

PRICE ADVERTISING UNFIT OR AS-IS VEHICLES

OMVIC intends to strictly enforce the regulations pertaining to advertising.

As you are aware, when advertising a price for a vehicle, that price must include all fees and taxes. Taxes may be excluded if the ad states in a clear and prominent manner that taxes are excluded.

Dealers normally sell vehicles that are roadworthy, certified and e-tested and the advertised price reflects this fact. Some dealers, however, choose to offer vehicles for sale that are not certified or e-tested, and in less frequent cases, dealers advertise a vehicle "as-is". Price advertising of unfit or as-is vehicles requires special disclosure statements be included in the ad.

Price advertising of unfit vehicles

When a dealer is price advertising a vehicle that is not certified and/or e-tested, the advertisement must state in a **clear and prominent** fashion the following statement:

"Vehicle is not drivable, not certified and not e-tested. Certification and e-testing available for \$xxx."

If you intend to offer certification and e-testing services, the specific fee must be disclosed in the above statement. For vehicles advertised this way, certification and e-testing must NOT be a mandatory charge. Vehicles advertised unfit may not be sold at or above the advertised price using the "as-is" clause on the bill of sale.

Price advertising as-is vehicles

When a dealer is price advertising a vehicle that is "as-is", the advertisement must state in a **clear and prominent** fashion the following statement:

"This vehicle is being sold "as-is", unfit, not e-tested and is not represented as being in a road worthy 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."

It is not sufficient to simply use the term "as-is". Dealers should note that it is prohibited to sell an "as-is" vehicle with a current safety certificate.

OMVIC will consider an advertisement that does not comply with the above requirements to be false and misleading.

If you are uncertain as to the advertising requirements, or your other obligations under the new *Motor Vehicle Dealers Act*, you should enrol in the OMVIC-CAI Certification course on Automotive Law and Ethics. Contact the Canadian Automotive Institute at 877-722-1513.

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