

BULLETIN

MVDA 2002 Regulations Amended in Response to Industry Feedback

Dear Registrant,

Over the last few months OMVIC has distributed material related to the new MVDA and its Regulations through various bulletins, *The Dealer Standard*, its website and regional information sessions that many of you were able to attend. These materials were developed to help you understand what changes to expect when the new MVDA comes into effect on January 1, 2010.

After the Ministry of Small Business and Consumer Affairs received feedback from various stakeholders, the Government recently made a number of relatively minor amendments to the Regulations before they come into effect in January. The Government is making these changes as a practical matter, to clarify intent of the Regulations and to facilitate compliance with the new Act. While most of the changes are of a technical nature, some are in response to concerns expressed by registrants over the past several months.

Below you will find summaries of the key changes, but you are encouraged to visit OMVIC's web site, www.omvic.on.ca, to view the full list of amendments.

Important Links:

OMVIC's MVDA 2002 updates: www.omvic.on.ca/services/shared/mvda2002.htm

MVDA 2002: www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_02m30_e.htm

General Regulation under MVDA 2002: www.e-laws.gov.on.ca/html/source/regs/english/2008/elaws_src_regs_r08333_e.htm

AMENDMENT HIGHLIGHTS

Trim level: Section 42, paragraph 17

Although accurate disclosure of trim level is still required under the Regulations, failure to do so will no longer be grounds for automatic contract cancellation.

A consumer is still able to cancel a contract within 90 days if the following is not disclosed:

- Distance travelled
- Daily rental
- Previous use as: police cruiser, emergency services vehicle, taxi, limo
- Make, model, model year
- If the vehicle was branded



Repainted panels: Section 42, paragraph 16

The requirement to disclose if any panels have been repainted on current or immediately preceding model years has been deleted.

Disclosure for trade-ins: Section 43(4) 12

The general requirement to disclose “condition” is no longer required for trade-ins.

Dealers are still required to include the following on trade-in contracts:

- Name and address of owner
- Date of trade-in
- Make, model, trim level, year, colour, VIN, body type
- The credit for the vehicle being traded in
- Statement from the person trading in the vehicle of the information required to be included under Section 42
- Recorded odometer reading
- If the dealer receiving the vehicle agrees to pay any outstanding loan or outstanding repair or storage bill, a statement to that effect

Salesperson registration: Section 17

Originally, Section 17 stated that salesperson registration expires when employment is terminated, unless the salesperson is hired by a dealer within 60 days of the termination. The 60-day limitation has been deleted. As a result of the amendment, the salesperson can reapply for registration (using a transfer form) and would retain the original registration expiry date if approved.

Wholesale trades expanded: Section 21

Wholesalers were limited to doing business with registered dealers, or dealers who have an equivalent registration or licence outside of Ontario.

Section 21 has been amended to also permit wholesalers to purchase vehicles from parties exempt under the new MVDA, or from the Crown, as well as from registered dealers.

Revised definitions - “extended warranty” and “service plan”: Section 1

The definitions of “extended warranty” and “service plan” have been amended to exclude manufacturer extended warranties and service plans.

