



Ontario Motor Vehicle Industry Council

789 Don Mills Road, Suite 800, Toronto ON M3C 1T5

Tel: 416-226-4500 Toll-Free: 1-800-943-6002

BUSINESS APPLICATION

This application must be completed by sole proprietors, partnerships, limited partnerships or corporations applying for registration as a dealer. Also, partnerships, limited partnerships or corporations who are "interested persons" in relation to a company applying for registration may be requested to complete this form. Please see information on the reverse before completing this form. For the purpose of this form, the "applicant" is the relevant sole proprietorship, partnership, limited partnership or corporation.

Please note this application must be submitted in person or by mail.

SECTION A: GENERAL INFORMATION

Application Type:

- First-Time Applicant
- Reinstatement
- Amalgamation
- Change to Legal Entity (e.g., sole proprietor to corporation)
- Information and Review

Classification of Proposed Dealership:

- General Dealer – New and used motor vehicles
- General Dealer – Used motor vehicles
- Wholesaler
- Broker
- Exporter
- Other (not applying as a dealer)

Note: Names deemed to be misleading will not be approved. See reverse for details.

Legal Name of Applicant: _____ Business (Trade) Name (if applicable): _____

Registration Number (if applicable): Corporation # (if applicable): _____

GST Number: _____ Vendor Permit Number: _____ Application Contact Name: _____

Contact Phone: _____ Contact Email: _____

SECTION B: PAYMENT INFORMATION

The fee for new dealer applications is \$500.00. Fees must be made payable to the "Ontario Motor Vehicle Industry Council." In any event, this processing fee will not be refunded after your application is processed. Refund requests will be considered only if they are received within 48 hours.

Payment Method (please check appropriate box):

- Cheque
- Certified Cheque
- Cash
- Money Order
- Credit Card *** If you are paying by credit card, please fill out the credit card payment form at the end of this application.

Note: A service charge fee will apply for all NSF cheques or declined credit card payments.

If you have selected the "General Dealer" or "Broker" class and you are not amalgamating a registered dealership, you will need to attach a separate payment by certified cheque or money order in the amount of \$339.00 payable to the "Motor Vehicle Dealers Compensation Fund."

Please see the information on the reverse of this form regarding the OMVIC transaction fee.

For office use only

Registration Number: <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u>	Payment Reference Number: <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u>
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SECTION C: PRECONDITION TO REGISTRATION

1. Has the applicant ever had his/her registration under the *Motor Vehicle Dealers Act* refused, revoked, suspended or cancelled?
 Yes No If "yes," kindly provide details on a signed and dated statement.
2. Who will be the person in charge of the day-to-day operations of the dealership [i.e., the person who will be assigned primary responsibility for and has agreed to be accountable for compliance with the *Motor Vehicle Dealers Act, 2002* and its Regulations]?

Name: _____ Registration Number:

Georgian College Student ID Number (if available):

3. Has the person named in Question 2:
 - a) Been in charge of a dealership since January 1, 2007?
 Yes No
 - b) Completed the OMVIC certification course since January 1, 2009?
 Yes No

If the applicant has answered "no" to both a) and b), the person in charge must complete the certification course before registration can be granted.

4. If the person named in Question 2 is not an officer, director, partner or sole proprietor, please indicate whether any of the officers, directors, partners or the sole proprietor have:
 - a) Been in charge of a dealership since January 1, 2007?
 Yes No
 - b) Completed the OMVIC certification course since January 1, 2009?
 Yes No

Name: _____ Registration Number (if applicable):

If the applicant has answered "no" to both a) and b), one of the officers, directors, partners or the sole proprietor must complete the certification course before registration can be granted.

SECTION D: ELIGIBILITY

1. Has the applicant ever had a commercial, professional or business registration certification or licence of any kind refused, suspended, revoked or cancelled, or is the applicant currently under such a proceeding?
 Yes No
2. Are there any unsatisfied judgements, court orders or collections currently pending against the applicant?
 Yes No
3. Has the applicant been involved in bankruptcy proceedings or had a petition filed under any bankruptcy or insolvency legislation in any jurisdiction in the last 10 years?
 Yes No
4. Has a receiver, trustee, reorganization trustee or similar officer been appointed by a court or under a security agreement in any jurisdiction in the last five years for the business or property of the applicant?
 Yes No
5. Has the applicant **ever** been found guilty or convicted of an offence **under any law**, or are there any charges pending? If yes, provide the circumstances and particulars surrounding each. **Make sure to include those cases where a conditional, absolute discharge or pardon has been ordered/granted.**
 Yes No
6. To the best of your knowledge, are any investigations being conducted on the applicant in any jurisdiction?
 Yes No
7. Has the applicant sold or leased vehicles to customers who are non-dealers since February 1, 2008?
 Yes No

If you have answered "yes" to any of the above questions, kindly provide the details on a signed and dated statement.

SECTION E: BUSINESS PLAN

This section should be completed by first-time applicants for registration as a dealer or applicants for reinstatement who have not been registered within the past two years. Attach additional sheets as necessary.

1. Please list the source of funds or assets that will be used in the start-up and operation of the dealership.

2. Please list all existing or planned positions and job titles in your dealership. Attach an additional sheet if necessary.

3. Who or what will be the supplier of bill of sales, lease agreements, disclosure statements and other documents required by the *Motor Vehicle Dealers Act, 2002*?

4. Does the applicant have any contacts in the industry that will advise and assist you with your dealership? Please list the individuals and/or company names and addresses.

5. Does (or will) the applicant exist for any other purpose besides the operation of a motor vehicle dealership? If "yes," please provide particulars.

6. Does the applicant have an offsite repair facility or a repair agreement/arrangement for the repair, servicing and safety inspection of vehicles? If "yes," please list the business name, address, mechanic's name and Motor Vehicle Inspection Station Licence Number.

Please note all applicants may be required to submit additional documents, financial information, records or questionnaires regarding their business plan depending upon the information provided in this application.

SECTION F: BUSINESS PREMISES

This information is not required for OMVIC to start processing your application. Attach additional sheets as necessary.

If you have not already arranged to lease, rent or own premises from which to operate your dealership, you do not need to complete this section at this time. Also, if this application is triggered by an Amalgamation or a Change to Legal Entity and you are not changing your address, you do not need to complete Questions 1 – 4 at this time. Please see reverse for details.

Business Premises in Ontario – The premises cannot be a dwelling unless you have selected the “Wholesaler” or “Broker” class.

Street #: _____ Street Name: _____ Street Type: _____

Street Direction: _____ Unit #: _____ City: _____

P.O. Code: _____ Business Phone: _____ Alternate Phone: _____

Business Fax #: _____ Internet (http://): _____ Email: _____

Can you receive mail at the business premises specified above?

- Yes No If not, please provide an explanation and an alternate mailing address in Ontario.
Please note, an alternate mailing address may not be approved (see reverse for details).

The applicant cannot receive mail at this business premises because:

Alternate Mailing Address (if applicable)

Street #: _____ Street Name: _____ Street Type: _____

Street Direction: _____ Unit #: _____ City: _____

P.O. Code: _____

If the applicant is seeking registration in the “Wholesaler” or “Broker” class and intends to store required records at an alternate location, please see reverse for details about Records Storage Addresses. Wholesalers and Brokers operating from a dwelling must have an approved Records Storage Address.

1. Will this proposed location accommodate an exclusive office for the dealership?
 Yes No
2. Will this be the only business of any kind operating at the premises and unit number specified above? If “no,” please list other businesses at this location.
 Yes No
3. If you plan on doing retail transactions, will you have permanent signage that is clearly visible to the consumer?
 Yes No N/A
4. With respect to the business premises indicated above, does the applicant own, rent or lease?
 Own Rent/ Lease Other Please specify: _____

Please attach copies of proof of ownership, deed or recent property tax bill in applicant’s name if the applicant owns the property. Otherwise, please provide the lease or rental agreement. Note: subleases will not be accepted without a copy of the primary lease confirming subleasing is permitted.

Please attach an explanation if you’ve answered “no” to Questions 1 – 3.

SECTION G: DEALERSHIP MAKEUP

In this section you must include information on all officers, directors, partners, the sole proprietor, shareholders or salespersons (add additional sheets if required). An "Individual Application" will be required from individuals seeking registration as a salesperson and from individuals who are unknown to OMVIC. The applicant may be required to submit additional documents, records or questionnaires regarding any individuals or organizations named in this section, after OMVIC has reviewed this application.

Please note, at least one partner, officer or the sole proprietor should be a citizen or landed immigrant. If not, please contact OMVIC before submitting your application.

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number: _____

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number: _____

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number: _____

Information on Corporate Shareholders: A business application may be required from corporate shareholders.

Legal Name: _____ Business (Trade) Name: _____

SECTION H: SIGNING OFFICERS

You do not need to complete this section unless you have selected the "General," "Wholesaler," "Exporter" or "Broker" class.

Please note any individuals named in this section who are unknown to OMVIC will be required to submit an Individual Application. The applicant may be required to submit additional documents, records or questionnaires regarding any individuals named in this section, after OMVIC has reviewed this application.

1. Who are the signing officers on the dealership's bank account? Please note, you are required to have a bank account registered in the legal name of the dealership, which also indicates your business (trade) name (if applicable). Please attach proof in the form of a recent bank statement or letter from your bank.

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number (if applicable): _____

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number: _____

Questions 2 – 4 apply only to dealers who have selected the “General” class of registration.

2. Will you sell vehicles on consignment from individuals who are not registered dealers?

Yes No

3. Will you accept deposits in excess of \$10,000 towards the purchase of a vehicle?

Yes No

If you answered “yes” to either Question 2 or 3, you are required to set up a trust account. Please answer Question 4.

4. Who are the signing officers on the dealership’s trust account? Please attach proof in the form of a recent bank statement or letter from your bank.

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number: _____

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

Registration Number: _____

5. Will there be any unregistered individuals who will be designated with signing authority on behalf of the dealership?

Yes No If “yes,” who are they?

First Name: _____ Initial: _____ Last Name: _____

Positions: _____ D.O.B. (YYYY/MM/DD): ____/____/____

SECTION I: CONSENT AND UNDERTAKING

I confirm that I have not misrepresented or omitted any material facts in any document or statement made in support of this application. I understand that each statement is subject to verification. I understand it is a serious offence to knowingly provide false information in connection with this application. I further understand the provision of false, incomplete or misleading information, or the omission of information in this application or the documents submitted with it, may result in the refusal, suspension or revocation of registration.

In order to complete or verify the information provided on this form, it may be necessary for OMVIC to collect additional information from, or to exchange information with, government and relevant non-government sources regarding the applicant, its officers, directors, partners and shareholders. On request by OMVIC, I agree to furnish any required authorization or release to obtain information. I consent to the collection of this information as authorized under the *Motor Vehicle Dealers Act, 2002* (“the Act”). I understand this information will be used to determine whether I am and remain qualified for the registration for which I am applying or to ensure compliance with the Act. Only information relevant to my registration will be collected. I further consent to the sharing of any information gathered in the course of processing this application with others as may be considered necessary in the course of determining whether I am and remain qualified for registration or to ensure compliance with the Act. I understand the consent to the collection and sharing of this information remains ongoing throughout the term of my registration and during the application process.

I understand I must notify OMVIC in writing within five days of any changes to this information that occurs following this application being filed. I confirm I have retained a copy of this application for my records.

The registration record, which includes the applicant's name, registration number, business address and registration dates, is part of the public record.

The applicant understands it is a violation of the *Act* to conduct business as a motor vehicle dealer without benefit of registration from OMVIC.

I confirm that I have read and understood the information provided on the reverse of this application.

I certify the information provided by the undersigned in support of this application is, to the best of my knowledge and belief, true.

I certify I am an authorized representative of the applicant (i.e., an officer, director, partner or the sole proprietor).

Name of Authorized Individual/Employer Signature of Authorized Individual/Employer _____
Date Signed (YYYY/MM/DD)

Position of Authorized Individual/Employer Dealership Business Phone Dealership Fax

Name of person who completed/translated this application, if different from authorized individual/employer

BUSINESS APPLICATION FORM CHECKLIST

Have you attached:

- 1. Articles of Incorporation (if applicable). See Section A – General Information.
- 2. Copy of Business Name Registration/Master Business Licence (if applicable). See Section A – General Information.
- 3. Vendor Permit/Master Business Licence. See Section A – General Information.
- 4. GST Number/Master Business Licence. See Section A – General Information.
- 5. Business application fee of \$500 and credit card payment form (if applicable). See Section B – Payment Information.

Note: Additional payment is required for related salesperson applications or transfers.

- 6. Compensation Fund payment of \$339 by certified cheque or money order. ("General" and "Broker" classes.)
- 7. Signed and dated statement for questions answered "yes" in Section D – Eligibility.
- 8. Municipal permit or Letter for Business Premises. See Section F – Business Premises.
- 9. Copy of rental agreement, lease, deed or property tax bill. See Section F – Business Premises.
- 10. Signed and dated statement for questions answered "no" in Section F – Business Premises.

PAYMENT METHOD

Payment Method: Visa MasterCard Cash Cheque Money order

Credit Card #: _____ Expiry Date: ____/____

Print Cardholder Name: _____ Cardholder Signature: _____

Note: A service charge fee will apply for all NSF cheques or declined credit payments.

BUSINESS APPLICATION INFORMATION

The following information is provided as a guideline only. You are encouraged to review the relevant sections of *The Motor Vehicle Dealers Act, 2002* ("the Act") and its regulations and to consult with your lawyer if you have any questions. After reviewing this information, if you have any questions about completing this form, please call OMVIC at 416-226-4500 (Toronto) or toll-free at 1-800-943-6002.

Trade – Includes buying, selling, leasing, advertising or exchanging an interest in a motor vehicle or negotiating, inducing or attempting to induce the buying, selling, leasing or exchanging of an interest in a motor vehicle.

Motor Vehicle Dealer – Means an individual or company that trades in motor vehicles, whether for their own account or the account of any other individual or business, or who holds themselves out as trading in motor vehicles.

Interested Persons – Refer to Section H – Signing Officers for further information about interested persons.

SECTION A: GENERAL INFORMATION

Information and Review – If you are an interested person in connection with an applicant or registrant under the Act, you may be requested to complete this form for "information and review." If that is the case, you do not need to pay a fee. You are only required to complete Section A – General Information, Section D – Eligibility, Section F – Business Premises (except Questions 1 – 4), Section G – Dealership Makeup and Section I – Consent and Undertaking. You may be required to provide additional information or documents based on the information provided in this form.

DEALER CLASSIFICATION

The following is a brief description of the classes of registration most often selected by registered dealers. If none of the classes described below fit your business, please contact OMVIC.

General Dealer (New & used motor vehicles) – A business which buys, sells or leases both new and used vehicles. If you are not an OADA/TADA member, please provide evidence of an existing motor vehicle manufacturer sales and service agreement in order to be assigned to this class. For the purpose of the Act, a vehicle is not considered a new vehicle if a permit has been issued under Section 7 of the *Highway Traffic Act* or by another jurisdiction having an equivalent requirement. There is an exception if a permit has been issued to a customer who has returned the vehicle within 14 days.

General Dealer (Used motor vehicles) – A business which trades only in used vehicles. This class will generally apply to any dealer who is not a new car dealer and who does not fit into one of the classes described below.

Wholesaler – A business that sells vehicles exclusively to other registered dealers and acquires vehicles only from registered dealers or people/organizations who are exempt from registration under the Regulations. Wholesalers cannot trade with consumers. Wholesalers can do business with dealers who have an equivalent registration or licence in a jurisdiction outside of Ontario. Dealers in the "Wholesaler" class cannot be involved in leasing vehicles. If you are currently registered as a wholesale/leasing dealer and are doing some leasing, you will need to choose the "General Dealer" class.

Please note there are other more restrictive classes of registration for dealers.

Exporter – A business which purchases motor vehicles only for the purpose of export outside of Ontario.

Broker – A business which facilitates a vehicle trade on behalf of non-dealers where the broker does not own the vehicle or accept payment towards the vehicle. A dealer in this class cannot be affiliated with any other registered dealer.

Business (Trade) Name (Master Business Licence/Trade Name Registration/Incorporation Documents) – Your business name is the name by which your dealership will identify itself to the public on its signs, advertisements, bills of sale, etc. This name must also be registered with the Ministry of Consumer Services – Companies Branch. For example, if you are going to identify yourself to the public as "Mary's Quality Used Cars," you must register this name with the Companies Branch.

Go to www.serviceontario.ca to register your trade name online or to obtain information about how to register or incorporate your business. You can also call 416-314-8880 or 1-800-361-3223 for more information about registering your trade name.

Please attach a copy of your articles of incorporation (where applicable) and registration of new business name (Master Business Licence). Sole proprietors, partnerships (general or limited) and corporations can operate under a business or trade name other than their own (e.g., "John and Mary's Auto Sales"). Any business name must be registered with the Ministry of Consumer Services – Companies Branch or with Ontario Business Connects (OBC) through their Master Business Licence (MBL) registration. A Business Identification Number (BIN) is assigned to a registered business name.

Misleading Names – OMVIC reserves the right to refuse registration to an applicant who proposes to conduct business under any name which is misleading. For instance, names which incorporate words or phrases such as "wholesale," "at cost," "liquidation" and "factory direct" may lead customers to believe they will enjoy special pricing otherwise unavailable. If you have any questions about your proposed name, please contact OMVIC prior to submitting your application.

Vendor Permit – Any company that will be collecting retail sales tax from customers is required to obtain a vendor permit from the Ministry of Revenue. In order to transfer vehicle registrations at the Ministry of Transportation, dealers must have a vendor permit and an OMVIC dealer registration under the same legal name. If you intend to become a wholesale dealer, you can obtain a non-reporting vendor permit from the Ministry of Revenue so that you can transfer vehicle registrations.

Go to www.serviceontario.ca to apply for your vendor permit online. Otherwise, look for your local Ministry of Revenue field office in the blue pages of your phone book.

GST Number – Any companies that collect or pay GST must obtain a GST registration number from the Canada Customs and Revenue Agency.

Go to www.serviceontario.ca to apply for your GST number online. If you are not online, look for your local Canada Customs and Revenue Agency office in the blue pages of your phone book.

SECTION B: PAYMENT INFORMATION

Processing Fees – If a cheque is returned NSF, or a credit card is declined, there will be a \$35.00 service charge fee and your registration may be cancelled. Certified cheque or money orders are preferable. In any event, this processing fee will not be refunded after your application is processed. Refund requests will be considered only if they are received within 48 hours.

Transaction Fees – The following is a shortened version of Frequently Asked Questions. For further information about transaction fees, please check the Frequently Asked Questions (FAQ) document on our website at www.omvic.on.ca/info/faqs/transaction_fee_faqs.htm.

What type of vehicle transactions are subject to the fee?

Under the transaction fee program, dealers are required to remit \$5 for every sale, lease, fleet or “as is” transaction on a per vehicle basis as a component of their registration renewal fee, except transactions deemed wholesale.

What transactions are exempt from the transaction fee?

The following transactions are exempt:

- Selling or leasing a vehicle directly to another registered dealer, who will then be responsible to remit the transaction fee when it sells or leases the vehicle to a non-registrant.
- Selling a vehicle to a bona fide lessee during or at the end of their lease term (note: the transaction fee is applicable at the inception of the lease). Also, if a lessee chooses to re-lease the same vehicle as a way of financing the lease buy-out, this second lease would not be subject to the transaction fee.

How does the transaction fee work for leases?

New car dealers are required to remit the transaction fee for leases on behalf of the lessors with whom their manufacturers have arrangements (sometimes referred to as “captive lessors”). This applies regardless of whether the vehicle being leased by the dealer is a new or used car. Dealers may choose to pass on the transaction fee to the consumer through their retail bill of sale. Independent lessors are required to remit their transaction fee payments directly to OMVIC.

If I pass through the transaction fee to customers, where should it be placed on a bill of sale? Is it a taxable fee?

If you wish, you may record this fee on your bill of sale or lease, but this fee cannot exceed the \$5 OMVIC is collecting. If you are referring to an OMVIC fee (verbally or in writing) you must indicate the amount is \$5. For example, if you incorporate the OMVIC fee in the administration fee you currently charge and you refer to it on the bill of sale, you must also indicate OMVIC’s portion of the administration fee is \$5. If you do list it on the bill of sale or lease, you will need to collect and remit both PST and GST directly to tax authorities. You do not need to remit the PST or GST to OMVIC.

SECTION C: PRECONDITIONS TO REGISTRATION

Certification Requirements – The OMVIC certification course is a correspondence course offered through the Canadian Automotive Institute (CAI) at Georgian College. Once you submit your enrollment form via fax or mail to CAI, they will send you the course material by courier. Enrollment forms are available from OMVIC or the CAI. Your course material can also be downloaded from OMVIC’s website at www.omvic.on.ca. Once you have finished studying the course material, you can arrange to write your test at the MTO issuing office in your area. This is an open-book test containing multiple-choice questions which you will be given an hour to complete. Test results will be communicated directly to OMVIC by the CAI provided OMVIC has the student’s information and student number. Some individuals are required to complete this course as a precondition of having their registration granted or their dealer’s registration granted or renewed.

All applicants or registrants are encouraged to complete the OMVIC certification course to receive important information about the MVDA 2002, such as:

- Automatic rescission of customer contract if certain disclosures are not made.
- New disclosure requirements affecting all retail and wholesale contracts.
- A new Code of Ethics and disciplinary process affecting both dealers and salespeople.
- Restriction on what extended warranties you can offer or sell.
- All-in price advertising.

SECTION F: BUSINESS PREMISES

Address Terms – Street Type is the name after the street name (e.g., Avenue, Street, Road, etc.). Street Direction should be completed when the name of the street includes a direction after the street type (e.g., Eglinton Avenue East). In this case “East” is the Street Direction.

Business Address – This is the location from which you will be operating your business. You are not required to provide a business address or a copy of your municipal permit, lease agreement or deed for us to start processing this application. You can submit your application without a business address and we will begin processing your application and doing all the necessary background checks with the exception of those relating to your business premise. Once we have completed this process, you will be contacted and will be given a reasonable period of time to identify a specific property from which you would propose to operate. You will not be required to submit a municipal permit, executed lease/rental agreement or deed at this stage. However, you may be asked to provide information concerning the landlord or property owner and an unsigned copy of the lease or rental agreement. Once we have checked your proposed business location, we will advise you whether your application is going to be approved. If so, you will be contacted and we will advise you that your application will be approved once we receive confirmation from you that your premises are set up and you are ready to begin operation. Please note, you must be prepared to set up your dealership within 60 days of receiving notification of approval from OMVIC. Once you are ready to begin operation, you will be required to provide documentation to confirm you have made arrangements to operate your business from its proposed location in the form of a lease or rental agreement. If you are subleasing the property, we will require a copy of the primary lease showing that sublease arrangements are permitted. If the primary lease does not permit sublease arrangements, you will need an original letter of consent from the landlord and proof of ownership or else you will have to find another location from which to operate your business.

If you own the property, please provide a copy of your deed or a recent property tax bill. We reserve the right to refuse your application if this documentation differs in any material respect from the information previously provided by you. Once you are approved, an OMVIC inspector will be scheduled to visit your dealership. These inspections are not always done by scheduled appointment so please ensure you have a visible sign and your office is set up with your books and records available for inspection. At any time during this process, your application may be refused if any information comes to our attention relating to your past conduct, dealership makeup or financial position. If your application is refused, you will be advised as soon as possible.

You will not be allowed to operate from a residence unless you are seeking registration in the “Wholesaler” or “Broker” class. In order to be approved to operate your “Wholesaler” or “Broker” class dealership from a residence, you will need to establish an acceptable Records Storage Address.

The *Act* requires that you operate your business from a location that is approved by OMVIC. For your location to be approved by OMVIC, it should meet the following criteria:

- You can receive mail there. (Note: If your dealership is located in an area where Canada Post does not do door-to-door delivery, we will accept an alternate mailing address.)
- The property is secure enough to allow you to store your books and records there.
- There is sufficient space for an office for you to conduct business (e.g., administrative paperwork, etc.) and where you can invite potential customers/clients.
- There is sufficient space for you to display, store or service vehicles (if applicable).

Your business location address must be in the format shown on this application. Addresses which include Routes, P.O. Boxes, General Delivery, Suburban Services, Lot, Concession, Plan or Block numbers are not accepted. If you do not know the street assigned to your business location (civic address, also known as your 911 address), you should contact your local municipality. If you wish to include an alternative mailing address (e.g., Rural Route, PO Box, etc.) please review instructions under the heading Mailing Address.

Please refer to the “Records Storage Address” section for information about what records you are required to maintain.

Municipal Permit – A letter or permit from your local municipality which confirms the zoning of the proposed location of your dealership. The property will need to be zoned for retail motor vehicle sales if:

- You are going to invite members of the public to trade in motor vehicles at this location.
- If you are going to store, display or service vehicles at your location.

If neither of the above conditions exist, you may be authorized to operate your business from a property that is zoned for commercial office use provided you have submitted an executed “Acknowledgement of Premises Restrictions.”

For more information about obtaining a municipal permit or letter, contact the Planning or Licensing Department of the municipality in which your dealership will be located.

Mailing Address – Please provide an explanation if you need to have your OMVIC mail sent to an address other than your approved business location. For example, alternate mailing addresses will usually be accepted if the post office does not deliver mail to your business address. If this is the case, you should attach a letter from Canada Post confirming this. However, if your request for an alternate mailing address is the result of a problem with your approved business location (e.g., a lack of security), then you may be required to find another location from which to operate your dealership.

Records Storage Address – If you are seeking registration in either the “Broker” or “Wholesaler” classes of registration, you may be able to store your books and records at an alternate address. A records storage address must be a place where OMVIC representatives can have free access to all your books and records during normal business hours and you have provided written confirmation of that access from the custodian at that address.

Records kept at your business or records storage address must include but are not limited to:

- Records of motor vehicles (e.g., safety standard certificates, repair or reconditioning records, vehicle permits, etc.).
- Records relating to trades (e.g., consignment, lease, purchase, broker, trade-in, service plan or warranty agreements, payment and commission records).
- Records of business (e.g., employee records, records of associated persons, financing records, loan agreements, bank records, trust account records).

You must ensure records kept at your records storage address are no more than one month out of date.

If you are a registered Wholesaler or Broker and would like to request the Registrar’s approval for a records storage address, please submit a “Records Storage Address Change” form.

SECTION G: DEALERSHIP MAKEUP

Officer – Includes the chair and any vice-chair of the board of directors, the president and any vice-president, the secretary and assistant secretary, the treasurer and assistant treasurer and the general manager and the assistant general manager of a corporation or a partner or general manager and assistant manager of a partnership; any other individual designated as an officer by by-law or resolution or any other individual who performs functions normally performed by an individual occupying such office.

Shareholder – Includes any person (or group of related persons) who will have beneficial ownership or control of at least 10% of the equity shares of a corporation. This includes shareholders previously reported to OMVIC who have increased their holdings. Shareholders are also considered Interested Persons.

Salesperson – An individual who is employed by a motor vehicle dealer to trade in motor vehicles on the dealer’s behalf.

Employ – Means to employ, appoint, authorize or otherwise arrange to have another person act on your behalf.

SECTION H: SIGNING OFFICERS

Bank Account – If you are seeking registration in the “General,” “Wholesaler,” “Broker” or “Exporter” class, you will need to set up a bank account for your dealership.

Please set up an account at an institution that is a bank, a loan or trust corporation, a credit union or an authorized foreign bank under Section 2 of the *Bank Act*. Your account must be in the legal name of your dealership and should also indicate your trade name (if applicable).

The purpose of maintaining a bank account is to keep a record of any financial transactions involving motor vehicles. You must ensure all monies you receive in connection with a transaction in a motor vehicle are deposited in this account unless they are required to go in your trust account (see **Trust Account** section below). If you receive cash towards a motor vehicle, you must deposit this in your bank account and cannot use it to pay any expenses. Any monies you need to pay out in connection with a transaction involving a motor vehicle must be paid from this account.

Trust Account – If you are seeking registration in the “General” class and you are handling funds described below, you must set up an account at an institution that is a bank, a loan or trust corporation, a credit union or an authorized foreign bank under Section 2 of the *Bank Act*. The name on this account should contain the words “Motor Vehicle Dealers Act, 2002 Trust Account” and the registered name of your dealership. If there is not enough room for both, you can just use the words “Trust Account” and your registered name.

The purpose of maintaining a trust account is to ensure customers who leave large deposits (i.e., greater than \$10,000) or individuals who give you vehicles to sell on consignment have their monies protected until the deal is completed. In the case of large deposits, you must deposit the money directly in your trust account and not withdraw it until the purchase has been completed. In the case of a consignment deal, you must deposit all monies received from the buyer directly in your trust account and cannot withdraw it except to make a payment to the consignor in accordance with your written consignment agreement. After that, you can withdraw any excess (i.e., any monies received from the buyer that is greater than what you owed the consignor). Monies which are required to be kept in your trust account must be kept separate from your general funds at all times.

You must reconcile your trust account on a monthly basis to ensure you have sufficient funds on deposit to cover deposits over \$10,000 for purchases which have not been concluded or funds received for consignment sales which have not been paid to the consignor. The best way to do this is to keep a list of all deposits and withdrawals from your trust account which includes the date, amount, type (e.g., cheque, cash, etc.), customer/consignor name, the person from whom the money was received (if not the customer/consignor) and the reason for the deposit or withdrawal. On a monthly basis, you (or your accountant) should reconcile the totals on this list with your monthly statements from the bank. You should review any reconciliations prepared by your accountant. If you find there is a shortfall in your trust account, you should make it up immediately and report it to OMVIC. While we understand mistakes can occur, please remember you could lose your registration if you fail to deposit required funds or if you withdraw funds before you are allowed to. This applies regardless of whether you make up the shortfall later. If you find there are excess funds in your trust account because of interest earned, you can withdraw these funds monthly.

Reconciliations must be prepared within 30 days of receiving your monthly statements from the bank unless there is a zero balance on your trust account or if there has been no activity on the account since you prepared the last reconciliation.

Signing Officers – The regulations to the *Act* require dealers to report to OMVIC any changes regarding who will have signing authority on the dealer's bank account, trust account (if applicable) or who will have authority to sign on behalf of the dealership. The individuals reported on this application may be required to submit an Individual Application because they are deemed to be "interested persons" or "associated persons."

Interested and Associated Persons – Section 6 of the *Act* empowers the Registrar to refuse, revoke or suspend registration based on the conduct of "interested persons" and "associated persons" as defined under Section 1(2) and 6(4) of the *Act* (see below). You must make reasonable efforts to identify to OMVIC any person who may be an "interested person" or "associated person." In the course of processing this application, you may be required to answer questions regarding persons who are deemed to be "interested persons" or "associated persons."

From the *Motor Vehicle Dealers Act, 2002*:

1(2) For the purpose of this *Act*, one person is associated with another person in any of the following circumstances:

1. One person is a corporation of which the other person is an officer or director.
2. One person is a partnership of which the other person is a partner.
3. Both persons are partners of the same partnership.
4. One person is a corporation that is controlled directly or indirectly by the other person.
5. Both persons are corporations and one corporation is controlled directly or indirectly by the same person who controls directly or indirectly the other corporation.
6. Both persons are members of the same voting trust relating to shares of a corporation.
7. Both persons are associated within the meaning of paragraphs 1 to 6 with the same person.

6(4) For the purposes of this section, a person shall be deemed to be an interested person in respect of another person if the person is associated with the other person or if, in the opinion of the Registrar:

- (a) The person has or may have a beneficial interest in the other person's business;
- (b) The person exercises or may exercise control either directly or indirectly over the other person, or;
- (c) The person has provided or may have provided financing either directly or indirectly to the other person's business.