

UNDERSTANDING AUCTION EXEMPTIONS UNDER MVDA

Although wholesale auctions do not require registration under the new Motor Vehicle Dealers Act, they are required to meet certain requirements to maintain exemption. Dealers should anticipate the following rules when visiting the auction:

- Auctions were required to make changes to control who gains access to the bidding floor following the launch of the new MVDA. Only registrants are allowed in the bidding area; friends, spouses, mechanics and other guests are prohibited.
- All those in the bidding area **must** wear visible photo identification. Auctions are expected to ensure dealers comply.
- Electronic or online auctions must be kept secure so only registrants may gain access.
- Sellers need to provide all required vehicle disclosures (including collision history, accurate mileage and previous use etc.) and auctions must use their best efforts to make sure disclosures are made by the seller. If the auction is not willing to arbitrate a serious non-disclosure concern about a vehicle bought or sold dealers can still contact OMVIC for additional advice or assistance.
- If requested by OMVIC, auctions must provide documents about any trade; records regarding persons who were allowed into the bidding area, if in person; and those who bid electronically.

Wholesale auctions must enforce these rules to maintain their registration exemption under the MVDA and OMVIC will continue to ensure compliance.

To learn more about changes under the new MVDA, please visit OMVIC's web site: www.omvic.on.ca.

To contact OMVIC:

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