

SPRING CAMPAIGN IS UNDERWAY

We have a new television commercial for the Spring Campaign to again drive buyers to your dealership. Focusing on the protection afforded by UCDA members, it's a strong message to consumers that choosing a UCDA member dealer is a wise choice.

Concentrated Coverage

Our Consumer Awareness message is targeted to be seen on TV programmes that rate highest for viewers who buy used cars. Again, all parts of Ontario will be covered as the commercial will air on CTV, CBC, Global, CHCH and "A" Channel.

LOOK FOR YOUR UCDA COMMERCIAL ON:

- Saturday Night Live on Global
- Hockey Playoffs on CBC
- Tonight Show on "A" Channel
- Early News on CFTO, CHCH and CKWS
- Late News on CBC, Global, CTV, CHCH and CKWS
- Dragon's Den on CBC
- Colbert Report on CTV
- The PGA on Global

New "Consumer" Website

Through a brand new consumer website at www.ucda.ca we'll be showing buyers that they're rolling the dice if they consider buying privately. They'll get no guarantees from the private seller, no disclosure and a very good chance they'll be dealing with a curbsider.

We're stressing the value of dealing with a UCDA member dealer and making it easy to

find you with our "Search For A UCDA Member" tool.



Buy With Confidence

Take advantage, get behind the Campaign by making sure that the UCDA decal is prominent in all your advertising and especially on your website.

The folks at Carpages.ca and Autotrader.ca have worked hard to ensure that the UCDA decal is displayed on members' ads.

Vehicles Sold for Export ... Really?

The UCDA regularly hears from members who have been asked by purchasers not to charge tax on a vehicle sale because the buyer is "exporting" the vehicle.

In some cases, the buyer has even offered a "pre-made" or "in-house" bill of lading as "proof" that the vehicle will be exported. Such a document cannot be used for tax exemption.

A legitimate bill of lading can ONLY be issued once the vehicle has been delivered to a shipping company (the "common carrier").

Many dealers forget that even a bill of lading from a shipper in Mississauga or North Bay is not going to help prove a vehicle went to Africa (for example).

At a minimum, the bill of lading should identify the overseas destination and must come from the common carrier with whom you are shipping the vehicle and to whom you give the vehicle ... **most dealers are getting no such document.**

Vehicles sold for export are only exempt from HST if the dealer arranges for the vehicle to be delivered to the buyer outside of Canada.

The dealer must keep proof of export, in the form of a proper bill of lading.

What If I don't do this?

The purchaser should NOT take possession of the vehicle in Canada. If the purchaser takes delivery of the vehicle in Canada, HST must be collected and remitted by the dealer.

A member who did not follow this advice and delivered the vehicle on the faith of a so-called bill of lading, claiming the vehicle was destined for Angola, recently saw the vehicle being driven on the streets of Toronto!

The problem is the dealer did not collect the HST ... care to guess who the taxman will look to for that money?

U.S. Exports

If a vehicle is being delivered by the dealer directly to the United States (with no carrier being used), the dealer should keep a copy of U.S. Entry Summary (Form 7501) obtained from U.S. Customs at the border. This is acceptable as proof that the vehicle left Canada and that the sale is HST exempt.

OMVIC

The Motor Vehicle Dealers Act requires "exporters", in the business of purchasing vehicles for export, to be registered as dealers with OMVIC.

If someone is carrying on a business of exporting vehicles without a dealer licence ... they are curbsiders.

Advertising is Advertising is Advertising

Dealers sometimes forget that the same laws that apply to print advertising also apply in the world of the internet.

Just like an ad in a newspaper or magazine, ads on the internet must cover the same disclosure, all-in-pricing and dealer identification rules.

That's why we would like to remind members of a recent OMVIC Bulletin aimed at dealer advertising on buy/sell websites like *kijiji* and *craigslist*.

Apparently, OMVIC investigators are finding advertisements that appear to be private sellers, but that are, in fact, dealer ads.

When the UCDA conducts curbsider studies we encounter the same thing ... ads that appear to be by private individuals but are really dealer ads.

Under the MVDA, dealer ads **must include** the dealer's registered name and business telephone number in a *clear, comprehensible and prominent* manner.

All dealers should be aware that OMVIC is enforcing these laws. We don't want to see any UCDA Members charged for violating the rules.

25 Years Ago

It's hard to believe, but this is what we wrote in the UCDA's newsletter in 1986.

Compensation Fund

The Dealer Bond will not be required after July 1st, 1986. The Motor Vehicle Dealers "Compensation Fund" will officially replace it.

Each dealer will have to pay \$300 into the Fund between July 1st, and September 1st, 1986.

Claims by consumers against the fund will be evaluated by a Board of Trustees (5 to 9 members) at least 3 members of which must be members of the OADA or the UCDA.

There will be a more detailed report to UCDA members about the Fund in coming weeks.

In many respects, the Fund can be seen as an improvement over the Dealer Bond. There are some areas of concern however ... especially relating to extended warranties.

We will be looking into this and other points and reporting our findings to you.

The Registrar will also be sending all dealers detailed instructions concerning the Compensation Fund in the near future .

By the way, the Compensation Fund was made law on June 9th, 1983 and the Regulations on February 15th, 1986. The \$300 is expected to be a one time cost.

True to their word, no dealer has ever had to pay into the Fund again and dealers have saved hundreds and in some cases thousands of dollars ever since.

Most important, Ontario dealers provide the best consumer protection programme in all of North America.

Lien Registration ... An Ounce of "Protection"

Selling

Does your dealership offer customers "Buy Here, Pay Here" or "Lease to Own" options to get the vehicle they want, at a price they can afford?

It can be a valuable way to move inventory, but, as with any arrangement where credit is extended to a buyer, it can have significant risks.

The vehicle should be registered in the consumer's name to avoid insurance risks and most importantly, a lien should be registered on the vehicle to secure the dealer's interest in it.

Leasing

Dealers who lease vehicles generally keep the registration in the dealership name and maintain contingent liability insurance in case the lessee's insurance is cancelled. But the dealer is still not fully protected. Without a lien registered, the dealer runs the risk of losing the vehicle in some circumstances.

Keeping the vehicle registered in the dealer's name offers no protection, if the lessee goes bankrupt or fraudulently transfers the registration. A lien will offer protection by making the dealer a secured creditor.

To register a lien and protect your investment, contact the UCDA Lien Registry Service at (416) 231-2600 or 1(800) 268-2598 or visit www.lienregistration.ca.

LIEN SEARCH HOURS

**Monday to Friday
9:00 AM to 8:00 PM**

**Saturday
9:00 AM to 5:00 PM**

416.599.7412 or 1.800.668.8265

Fax : 416.232.0775 or

www.ucdasearches.com

Advertising “Uncertified” or “As Is” Vehicles

“As Is” ads

If a dealer advertises a vehicle “As Is”, meaning the vehicle will be sold without being reconditioned or certified and the dealer does not want to be responsible for any mechanical issues, the ad must:

- clearly state that the vehicle is being sold “As Is”
- must include the “As Is” clause required on the bill of sale when selling a vehicle “As Is”

“This vehicle is being sold “as-is”, unfit, not e-tested and is not represented as being in a roadworthy condition, mechanically sound or maintained at any guaranteed level of quality. The vehicle may not be fit for use as a means of transportation and may require substantial repairs at the purchaser’s expense. It may not be possible to register the vehicle to be driven in its current condition.”

- If a price is indicated in the ad, the vehicle must be available at that price (the customer must not be required to pay for a safety in order to purchase the vehicle)

Advertising “Uncertified” vehicles

If advertising a vehicle for sale for a price that does not include a safety inspection, but the dealer is prepared to certify and e-test (if necessary) the vehicle if the customer wishes, the ad must state:

- *vehicle is not drivable, not certified and not e-tested. Certification and e-testing available for \$ _____ (a specific dollar amount must be stated e.g. \$499. A price range is not acceptable, e.g. \$299 to \$999)*
- safety certification must not be mandatory, the purchaser must be able to purchase the vehicle, uncertified, (but not “As Is”) at the price shown in the ad
- if a vehicle advertised as “uncertified” is eventually sold as an “As Is” vehicle, the selling price must be lower than the advertised price

For more information, please contact the UCDA at 1-800-268-2598.

Coloured Bills of Sale

A Quick Response. We launched the first full-colour Bills of Sale in February and the response was tremendous. Many members saw an opportunity to improve their image at the time the deal is signed and got pretty creative.

Because it’s a piece of advertising, some members plan to give the customer the colour copy of the contract ... and, you can. There is nothing in the MVDA that says you have to retain the original.

We will be removing the terms “Dealer, Customer and Salesperson” at the bottom of the contracts at our next printing.



Changes to Drive Clean

The Ontario government has announced changes to the model years requiring Drive Clean testing.

Starting September 1st, 2011, vehicles less than 7 years old will not require testing when renewing their licence plates.

This extends the current 5 year old exemption. Vehicles coming off lease and being purchased by the lessee, will also not need to be tested.

Aside from lease buyouts, models older than the current calendar year will continue to require a test when sold and plated to someone who lives in the Drive Clean testing area.

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