

# THE DEALER STANDARD

Consumer Protection • Registrant Professionalism • Consumer Support

## New guidelines provide clarity on legal standards

To support registrants in meeting current compliance obligations, the Ontario Motor Vehicle Industry Council (OMVIC) is launching a series of guidelines. They will provide clarity surrounding several critical topics related to dealership operations.

These guidelines will provide direction for registrants and are subject to the provisions of the Motor Vehicle Dealers' Act, 2002 (MVDA), its regulations and other provincial legislation forming the basis of OMVIC's regulatory work.

The first guideline on electronic record-keeping has launched to support registrants as they transition to an increasingly digital and paperless file management system.

Although the MVDA does not specifically address electronic record-keeping, there are laws that must be adhered to as registrants create, manage and maintain their records electronically.

OMVIC facilitated stakeholder consultation sessions to understand the guidance registrants needed for electronic record-keeping. The guideline reflects the input received and is intended to support the industry in meeting current compliance obligations.

### What does the guideline contain?

The **electronic record-keeping guideline** includes: an overview of the current legislation and regulations in place, and information on how to remain compliant.

In summary, the guideline states that:

- Electronic records are acceptable if registrants comply with the established guidelines.
- Registrants require the registrar's permission to keep electronic records off-site (e.g., in a cloud-based service or on a third-party computer server).
- Electronic record-keeping is optional, not mandatory.
- Registrants who digitize records currently in paper form can then dispose of the paper copies in a safe and secure manner.

### Questions?

In July 2021, OMVIC launched the new Dealer Support team whose mandate is to assist and support dealers in achieving and maintaining compliance with the MVDA. Please contact the Dealer Support team at [dealers@omvic.on.ca](mailto:dealers@omvic.on.ca) or by calling 1-800-943-6002 if you have any questions or concerns.



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## Pressure sales for optional items unethical

The current inventory limitations in the automotive industry have created a low supply and high demand environment, resulting in inflated vehicle prices.

Recognizing that the current supply chain presents challenges in the vehicle sales industry, OMVIC wants to remind all dealers and salespeople to continue exercising their best efforts to prevent error, misrepresentation, fraud, or any unethical practice when selling a vehicle. The following are a couple of examples of ways to ensure you are continuing to practise industry professionalism and are compliant with the Motor Vehicle Dealers Act.

### Costs reflected in the bill of sale

When selling a vehicle to the consumer, it is important to ensure that what is advertised is reflected on the bill of sale. This is referred to as all-in price advertising, which

means the price of any new or used vehicle advertised by a dealership must include all fees and charges collected for a cash sale, excluding HST and licensing.

### Adding optional items

A customer cannot be coerced or pressured into purchasing additional products or optional items at the time of price negotiation. This could be a misleading scenario for a customer where the price of the vehicle is misrepresented with the addition of extra "optional" goods or services on top of the already agreed upon price.

OMVIC understands these unprecedented times are directly impacting dealerships and want to reinforce that support is available. Our dedicated dealer support team can provide advertising review services or guidance on other matters. Contact the team at [dealers@omvic.on.ca](mailto:dealers@omvic.on.ca) or call 1-800-943-6002 ext.3180.

## High levels of non-compliance on all-in price advertising creates an unequal playing field

Recently conducted mystery shopping found persistently high levels of non-compliance on all-in price advertising which creates an unequal playing field for registered motor vehicle dealers in Ontario.

Mystery shopping conducted by the Automobile Protection Association (APA) and Car Help Canada (CHC) in the Hamilton, Niagara and Barrie regions confirmed all-in price advertising compliance to be concerning, with the compliance rate in the Hamilton region at 50 per cent,

Niagara at 42 per cent and Barrie region at 63 per cent.

Here are some other key findings from the mystery shops:

- In all three regions, more than 80 per cent of advertised vehicles were available for purchase and most dealerships represented factory corrosion warranties accurately (where applicable).
- Overall, dealerships in these areas demonstrated an above average dedication to COVID-19 safety protocols.



Want to learn more? Check out the full report available on our website, and if you have any questions, contact [communications@omvic.on.ca](mailto:communications@omvic.on.ca).

# Salesperson has registration revoked after trafficking stolen vehicles

In a written decision released on December 20th, the Licence Appeal Tribunal (LAT) directed OMVIC to carry out its proposal to revoke the registration of Mr. Amer Al-Ogaili, a motor vehicle dealer from Zara Auto Sales in Hamilton, Ontario. Revoking his registration makes it illegal for him to trade in motor vehicles in Ontario. The LAT found revoking Mr. Al-Ogaili's registration was necessary to protect the public given his involvement with trafficking stolen vehicles and his failure to indicate charges pending against him on his registration application to OMVIC.

LAT found that based on a balance of probabilities, Mr. Al-Ogaili was in possession of two vehicles that he was aware were stolen and intended for export. In one case, he used his dealer's plates to move the stolen vehicle to a location where it was being prepared to export.

This finding derived from evidence collected as part of "Project Seagull" – an investigation conducted by the Hamilton Police Service from August to December 2019 into illegal vehicle trafficking activities in the region.

Furthermore, Mr. Al-Ogaili knowingly provided false information on his application to renew his dealer registration in 2020 as sole proprietor operating under the name Zara Auto Sales.

A question on the application clearly asks if the registrant has ever been found guilty or convicted of an offence or if any charges are pending. Mr. Al-Ogaili falsely answered "no", when he had in fact been arrested shortly before in 2019 with several criminal offences for his participation in the stolen car scheme mentioned earlier. He claimed he did not understand that the question applied to him in

his personal capacity, although the tribunal found the question to be unambiguous.

In summary, the tribunal concluded that Mr. Al-Ogaili's past conduct afforded reasonable grounds to believe he would not carry out business as a motor vehicle salesperson in accordance with the law, and with integrity and honesty. The tribunal directed the Registrar to carry out its proposal to revoke Mr. Al-Ogaili's registration. [The full decision can be found on OMVIC's website.](#)



## Digital Dealership Registration enables vehicle registrations to be completed online

### What is Digital Dealership Registration?

Recognizing that dealers want to save time on vehicle-related administration, the Ministry of Government and Consumer Services (MGCS) in partnership with the Ministry of Transportation, has developed a tool to deliver fast, simple and improved services to dealerships in Ontario.

The digital dealership registration (DDR) initiative will enable vehicle registrations to be completed online and reduce the need to visit ServiceOntario centres. This new online system is part of the government's commitment to adopting better digital practices and technologies that benefit people and businesses in Ontario.

### What's next?

MGCS will conduct a soft launch of the DDR initiative in January 2022. This will include a limited number of dealerships that will be able to complete a new passenger vehicle registration online, using a new license plate, license plate sticker and vehicle permit from stock that will be held on-site at the dealership.

The soft launch will enable participants to use the system and provide feedback for improvement to MGCS. Additional dealerships will be invited to take part in the coming months as future releases and additional transaction types are introduced.

Additionally, MGCS recognizes the integral role of ServiceOntario to those communities who want and need in-person services, therefore all

existing dealer services will continue to be available in-person to ensure business continuity.

[Click here](#) to read the full update from MGCS which is available on OMVIC's website.

If you have any questions or concerns about the initiative, please contact MGCS at [dealerships@ontario.ca](mailto:dealerships@ontario.ca)





## April marks OMVIC'S 25th anniversary

April 7, 2022, marks 25 years of OMVIC's commitment to maintaining a fair and informed marketplace by protecting the rights of consumers, enhancing industry professionalism and ensuring fair, honest and open competition for registered motor vehicle dealers.

Regulatory excellence drives our work, and as OMVIC continues its path to becoming a modern regulator, we will strive to continually drive industry professionalism, educate consumers, and better deliver on our mandate.

Our achievements would not be possible without the invaluable relationships and partnerships we have built over the last 25 years with dealers, salespeople, consumers, and industry groups. We look forward to continuing to foster and maintain a fair and informed marketplace, and thereby building an even more prosperous future.

## Are you considering exporting motor vehicles outside of Ontario?

With motor vehicle shortages on the rise within Ontario and beyond, the demand for exporting motor vehicles outside of Ontario is something wholesale dealers may encounter. But did you know, under the Motor Vehicle Dealers Act (MVDA), there are limits to exporting as a wholesaler?

- The MVDA allows wholesale dealers to trade and export vehicles only with another OMVIC-registered dealer under the MVDA.
- MVDA allows wholesale dealers to buy from people/organizations who are exempt from registration under the regulations. These exemptions can be found [here](#).
- The MVDA allows wholesale dealers to export vehicles through wholesale auctions where the sale is made to another dealer outside of Ontario who has equal registration status in their respective jurisdiction.

If you are considering exporting motor vehicles outside of Ontario, please contact our Dealer Support Team to ensure that you are operating within the MVDA. To learn more about what laws apply to you according to your OMVIC Registration class, please [visit our website](#).

OMVIC has also partnered with the Used Car Dealers Association of Ontario (UCDA) to offer a webinar for registrants interested in learning more about what it means to be registered in the wholesale class. For registration information, please keep an eye on your email. If you have questions, please email [dealers@omvic.on.ca](mailto:dealers@omvic.on.ca) or call OMVIC at 1-800-943-6002.



## CONTACTING OMVIC

**THE DEALER STANDARD**  
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OMVIC is committed to offering excellent customer service and resources to set dealers and salespeople up for success. For support, please use the email addresses listed below.

- **DEALER SUPPORT**  
[dealers@omvic.on.ca](mailto:dealers@omvic.on.ca)
- **REPORT A CURBSIDER**  
[nocurbs@omvic.on.ca](mailto:nocurbs@omvic.on.ca)
- **REGISTRATION**  
[registration@omvic.on.ca](mailto:registration@omvic.on.ca)

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