax: (613) 238-5999 in Ottawa. For inquiries on Electronic Products within the Industrial Machinery Industry contact Stefan.Popescu@mail.doc.gov; phone: (416) 595-5422; Fax: (416) 595-5419. You may also visit our website at http://www.buyusa.gov/canada/en/

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