



Welcome to the first edition of the *Northwest Territories and Nunavut PPR News*—the newsletter designed to inform you about the significant changes that are pending for registering security interests in personal property in the Northwest Territories and Nunavut. Both territories will soon implement new computerized registry systems to support their Personal Property Security Acts (PPSA). In the Northwest Territories, the Legislative Assembly enacted the PPSA in 1994, but this act has not yet been proclaimed. The Nunavut PPSA was inherited from the Northwest Territories and has not yet been proclaimed by the Government of Nunavut. Both acts are expected to become effective in the spring of this year in conjunction with the implementation of both territories' new Personal Property Registry systems. These two systems will be very similar, but distinctly separate. This publication is issued to communicate information and events leading to the implementation of these new supporting registry systems. The first of these events is the orientation seminars. Read on for the details.

Agreement Signed

On December 13, 2000, the Deputy Ministers of Justice of the Northwest Territories and Nunavut reached separate agreements with Unisys Canada Inc. to implement new computerized Personal Property Registry systems for each territory. The new systems will be modifications of the ones now in place in each of the Atlantic Provinces and, like those provinces, the territories' services will be delivered through Atlantic Canada On-Line* (ACOL).

Why change the current Document Registry system?

The current Document Registry, serving both territories, is located at the Northwest Territories Legal Registries office. It is a paper-based system where various types of financing agreements can be registered under authorizing legislation. Registration protects a lender's interest in the personal property identified in the agreement. Any subsequent purchaser or lender can search the Document Registry to determine if there are secured interests registered against the property.

It has long been understood that this type of system is less than effective. Access to the information is time consuming, restricted to paper documents, and limited to a manual search at the registry office during prescribed office hours. These limitations result in low productivity, inefficient use of resources, and reduced service levels to organizations and individuals in the territories.

Personal Property Security Act

The Personal Property Security Act (PPSA) is modern legislation that is the standard in use across North America. In order to register a security interest, certain basic information is filed (instead of the entire financing agreement) in a form typically called a financing statement. This aspect facilitates a computerized registry system with remote access capabilities.

The PPSA identifies the Personal Property Registry as an electronic registry where notices of security

interests in certain collateral should be registered to retain priority. Documents such as Bills of Sale and Chattel Mortgages will no longer be registered and filed at the registry office. A Secured Party or representative must enter the information into the system in a timely and accurate manner. Government staff will not be permitted to enter or amend information on behalf of the clients. In addition to the dramatic effect the legislation will have on the current procedures, it will repeal a number of acts including:

- Assignment of Book Debts Act
- Bills of Sale Act
- Conditional Sales Act
- Corporation Securities Registration Act; and
- Document Registry Act

Several other acts will be amended with this new law. Some of those acts include the Business Corporations Act, Factors Act, Garage Keepers Lien Act, and the Sale of Goods Act. Please refer to the PPSA for a complete list of acts affected by this legislation.

Upon proclamation of each territory's PPSA, all current and valid registrations in the Document Registry (referred to as "prior law registrations") will be deemed to be PPSA registrations in both



territories. During a three-year transition period clients wishing to search for registered PPSA security interests in either territory will need to search the new Personal Property Registry of that territory as well as conduct a manual search for subsisting prior law registrations at the Northwest Territories Legal Registries office.

What are the new Personal Property Registries?

The new Personal Property Registry (PPR) of each territory will be a centralized computer registry service extending throughout the particular territory. The PPRs will allow both individuals and organizations to record their financial interest in personal property (cars, boats, appliances etc.). For example, if you have a car loan with a financial institution, that car is the security for your loan. Until you have repaid the loan, the institution has a financial interest in that car. Upon proclamation of the PPSA, the PPR will be the place to record that interest and make that information available to other interested individuals and organizations.

The Northwest Territories and Nunavut PPRs will be part of an Atlantic Personal Property Registry computer system that Unisys initiated with the introduction of the Nova Scotia PPR. This system will provide the capability to register and search notices of security interests in multiple provinces and territories. By agreement with the Atlantic provinces, the Northwest Territories and Nunavut PPRs are incorporated into this single-point-of-access service.

What is needed to connect to the new computerized system?

Remote connection to the PPR service can be made available on-line from your home or business. New clients of each territory are required to complete an application with ACOL. Once received and authorized, you or your company will be assigned a client account with user-IDs for each of those employees

whom you have identified within your company as requiring access.

Each personal computer used to access ACOL requires an official copy of the ACOL Desktop software installed. This software is available in Windows 3.1x or Windows 95/98 versions. Each user-ID allows access to the registries from any computer that has the ACOL Desktop software installed. There is a software license fee of \$200 plus applicable taxes for each copy of the software required by new clients. The only other fees are those regulatory fees outlined in the Regulations that accompany each territory's PPSA. Existing ACOL clients will be required to complete an addendum to their agreement extending access privileges to the Northwest Territories and/or Nunavut PPRs.

What is ACOL?

ACOL is an on-line information service that provides access to government information throughout Atlantic Canada and beyond. This service is offered by Unisys Canada Inc. through a public/private partnership with the governments of the Atlantic Provinces. The first information service of ACOL was the Nova Scotia PPR system. ACOL has progressively provided for a single point of access for registrations and searches to the four Atlantic Personal Property Registries. It will now provide these services to the Northwest Territories and Nunavut.

Benefits of the new PPR

New PPR services improve access to personal property information resulting in the following benefits:

- Convenience: PPR offers remote access from your office or home as an alternative to personal visits to the registry office, although access will be available on terminals in participating locations.
- Time savings: PPR is efficient because it will gradually eliminate

manual searches and time consuming travel to the registry office.

- Availability: Users have access to the PPR beyond normal business hours, subject to system maintenance and backup processes. Pre-PPSA documents continue to be available during regular office hours.
- Protection: The system provides open access to information while offering improved protection of security interests to secured parties, making the legislation more effective.
- Accuracy: Direct input of information by the client ensures accuracy and timeliness, resulting in risk reduction and service responsiveness.
- Standardization: The system brings the Northwest Territories and Nunavut in line with Canadian provinces.
- Access to other registries: The ACOL/PPR service provides the capability to access other provincial and territorial PPR databases, allowing registrations, searches and other supported functions in multiple provincial and territorial jurisdictions from a single point of access.

Orientation Seminars

The project team will be holding half-day orientation seminars. These sessions will provide a brief overview of ACOL, the PPRs, and an on-line demonstration of the new system. The intended audience includes managers, lawyers, administrators and practitioners who are involved with the existing Document Registry. Hands-on training sessions will also be held for the intended users of the new PPR services. We will forward information to the stakeholders regarding scheduling of the orientation and training sessions as soon as it becomes available.

Live Date Announcement

As you can appreciate, this is a complex project, which requires a great deal of planning and consultation with our stakeholders. We expect to announce a

live date soon, however, for your planning purposes, we are targeting early spring. We will be in touch regularly over the next few months, and will be using this newsletter medium along with presentations and training sessions to keep you up to date. In the meantime, if you have any questions, concerns, or are simply interested in what we are doing, please feel free to contact us.

The starting point for queries should be with the Territorial Project Representatives, each of whom can be reached as follows:

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