

USED CAR DEALERS ASSOCIATION OF ONTARIO

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**28** Years of **1984**  
Growth **2012**

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## In Memoriam

# BOB BEATTIE

Executive Director  
Used Car Dealers Association  
of Ontario  
1936 - 2012

It is with great sadness that we advise members of the passing of our long time Executive Director and friend Bob Beattie.

Bob was a respected and influential figure in Ontario's motor vehicle sales industry.

Along with six other used car dealers, Bob founded the UCDA in 1984. Since then, Bob has taken the Association from its humble beginnings and transformed it over the past 28 years into the single largest motor vehicle dealer association in North America.

He led the UCDA over three decades through every important development in the Ontario used vehicle industry, working tirelessly with government, regulators

and other industry stakeholders on behalf of Ontario motor vehicle dealers.

Bob ensured that the voice of the used vehicle industry was influential in the development and implementation of industry self management in 1996 and the new Motor Vehicle Dealers Act regulations, which came into effect in 2010.

The importance of Bob Beattie to this Association, and the significance of his loss to Ontario's motor vehicle sales industry, cannot be overstated.

Bob will be sorely missed, but the association which he tirelessly built will continue his vision of enhancing the used vehicle industry in Ontario.

### Desjardins Credit Card Processing

UCDA's Newest Member Service is getting rave reviews. Last month we introduced Desjardins fixed rate processing program to the membership and, while it is early days, the response has already been tremendous.

Desjardins is offering 1.70% for VISA and 1.90% for MasterCard and, except for a nominal \$10.00 administration fee, there are no additional "non qualified, cards not present or assessment fees". These fees can push the stated rates up as high as 2.3% to 2.75% and cost you thousands of dollars a month. Desjardins does not pass these extra fees on to you.

The UCDA asked Desjardins to do a direct comparison for a select number of members. For some of our larger members the difference came to thousands of dollars a month and even smaller dealers saw savings of hundreds of dollars a month.

Members are encouraged to check their credit card statements carefully. All processors show their processing rates on the statement along with all of the extra fees totaling the amount you are really paying.

However, included on the statement is the "EMDR" the effective merchant discount rate and that is the rate that you want compared to Desjardins 1.70% and 1.90% rates.

One member commented that he spent hours every month reviewing his financial records to trim expenses any way he can and the UCDA plan just handed him \$3,600.00. Another said, although his savings was only \$2,500.00 a year it was better in his pocket than his bank's!

If you want more information, or to get a quote, call Desjardins at 1-855-223-8345 or call the UCDA at 1-800-268-2598.

### Test Drive Theft

A recent incident reminds us of the importance of ensuring that a proper process is in place to deal with test drives.

A man visited a dealership and after a brief discussion asked to test drive an expensive 2012 pick up.

The dealer did not go with him. The dealer did not copy or record his driver's licence number. The dealer did not get his full name or any contact information.

The man left with the truck and did not return.

The dealer of course reported the theft to the police. There was a security camera in place that recorded his image.

Fortunately, the truck had an onboard GPS system and the dealer was able to find it days later and many miles away in a parking lot.

### Test Drives

Your insurance coverage on customer test drives may depend on taking a few simple steps.

Before letting a customer go for a test drive, always ensure that they have a valid driver's licence. Make a photocopy of the driver's licence. Note the time the vehicle was taken out and returned.

Allowing, even unknowingly, an unlicensed driver to test drive a vehicle, may result in your garage insurer refusing to cover any damage done to the vehicle or, worse still, any liability claims made by third parties, if the driver is involved in an accident.

If this alone isn't enough encouragement, consider the following scenarios:

- If a "customer" doesn't return the vehicle, you at least have a driver's licence which will include a name, address and photo to provide to the police and your insurer.
- If a customer is caught driving a vehicle with a suspended licence, the vehicle could be impounded for 45 days, even if the vehicle belongs to you.
- If the customer receives a parking ticket or drives the vehicle on the Highway 407 toll road, the ticket or bill will come to you. Without a record of who was driving the vehicle and when, you'll have no way to recover the fines.

It takes just a few seconds to protect yourself. It could save you from many hours of headaches ... and big financial losses, as well.

### Private Transfers Between Corporations and Shareholders

On occasion, a dealer will be asked to accept a trade-in that is not owned by the person, but by their "company". Since the trade-in needs to be in the name of the person who wants to use it, they need to transfer the vehicle from their company into their personal name. In some circumstances this transfer can be done on a tax-free basis.

As this is considered a private sale from the company to the shareholder, it's considered a private sale at the licence office and is not handled by the dealer.

No tax is payable on the transfer of a used motor vehicle between:

- an individual and a corporation that the individual wholly owns (greater than 95 per cent of share capital), or
- a partnership and a corporation that the partnership wholly owns, or
- related corporations.

A corporation may purchase a used motor vehicle from, or sell a used motor vehicle to, one of its shareholders. The tax payable may be pro-rated based on the shareholder's ownership of shares in the corporation immediately prior to the sale.

## Documentation Required

The forms you need can be obtained at the Licence Office. The forms must be witnessed and signed by a Commissioner for Taking Affidavits.

## Note: Requirements for Exempt Transfers

An exempt transfer of a used motor vehicle between related persons may only take place if the related parties retain their relationship for a period of 180 consecutive days following the transfer.

## Beware of Credit Card Scams

Reports of a scam out of the Maritimes should serve as yet another caution to Ontario dealers to be careful when dealing with customers who contact them to purchase vehicles by phone or email.

RCMP in New Brunswick are investigating reports of fraudsters paying for vehicles over the phone with a credit card number and then sending a tow truck to pick up the vehicle. The scam could just as easily happen here.

The initial payment is authorized, but days or weeks later, after a tow truck has picked up the vehicle, the credit card company informs the dealer's financial institution that the card was stolen.

The dealer's account is then debited for the amount of the sale. The car is long gone, though fortunately, in the New Brunswick cases, some of the vehicles were recovered waiting to be loaded onto ships for export.

Few dealers will accept full payment for a vehicle by credit card, but Members should be aware that anytime

you take credit card information without the card actually being present, (i.e. by phone, fax or email) there is a real risk that the card is stolen or that the owner of the card has not authorized the purchase.

If this is the case, the card company will reverse the transaction, meaning that the dealer's account will be debited.

Ask for several pieces of identification and copy them for your file. Photo ID with an address and signature, like driver's licences and passports, are best.

Large credit card payments should never be accepted without the card being present, either at the time of payment, or at least before the vehicle leaves the dealership.

Always ensure that a bill of sale is signed, and that it includes the name and address of the purchaser. The name should be the same as the name on the credit card, unless there is a confirmable explanation for the difference, such as a parent purchasing a vehicle for a family member.

## Disabilities Act & Dealers With 20 Or More Employees

As previously reported in Front Line, as of January 1, 2012 the *Accessibility for Ontarians with Disabilities Act, 2005* applies to businesses, including motor vehicle dealerships, in Ontario that deal with members of the public or other third parties.

It's time to file! Dealers with over 20 employees, will be expected to file a report with the Ontario Government by **December 31, 2012** to let them know how you've done so far.

## Making Customer Service "Accessible" for the Disabled

Here's a short checklist to help ensure you've done everything you need:

- Create your business' accessibility plan
- Train your staff on accessible customer service
- Put your plan in writing where customers can find it
- Download a helpful guide and get ready to report

Here's how to file YOUR accessibility report:

[http://www.mcsc.gov.on.ca/documents/en/mcsc/accessibility/ACR\\_reporting\\_guide.pdf](http://www.mcsc.gov.on.ca/documents/en/mcsc/accessibility/ACR_reporting_guide.pdf)

For more information, please visit:

<http://www.mcsc.gov.on.ca/en/mcsc/programs/accessibility/customerService/>

## New MTO Fees

### Starting September 1, 2012

Passenger Licence Validation	Current Fee	Sept 1 2012	Sept 1 2013	Sept 1 2014
Northern Ontario	\$37	\$41	\$45	\$49
Southern Ontario	\$74	\$82	\$90	\$98

Commercial Vehicle Validation – 3K kg and less, Personal Use Only (PUO)	Current Fee	Sept 1 2012	Sept 1 2013	Sept 1 2014
Minimum - Northern Ontario	\$37	\$41	\$45	\$49
Maximum - Southern Ontario	\$74	\$82	\$90	\$98

Commercial Vehicle Validation – 3K kg and less, Personal Use Only (PUO)	Current Fee	Sept 1 2012	Sept 1 2013	Sept 1 2014
	\$74	\$82	\$90	\$98

### Starting November 1, 2012

Driver's Licence Replacement	Current Fee	Nov 1 2012	Nov 1 2013	Nov 1 2014
	\$10	\$15	\$20	\$25

Bus Validation Fees (41 weight categories)	Current Fee	Nov 1 2012	Nov 1 2013	Nov 1 2014
Min (1 - 2,500KG)	\$66	\$76	\$87	\$100
Max (39,001 - 40,000KG)	\$1,104	\$1,270	\$1,460	\$1,679

Motor Vehicle Number Plate Fee	Current Fee	Nov 1 2012	Nov 1 2013	Nov 1 2014
	\$10	\$12	\$13	\$15

### Starting December 1, 2012

Heavy Commercial Vehicle Validation Fees – greater than 3000 kg (63 weight categories)	Current Fee	Dec 1 2012	Dec 1 2013
Min (3,001 - 3,500KG)	\$109	\$142	\$185
Max (63,001 - 63,500KG)	\$2,722	\$3,539	\$4,601

### Starting January 1, 2013

Farm Vehicle Validation Fees (63 weight categories)	Current Fee	Jan 1 2013	Jan 1 2014	Jan 1 2015
Min (3,001 - 3,500KG)	\$81	\$93	\$107	\$123
Max (63,001 - 63,500KG)	\$641	\$737	\$848	\$975

Commercial 10-day Trip Permits	Current Fee	Jan 1 2013	Jan 1 2014	Jan 1 2015
Unladen	\$15	\$17	\$20	\$23
Laden	\$75	\$86	\$99	\$114
Combination	\$132	\$152	\$175	\$201

Passenger 10-day Trip Permits (pro-rated for 10 days)	Current Fee	Jan 1 2013	Jan 1 2014	Jan 1 2015
	\$15	\$17	\$20	\$23

Permit Issue – Off Road/Snow	Current Fee	Jan 1 2013	Jan 1 2014	Jan 1 2015
Motorized Snow Vehicle	\$30	\$31	\$32	\$33
Off Road Vehicles	\$35	\$36	\$37	\$38

Trailer Plate/Permit & Validation	Current Fee	Jan 1 2013	Jan 1 2014	Jan 1 2015
	\$35	\$40	\$46	\$53

### Starting September 1, 2013

Driver's Licence Original & Renewal	Current Fee	Sept 1 2013	Sept 1 2014	Sept 1 2015
	\$75	\$80	\$80	\$80

### Starting January 1, 2015

Permit Issue – Motor Vehicle and Trailer	Current Fee	2013	2014	Jan 1 2015
	\$10	\$10	\$10	\$14

## Providing Personal Information to Insurers

Sometimes dealers are asked to provide a customer's insurer with a copy of the bill of sale when insurance is being arranged.

If the purchase is to be financed, the bill of sale will of course include the terms of financing that the customer has agreed to.

We've heard from a few members that after providing the bill of sale to the insurer, some customers have come back to the dealer no longer wishing to finance the purchase as agreed, but have now obtained financing through the insurer.

There is usually no need for a dealer to provide a customer's insurer with a copy of the entire bill of sale.

It contains personal information about the customer, including financing arrangements, that should not be shared with any third party without the customer's consent.

In order to insure a vehicle, the insurer needs details about year, make, model and VIN. Dealers should be wary about providing any more information than necessary. If the insurer really wants to see a copy of the bill of sale, they can ask the customer for it.