

AUTOMOTIVE CERTIFICATION COURSE TO BE TAUGHT BY THE UCDA

Dealer education is widely accepted as a way to promote a better, fairer marketplace for dealers and consumers alike.

That's why education has always been a priority for the UCDA. Along with Representation and Mediation, Education is one of the three pillars that form the basis of the UCDA's mission to "Enhance the Image of the Used Vehicle Industry".

The UCDA introduced the first education courses of their kind in Canada for dealers and salespeople way back in 1997.

Two years later, OMVIC introduced a mandatory Certification Course for new dealers and salespeople, offered and administered by Georgian College.

While the UCDA stopped offering our courses a few years after that, since much of the ground covered was similar to the Certification Course, we have continued to offer educational seminars and in-dealer training, especially as it relates to the new Motor Vehicle Dealers Act and its requirements.

Since 2011, OMVIC has taught a one day, in-class Certification Course, both for existing registrants and for individuals applying for a licence. Now, OMVIC and Georgian have authorized the UCDA to deliver the Course.

We're happy to announce that starting in February, the UCDA will be offering the Certification Course in a classroom setting, taught by Bob Pierce, UCDA's Director of Member Services.

The in-class training will mean that new dealer or salesperson applicants can register and attend the Course, write the required test at the end of the training session, and find out by the next day if they passed.

For applicants that have no issues with past conduct, OMVIC will expedite the licencing process, meaning that many applicants should be able start working a lot sooner.

The registration fee for the UCDA-taught Course is \$365 per student. Working with Wye Management, we're also offering a second day of sales training at an additional cost of just \$100 per student.

Here's a list of dates for the Course through June:

February 19	April 21	June 11
February 27	April 25	June 18
March 17	May 23	June 27
March 27	May 30	

Courses will be held at Georgian College in Barrie, Wye Management's Education Centre in Vaughan and at least one in Ottawa, depending on demand. The specific location for each date will be announced in the near future.

Contact Val at v.maclean@ucda.org or 1-800-268-2598 for more information or to register for an upcoming course.

For those that do not wish to take the full classroom course, self-study registration is handled directly by Georgian College. Contact them at 1-877-722-1513.

UCDA Member Lane at Manheim



The worst ice storm in years, record breaking frigid temperatures and snow ... lots of it ... didn't stop the UCDA Member night on January 9th. The auction staff did a masterful job getting the cars cleaned off and ready for the sale.

Members turned up for snacks, coffee and a much needed ... "UCDA toque". Unfortunately the weather prevented many dealers from taking advantage of the half price pre-sale inspection.

The UCDA and Manheim have decided to extend the offer for the entire month of January. For UCDA



members only, the Pre-sale inspection will cost just \$49.99. You must have the vehicle at the auction by noon on the Tuesday before the Thursday night sale.

In addition, all UCDA members that buy or sell a vehicle on the UCDA lane throughout the month of January will be entered into a draw for a 3300 watt generator. The draw will be held on Thursday, January 30 and you do not have to be present to win.

Did You Know?

Dealership Construction or Renovation Requires WSIB Coverage

Almost everyone in the construction industry needs a WSIB clearance number, unless the work that is being done is home renovation work.

This includes anyone hired by a dealer, even if being paid through a contractor or sub-contractor, to perform construction or renovation at the dealership. If the worker does not have a clearance number, the dealer could be responsible for paying premiums and possible penalties.

Every person hired must have WSIB coverage, and report and pay their premiums on time to be eligible for a clearance number.

The clearance number must be in effect for the entire time the work is being performed.

Dealers could be liable to pay any unpaid premiums or other fees owed to the WSIB that a contractor should have paid but did not for the job the dealer hired them to do.

To confirm the validity or status of a clearance number, visit the WSIB website and use the [online clearance number service](#). Enter the clearance number into the site, to see whether or not it's currently valid.

Curbsider Goes To Tax Court

In real life he was a consultant for a Canadian bank, but as a sideline, Mr. Arif Syed was a curbsider.

He bought cars that had been damaged in accidents, repaired them and re-sold them. There is no record that he ever held a dealer licence from the Ontario Motor Vehicle Industry Council.

He was a typical curbsider, but apparently not a very good one, because Mr. Syed did not enjoy much success selling cars and he apparently lost money.

However, he did have a bit of financial creativity and in an interesting twist he tried to claim the losses from his curbsiding venture as business losses on his income tax return with Canada Revenue Agency! The claim was rejected and he appealed to the Tax Court of Canada.

The court ruled that, because most of Mr. Syed's sales were to friends and relatives, what he was doing was more of a "personal endeavour", than a source of business income. Therefore, he could not claim the losses against his income for the year.

The Court dismissed Mr. Syed's appeal.

You can read the whole decision at:

<http://decision.tcc-cci.gc.ca/site/tcc-cci/decisions/en/item/65201/index.do>

Drive Clean Update

We've received no response to our joint letter, with the Trillium Auto Dealers Association, to Environment Minister Jim Bradley, requesting that he announce an end to the Drive Clean program.

Despite widespread calls by business and consumer groups and the media for the program to be scrapped, so far the only reaction has been the government's announcement in December that the fee for a test will drop from \$35 to \$30 on April 1st.

That's hardly an acceptable response. It does not make up for the wasted time and inconvenience of testing vehicles that will almost certainly pass ... because today's cars are simply cleaner than when Drive Clean started.

We will continue to push the government for more action on Drive Clean, which will no doubt be a key issue in the next provincial election ... widely expected to take place this Spring.

Winter 2014 Campaign

The UCDA's Spring and Fall promotional campaigns continue to draw consumer attention to UCDA member dealers and Carpages.ca.

But what about in between? Sales may traditionally be lower in the cold winter months, but potential customers are still out there and we need to continue to promote awareness of the UCDA brand.

That's why the UCDA and Carpages are teaming up to run for the first time a Winter campaign on 680 News traffic spots and a new venture... billboards on the Gardiner Expressway heading into and out of downtown Toronto. Ten second ad "spots" sponsoring traffic reports on 680 News will run for an 8 week period starting January 13 to March 9 and relay this message:

"This Traffic is brought to you by The Used Car Dealers Association and Carpages.ca. UCDA members are dealers you can trust. Search Carpages.ca or download the new Carpages.ca mobile app and make car shopping easy."

Digital billboards will contain a similar message ... which will rotate with other ads on the Gardiner Expressway west of downtown Toronto. Almost 200,000 vehicles travel each way on this stretch of highway every weekday.

Carpages.ca is also running an internet campaign to spread the message across the province.

Exporting Issues

This issue is not going away and continues to generate a surprising number of calls to our office.

The most common questions we get asked when a buyer wants to buy a vehicle for export out of the country are "What about HST?" and "Is the buyer a curbsider?".

What about the HST?

As members know, our advice is to collect applicable tax when you sell a vehicle "For Export". If someone thinks they are entitled to an exemption for export, they can apply themselves to Canada Revenue Agency for a refund after they have paid you the HST and exported the vehicle.

Unless the dealer handles the export, and does so properly, HST MUST be collected at the regular rate of 13%. Where a dealer is properly exporting a vehicle themselves, **the purchaser should NOT take delivery in Canada.**

The dealer must ensure that the vehicle is exported through a registered common carrier and **obtain a legitimate bill of lading from the port of export** (e.g. Montreal, Halifax, Vancouver, etc.) as proof the vehicle actually left the country.

Is the Buyer a Curbsider?

OMVIC has written about this issue recently and once again reminded dealers that if they are dealing with a buyer here in Ontario, or an "agent" buying here, they need a dealer licence if they are engaged in the business of buying vehicles for export.

Be aware that OMVIC is watching and inspecting dealers for this very issue. Some dealers have already faced charges or discipline in relation to such sales.

We had a call from a dealer who had been contacted by a dealer in Africa to buy a car and he wondered if that was a curbsider.

The answer is a qualified "No". If the buyer is truly overseas, and not here in Ontario or using an "agent" here, then the buyer is not a curbsider, but this is rarely the situation dealers are faced with.

Most of these buyers seem to be here, call themselves "exporters", and want to handle the exporting themselves.

Be on the alert if the buyer tells you "they do this all the time" or if the buyer asks to buy multiple vehicles.

If in doubt, don't do the deal, unless they can show you an OMVIC Export Dealer Licence.

We Know What You Did Last Summer ... and Fall, Winter, Spring

As U.S. style "Buy Here, Pay Here" arrangements gain in popularity in Canada, so do increases in payment defaults and dealer repossessions.

For those who may not be familiar, BHPH ("Buy Here Pay Here") is a term often applied to any arrangement where a vehicle is sold on payment terms over some period of time after delivery.

BHPH means that the dealer is carrying the paper themselves, not using a third party lender to finance the customer.

With no outside lender, the dealer is at some risk since they have not been paid in full. Dealers protect themselves in a variety of ways, by registering liens, running credit checks, having good background on their customers and doing frequent vehicle registration checks.

Another trend in this area is the use by some dealers of GPS devices to track the location of the vehicle at all times. At their most basic, they can locate a vehicle for the purpose of repossession in cases where the customer is in default.

More sophisticated models might even cause the vehicle not to start; a disable feature that can be turned on if the buyer misses a payment. Some types can even alert the dealer if they are tampered with.

GPS units can be a useful way to track and keep on top of metal on the road, but be wary of the pitfalls too.

Where a GPS unit is going to be installed on a vehicle, the purchaser should be made aware of this on the bill of sale and asked to consent, in writing, in a plain and obvious way, to the use of a GPS device.

Without that consent, such devices might be seen as an invasion of privacy. If the car is also going to have a starting disabler, for default in payment, the purchaser should also be made aware in writing of what this means and what will need to be done if this occurs.

Dealers should be particularly cautious using this technology, which could potentially leave customers stranded in dangerous circumstances.

There have been lawsuits in the U.S. over the failure of dealers to properly explain and seek consent from customers in similar situations.

Export Curbsider

Festus Ugochukw Nwobodo was accused by OMVIC of importing over 80 cars from the U.S. to Ontario, and buying several more here in Ontario at a salvage auction while operating a company called Igweshi Edeani & Sons Auto International.

Apparently, all these vehicles were intended for export overseas (to Nigeria in fact).

As OMVIC has been telling dealers for some time, Ontario law requires a motor vehicle dealer licence not just to sell vehicles to consumers in Ontario but to BUY vehicles in Ontario and SELL them elsewhere.

In October, after having the matter before the court for well over a year, a trial was held in the absence of the accused and the court found him guilty.

The fine was assessed at \$9,000 and after the victim fine surcharge the amount owing stands at \$11,250. He was also ordered to serve 2 years probation.

Why Do Lien Searches?

Believe it or not, some dealers are still willing to risk thousands of dollars by not spending \$12 or less to do a UCDA Lien Search.

When taking a trade-in worth a great deal of money, dealers need to know whether a bank or some other creditor might have an interest (a lien) on the vehicle.

We had a call recently from a dealer who discovered, after a deal was done and the buyer was long gone with their new purchase, that the trade-in they now had in their name and inventory had a lien on it ... and the bank was still owed \$18,000!

That dealer had to make a pretty unpleasant phone call to their customer who may or may not co-operate.

Don't risk the time, money and damage to your hard won reputation and bank account ... search that VIN ... no matter who you're buying from!

UCDA lien searches are as easy as a phone call, fax or on-line search away.

UCDA LIEN SEARCHES

www.ucdasherches.com

Tel: 416-599-7412 or 1-800-668-8265 • Fax: 416-232-0775