



**ONTARIO MOTOR VEHICLE
INDUSTRY COUNCIL
STANDARDS OF BUSINESS PRACTICE, 2010**

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STANDARDS OF BUSINESS PRACTICE, 2010

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STANDARDS OF BUSINESS PRACTICE, 2010

INTRODUCTION

Section 6 of the *Motor Vehicle Dealers Act, 2002* (the "Act") requires dealers and salespeople (collectively referred to as "Registrants"), to conduct business activity with honesty, integrity, financial responsibility and in accordance with law. It is important to note that despite any contract or waiver to the contrary the Code of Ethics applies to all Registrants.

The *Standards of Business Practice, 2010* apply to all Registrants in Ontario, including all persons employed, appointed or authorized by a motor vehicle dealer to act on the dealer's behalf in any transaction arising from or related to the trade in a motor vehicle. Registrants who disregard the Code of Ethics are subject to having their conduct reviewed and, after a fair review of the situation, may face disciplinary action by the Discipline Committee.

The purpose of the *Standards of Business Practice, 2010* is to assist Registrants by illustrating what is expected of them. The *Standards of Business Practice, 2010* attempts to illustrate the Code of Ethics by providing practical examples and by applying the standards of honesty and integrity in specific situations. These represent minimum standards and are illustrative rather than exhaustive. OMVIC anticipates that Registrants will wish to exceed these minimum standards and that they conduct all business activities with honesty, fairness, integrity and within the law at all times.

CODE OF ETHICS

3. INTEGRITY

(1) A registrant shall be financially responsible in carrying on business.

(2) A registrant shall not indicate to any person, directly or indirectly, that any payment, commission or other remuneration in connection with a trade in a motor vehicle is fixed or approved by the administrative authority, if any, a government authority or any motor vehicle board or association.

EXAMPLES

- 3.1 Registrants meet all financial obligations incurred in relation to motor vehicle transactions, including buying, selling or leasing vehicles.
- 3.2 Registrants promptly, honestly and willingly perform all of their contractual obligations.

4. DISCLOSURE AND MARKETING

(1) A registrant shall be clear and truthful in describing the features, benefits and prices connected with the motor vehicles in which the registrant trades and in explaining the products, services, programs and prices connected with those vehicles.

(2) A registrant shall ensure that all representations, including advertising, made by or on behalf of the registrant in connection with trading in motor vehicles, are legal, decent, ethical and truthful.

(3) Before entering into a contract with a customer who is not a registered motor vehicle dealer in respect of a trade in a motor vehicle, a registered motor vehicle dealer shall explain to the customer the terms of the contract between the customer and the dealer, including the financial and other obligations, if any, of the customer under the contract.

EXAMPLES

4.1 Any information required by these Standards to be disclosed is sufficiently clear and prominent so that in the consideration of the Registrar, it can be easily noticed and understood by a consumer. Disclosure is in a form appropriate to the advertising medium. The Registrar will consider factors that include:

- Size of print;
- Clarity, legibility of font;
- Location of the disclosed information in the advertisement;
- Prominence of the disclosed information compared to other information in the advertisement;
- In a broadcast advertisement, the length of time that the message appears or is presented.

4.2 In addition to Example 4.1, all disclosure in advertisements appearing in newspapers, periodicals and other publications is printed in a minimum size and font that is the same as that normally used in classified advertising by the publication where the advertisement appears.

4.3 Where disclosure of leasing or financial information is required by these Standards and applies to a broadcast advertisement, the advertisement includes as an alternative to the requirements in Examples 4.1 and 4.2, either of the following messages:

- A telephone number and a statement that the number may be called to obtain pre-recorded disclosure of the information. For example: "Call [telephone number] for full financing information". The required information must be available on a pre-recorded message and may be followed by an option connecting the caller to a live operator;
- A pre-recorded message is not required if the broadcast advertisement discloses the down payment, the periodic payment, the period of the

payment, the term, the annual finance or lease rate, and in the case of a lease, the maximum allowable kilometres over the term of the lease and the lease end obligations. The above will be based on the all-in price required by section 36 of the General Regulations; or

- A statement that full disclosure can be obtained in a concurrent newspaper advertisement. For example: "See our ad in your local newspaper for full financing information". The newspaper must be locally available in the market area of the advertiser.
- 4.4 The message in Example 4.3 is sufficiently clear and prominent so that in the consideration of the Registrar, it can be easily noticed and understood by a consumer.
- 4.5 Advertisements by or on behalf of a Dealer disclose the Dealer's status in one of two ways:
- With a trade style name provided to the Registrar. This can be the Dealer's registered name;
 - By including the word "Dealer" in the advertisement.
- 4.6 Advertisements do not indicate or imply that consumers may purchase or lease a car from an unregistered salesperson. Example:
- No salespeople.
- 4.7 Advertising of specific vehicles do not indicate or imply, through words, phrases, or style that it is not presented for commercial purposes. Example:
- Public Service Announcement.
- 4.8 Advertisements do not contain statements which, in the consideration of the Registrar, are ambiguous, misleading or deceptive due to unclear, unverifiable or inaccurate information.
- 4.9 Advertisements do not refer to an award unless its source and date is disclosed. Advertisements do not refer to an award when it was purchased by the Registrant, and is not based on any verifiable test or research. This does not refer to celebrity endorsements.
- 4.10 Advertisements do not indicate or imply that vehicles are being offered out of the ordinary course of business unless full disclosure of the situation is made. Examples of prohibited terms include:
- Going out of business, closing;
 - Bankrupt, in receivership, liquidation;
 - Lease expired, moving;
 - Fleet sale;
 - Repossessed motor vehicles.
- 4.11 "Wholesale" is not used to describe any transaction other than one between motor vehicle dealers.

- 4.12 If a Dealer's registered or trade style name includes "liquidation" or "wholesale," all advertisements for vehicles offered for retail sale or lease include the word "retail".
- 4.13 Advertisements do not indicate or imply that vehicles are offered for retail sale or lease without economic advantage to the Registrant. Examples of prohibited terms include:
- Dealer cost;
 - Factory price, invoice price, under/over invoice price.
- 4.14 Advertisements for specific vehicles that are of the current model year or the previous model year disclose whether the vehicle is new or used. Advertisements of used vehicles must include one of the phrases "used," "pre-owned," "previously driven," or other phrase that is accurate and discloses that the vehicle is not new.
- 4.15 Advertisements of a specific used vehicle disclose all known material facts about the prior regular use of the vehicle, including if it was a:
- Leased on a daily basis, unless the vehicle was subsequently owned by a person who was not registered as a motor vehicle dealer under the *Motor Vehicle Dealers Act* or the *Motor Vehicle Dealers Act, 2002*
 - Police cruiser or was used to provide emergency services;
 - Taxi vehicle or limousine.
- 4.16 The advertised vehicle is to be:
- At the advertised location or available at the advertised location;
 - In condition to be shown;
 - Willingly shown to a consumer;
 - Willingly shown under the same terms as advertised; and
 - Sold on the same terms as advertised; or
 - If not available from the dealer's on-site inventory, disclosed as available by factory order or dealer trade.
- 4.17 A vehicle or class of vehicles are not advertised at a specific price or other incentive unless the Registrant is able to supply a quantity of those vehicles that, in the consideration of the Registrar, is reasonable considering factors that include the size of the dealership, and the target area of the advertisement.
- 4.18 Advertisements do not misrepresent the opportunity to purchase a vehicle. If the available supply of vehicles is unusually limited, the nature of the limit, such as the number available or the time they are available, must be disclosed. If a factory order or acquisition from another Dealer is, or may be required, this must be disclosed.
- 4.19 Registrants do not use phrases such as "supply limited" and "limited time only" if they are misleading considering factors including the number of vehicles available to the Registrant, and the Registrant's target area.

- 4.20 Illustrations of vehicles offered for sale will be reasonable representations of the vehicle(s) if an exact illustration is not available.
- 4.21 Advertisements do not encourage a breach of contract. For example: "we will beat your best deal."
- 4.22 Advertisements using the word "free" clearly indicate that the item is free only with purchase at the advertised price.
- 4.23 Advertisements do not guarantee a minimum trade in allowance. For example: "Push, Pull, Drag your trade in for \$2000.00 guaranteed."
- 4.24 Advertisements do not offer an extended warranty included with purchase unless the following information is declared in clear, comprehensible and prominent manner: term and the maximum individual claim limits, if applicable.
- 4.25 Words or phrases that indicate or imply that a warranty covers all of a vehicle, or lasts for an unlimited time, or both, are not used unless the warranty is without such exclusions. Prohibited phrases include:
- Bumper to bumper;
 - Inclusive / all-inclusive;
 - Total.
- 4.26 All disclosure in advertisements appearing in newspapers, periodicals and other publications is printed in a minimum size and font that is the same as that normally used in classified advertising by the publication where the advertisement appears.
- 4.27 Savings amounts shown in new vehicle advertising are based on a vehicle's average selling price, not the Manufacturer's Suggested Retail Price (M.S.R.P.) The Registrant is able and willing to support the average selling price. For example:
- M.S.R.P. \$20,000.00
Average Selling Price \$19,000.00
Sale Price \$18,500.00
Savings \$500.00
- 4.28 Advertisements that offer no interest periods state the period of time that the offer applies and disclose whether:
- The transaction is without any interest during the advertised period; or,
 - Interest accumulates during the advertised period but will be forgiven under certain conditions.
- 4.29 If interest accumulates during the period but may be forgiven, the advertisement discloses:
- The conditions for interest forgiveness; and,
 - The interest rate for the period, if the conditions for forgiveness of interest are not met.

4.30 An advertisement that does not disclose all information required by 4.28 and 4.29 is considered to indicate that the transaction is unconditionally interest-free during the advertised period.

4.31 Advertisements offering a choice between a favourable interest rate financing and a rebate or cash purchase price disclose the effective interest rate of the financing option. In the case of a rebate the effective interest rate is the cost of borrowing at the low interest rate plus the value of the rebate. In the case of a cash purchase price, the effective interest rate is the cost of borrowing at the favourable interest rate plus the differential between cash purchase price and price if favourable interest rate is chosen. For example, if the choice is between a 1.9% annual interest rate or a \$2000.00 cash rebate, the real cost of the financing option is 1.9% annually plus \$2000.00. The following is an example of acceptable wording: "If vehicle financed at 1.9 % and the \$2000.00 rebate is not taken, the effective interest rate is 9.2%."

4.32 THE FOLLOWING ARE TERMS THAT ARE RESTRICTED OR PROHIBITED.

- They are provided as examples only. Other terms that have a similar meaning or intent to those shown below are subject to the same restriction or prohibition. The numbers following the term refer to the section of these Standards that describes the restriction.

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|-------------------------------------------|--------------|
| • No salespeople | Section 4.6 |
| • Public Service Announcement | Section 4.7 |
| • Going out of Business | Section 4.10 |
| • Closing | Section 4.10 |
| • Bankrupt, bankruptcy | Section 4.10 |
| • In receivership | Section 4.10 |
| • Liquidation | Section 4.10 |
| • Lease expired | Section 4.10 |
| • Moving, relocating | Section 4.10 |
| • Fleet sale | Section 4.10 |
| • Repossessed motor vehicles | Section 4.10 |
| • Wholesale | Section 4.11 |
| • Dealer cost | Section 4.13 |
| • Factory price | Section 4.13 |
| • Invoice price, under/over invoice price | Section 4.13 |
| • Supply limited | Section 4.19 |
| • Limited time only | Section 4.19 |
| • Beat your best deal | Section 4.21 |

- Free Section 4.22
- Push, pull, drag (or similar) Section 4.23
- Extended warranty included Section 4.24
- Bumper-to-bumper Section 4.25
- All-inclusive Section 4.25
- Savings Section 4.27

5. DISCLOSURE OF INFORMATION IN CONTRACTS OF SALE AND LEASE

A registered motor vehicle dealer who enters into a contract to sell or lease a motor vehicle to a person who is also a registered motor vehicle dealer shall ensure that the following information is disclosed in the contract:

1. If the vehicle is a used motor vehicle, the total distance that it has been driven if the dealer can determine the distance.
2. If the vehicle is a used motor vehicle and the dealer cannot determine the total distance that the vehicle has been driven but can determine the distance that the vehicle has been driven as of some past date, a statement of that distance and date, together with a statement that the total distance that the vehicle has been driven is believed to be higher than that distance.
3. If the vehicle is a used motor vehicle and the dealer can determine neither the total distance that the vehicle has been driven, nor the distance that the vehicle has been driven as of some past date, a statement that the total distance that the vehicle has been driven is unknown and may be substantially higher than the reading shown on the odometer.
4. If the vehicle's odometer is broken or faulty, has been replaced, has been rolled back or is in miles, a statement to that effect.
5. If any of the following is true of the vehicle, a statement to the effect that the vehicle was previously,
 - i. leased on a daily basis, unless the vehicle was subsequently owned by a person who was not registered as a motor vehicle dealer under the *Motor Vehicle Dealers Act* or the *Motor Vehicle Dealers Act, 2002*,
 - ii. used as a police cruiser or used to provide emergency services, or
 - iii. used as a taxi or limousine.
6. If the vehicle has sustained any damage caused by fire, a statement to that effect.
7. If the vehicle has sustained any damage caused by immersion in liquid that has penetrated to the level of at least the interior floorboards, a statement to that effect.

8. If there has been structural damage to the vehicle or any repairs, replacements or alterations to the structure of the vehicle, a statement to that effect.
9. If the vehicle is equipped with an anti-lock braking system that is not operational, a statement to that effect.
10. If any of the vehicle's airbags are missing or are not operational, a statement to that effect.
11. If the vehicle is materially different from the original or advertised production specifications, a statement to that effect.
12. If the vehicle has two or more adjacent panels that are not bumper panels and that have been replaced, a statement to that effect.
13. If the model year of the vehicle is the current model year or the immediately preceding model year and any panels have been repainted, a statement to that effect.
14. The make, model, trim level and model year of the vehicle.
15. If any badge or other indication on the vehicle relates to a different model than the model of the vehicle, a statement to that effect.
16. If the total costs of repairs to fix the damage caused to the vehicle by an incident exceed \$3,000, a statement to that effect and if the dealer knew the total costs, a statement of the total costs.
17. If the manufacturer's warranty on the vehicle was cancelled, a statement to that effect.
18. If the vehicle was declared by an insurer to be a total loss, regardless of whether the vehicle was classified as irreparable or as salvage under section 199.1 of the *Highway Traffic Act*, a statement to that effect.
19. If the vehicle previously received treatment in a jurisdiction other than Ontario that was equivalent to having had a permit issued under section 7 of the *Highway Traffic Act* or having been traded in Ontario, a statement to that effect and a statement of which jurisdictions, except if one or more permits have been issued for the vehicle under section 7 of that Act to cover at least the seven previous consecutive years.
20. If the vehicle has been classified, under section 199.1 of the *Highway Traffic Act*, as irreparable, salvage or rebuilt, a statement as to how it was last classified.
21. If the vehicle had been recovered after being reported stolen, a statement to that effect.
22. Any other fact about the vehicle that affects the structural or mechanical quality or performance of the vehicle and that, if disclosed, could reasonably be expected to

influence the decision of a reasonable purchaser or lessee to buy or lease the vehicle.

6. ACCOUNTABILITY

(1) A registered motor vehicle dealer shall ensure that every registered salesperson that the dealer employs or retains to act as a salesperson carries out his or her duties in compliance with this Regulation.

(2) A registered salesperson shall not do or omit to do anything that causes the registered motor vehicle dealer who employs or retains the salesperson to contravene this Regulation or any applicable law with respect to trading in motor vehicles.

EXAMPLES

- 6.1 Registrants are responsible for the business conduct of employees of the Dealership and for maintaining a high quality of sales and service practices.
- 6.2 Dealers are responsible for the business conduct of employees of the Dealership and for maintaining a high quality of sales and service practices.

7. COMPLIANCE

(1) A registrant shall ensure that all documents used by the registrant in the course of a trade in a motor vehicle are current and comply with the law.

(2) A registered motor vehicle dealer who enters into a contract with a person for the sale of a motor vehicle shall facilitate compliance by the person with the person's obligations under subsection 11 (2) of the *Highway Traffic Act* unless the person instructs the dealer not to do so.

EXAMPLES

- 7.1 Where a retail contract expressly provides for a return policy, all terms and conditions of the return policy, including the length of the return period, are disclosed on the contract.
- 7.2 Where a motor vehicle is sold on an "As Is" basis, this fact is clearly indicated on the front of the retail contract. Retail contracts for the sale of used motor vehicles include the following statement on the front of the contract:

The motor vehicle sold under this contract is being sold "as-is" and is not represented as being in 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.

- 7.3 Where a Dealer sells an extended warranty, product warranty or service plan for a third party, the Dealer completes and submits the application and payment to the

warrantor within 7 days. In the event that the warrantor does not accept the application, the Dealer promptly refunds the warranty fee.

- 7.4 Where a Dealer sells a motor vehicle on consignment, the bill of sale between the Dealer and the final purchaser is the same as for any other motor vehicle sale. The same disclosure requirements, implied warranties and obligations, as set out in the *Consumer Protection Act, 2002* and *Sale of Goods Act*, and other consumer protection legislation in force in Ontario, apply to Dealers offering and selling motor vehicles on consignment as they do to any other consumer transaction.
- 7.5 These Standards apply to Dealers who carry on business as a public motor vehicle auction. In particular, without limiting the generality of the previous statement, the Standards set out in Example 7.12 with respect to consignment agreements apply to Dealers who carry on business as a public motor vehicle auction.
- 7.6 Use of the "AS IS" statement does not eliminate potential liability, since a purchaser may still choose to pursue the matter against a Dealer through civil action. The "AS IS" statement is being provided to Dealers as a means of providing clear disclosure to a purchaser. If a Dealer believes that further disclosure is required, then the Dealer should be sure to make that further disclosure to the purchaser in writing on the Bill of Sale and have the disclosure signed by the purchaser.
- 7.7 Where a retail contract does not clearly indicate that a motor vehicle was sold on an "AS IS" basis in accordance with Example 7.2. the motor vehicle is not considered to be sold on an "As Is" basis.
- 7.8 A motor vehicle sold to a consumer that is not sold on an "As Is" basis is considered to be fit for the purpose of being driven for regular daily use for a reasonable period of time, having regard to factors including:
 - The type or class of motor vehicle;
 - Prior use of the motor vehicle previously disclosed to the consumer;
 - Age and distance traveled;
 - Material facts described in Example 7.7, previously disclosed to the consumer.
- 7.9 Retail contracts state on the front of the contract whether or not an extended warranty, guarantee or service plan is provided with the motor vehicle. If provided, the source of the warranty, guarantee or service plan is identified on the front of the contract.
- 7.10 Dealers only sell extended warranties which are insured, or for which the appropriate letter of credit has been posted.
- 7.11 All terms and conditions of a credit agreement, including a consumer loan or lease, are set out in a written agreement that includes all matters required by credit disclosure legislation in force in Ontario.

7.12 These Standards apply with necessary modifications to motor vehicles sold on a consignment basis. In addition, where a Dealer intends to sell a motor vehicle on consignment, the Dealer enters into a consignment agreement with the Consignor that states:

- The name and address of the consignor;
- The business name, a registered name and the registration number of the dealer, together with the legal name of the dealer if it is different from the registered name
- The make, model, trim level and model year of the vehicle;
- The colour, vehicle identification number and the body type of the vehicle.
- If the vehicle is a used motor vehicle, the total distance that the vehicle has been driven if the dealer can determine the distance.
- If the vehicle is a used motor vehicle and the dealer cannot determine the total distance that the vehicle has been driven but can determine the distance that the vehicle has been driven as of some past date, a statement of that distance and date, together with a statement that the total distance that the vehicle has been driven is believed to be higher than that distance.
- If the vehicle is a used motor vehicle and the dealer can determine neither the total distance that the motor vehicle has been driven, nor the distance that the vehicle has been driven as of some past date, a statement that the total distance that the vehicle has been driven is unknown and may be substantially higher than the reading shown on the odometer.
- The total amount that the dealer will charge the consignor on the sale of the vehicle, whether as a fixed amount or as a commission share of the total amount payable by the purchaser on the sale of the vehicle, and an itemized list of all components of those charges.
- An estimate of the selling price of the vehicle and a minimum selling price of the vehicle.
- The term of the contract and, if applicable, how the parties can extend it or a statement that the parties cannot extend it.

- If the contract can be terminated before it is set to expire, the conditions respecting such early termination of the contract, including the fees, if any, payable for early termination.
- An acknowledgement the dealer is required to hold all monies received towards the purchase of the consigned vehicle (including trade-in allowances given) in favour of the consignor, in trust, until the purchase is concluded. Acknowledgement must be initialed by the consignor.
- Statements relevant to Section 42 (of the General Regulations) disclosure items to be obtained from (and initialed or signed by) the consignor that the consignor understands they are not required to provide the dealer with a signed original ownership for the consigned vehicle until the vehicle is sold. Such disclosure to be initialed by consignor if dealer obtains a signed ownership
- An indication of who is responsible for loss or damages to the vehicle while consigned. If consignor is responsible, obtain consignor's insurance information
- Lien disclosure from consignor
- OMVIC's contact information similar to what is required in a retail bill of sale
- An indication of how long after the sale of the vehicle the consignor will be informed of the sale and the consignor will receive payment

Consigning dealers to obtain prior written consent of consignor for any of the following:

- Selling vehicle for an amount below its minimum selling price
- Using the consigned vehicle for any other purpose besides offering it for sale
- Removing the vehicle from the dealers business premises for more than 24 hours
- Affect any alterations, repairs, servicing or reconditioning of the consigned vehicle unless they are done as part of an agreement to sell the consigned vehicle

7.13 Where a Dealer sells a motor vehicle on consignment, the Dealer notifies the purchaser of the motor vehicle, prior to the sale, that the purchaser's name and address will be disclosed to the Consignor of the motor vehicle.

- 7.14 Where a Dealer sells a motor vehicle on consignment, the Dealer discloses to the Consignor the name and address of the final purchaser of the motor vehicle, and the sale price of the motor vehicle, after the sale.
- 7.15 Dealers who enter into an agreement to sell a motor vehicle on consignment comply with the provisions of the *Highway Traffic Act* by entering all required information with respect to the motor vehicle in the Dealer's Garage Register upon making the agreement.

8. RESPECT

(1) In carrying on business, registrants shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as insulting to human dignity or integrity and shall not use symbols that, having regard to all of the circumstances, would reasonably be regarded as offensive.

(2) Registrants shall carry on business ethically and with respect for the rights and interests of the persons with whom they do business.

EXAMPLES

- 8.1 Advertisements do not present insulting portrayals of individuals or groups, and do not exploit violence, sex, children, customs or characteristics of religious or ethnic groups, persons with disabilities or any person or group in a way that offends current legal and ethical standards. Advertisements do not portray the motor vehicle industry, salespeople or Dealers in an insulting or derogatory manner.
- 8.2 Registrants only collect and use such personal information, including financial information disclosed in the course of negotiating a motor vehicle transaction that is necessary to complete the transaction.
- 8.3 Registrants do not collect or use personal information without the knowledge or consent of the individual, unless:
- Required or expressly permitted by law; or,
 - The collection or use is clearly in the interests of the individual and consent cannot be obtained in a timely way; or
 - It is reasonable to expect that collection of the information from the individual would adversely affect its accuracy or would defeat the purpose for collecting or using the information.
- 8.4 Registrants use personal information only for the purpose for which it was collected, except where used in accordance with Example 8.3 above.
- 8.5 Registrants do not disclose personal information, without the knowledge or consent of the individual unless:
- Required or expressly permitted by law; or,

- For the purpose of conducting legal proceedings to recover a debt by the Registrant against the individual.
- 8.6 Registrants disclose personal information only for the purpose for which it was collected, except where disclosed in accordance with Example 8.3 above.
- 8.7 Registrants comply with the provisions of the Ontario's *Human Rights Code*.
- 8.8 Registrant employees treat customers in a courteous, straightforward and respectful manner, acting professionally at all times.

9. PROFESSIONALISM

- (1) In carrying on business, a registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as disgraceful, dishonourable, unprofessional or unbecoming of a registrant.
- (2) In carrying on a business, a registrant shall act with honesty, integrity and fairness.
- (3) A registrant shall use the registrant's best efforts to prevent error, misrepresentation, fraud or any unethical practice in respect of a trade in a motor vehicle.
- (4) A registrant shall provide conscientious service to the registrant's customers in the course of a trade in a motor vehicle and shall demonstrate reasonable knowledge, skill, judgment and competence in providing the services.
- (5) If,
- (a) a registered motor vehicle dealer enters into a contract to sell or lease a motor vehicle to a purchaser or lessee who is not another registered motor vehicle dealer;
 - (b) the purchaser or lessee trades in another motor vehicle to the dealer under the contract or to another registered motor vehicle dealer under a separate contract; and
 - (c) the dealer who receives the vehicle being traded in agrees to pay any outstanding loan on the vehicle or to pay any outstanding bill for the repair or storage of the vehicle,

the dealer who receives the vehicle being traded in shall fulfil the dealer's obligations under the agreement described in clause (c).

EXAMPLES

- 9.1 Registrants promptly, honestly and courteously respond to complaints made about them by other Registrants, consumers or others.
- 9.2 Registrants keep informed with respect to all matters essential to the conduct of business in the motor vehicle industry.
- 9.3 Registrants cooperate with OMVIC representatives carrying out OMVIC's administrative activities including inquiries, inspections, investigations and discipline.

- 9.4 The obligations in Example 9.3 apply whether the issue concerns that Registrant, another Registrant or any other person.
- 9.5 Registrants sell or lease motor vehicles reasonably fit for the intended use that a consumer expressly or by implication makes known to the Registrant. A motor vehicle may be considered not reasonably fit because it is not designed for the intended use, or because it has structural or mechanical defects.
- 9.6 A Registrant ensures that all liens have been discharged prior to selling a motor vehicle to a purchaser.
- 9.7 Where a Registrant sells a motor vehicle that has a lien against it, the Registrant either:
- Ensures that the lien against the motor vehicle in question is discharged; or
 - Ensures that the lien holder has confirmed in writing that it no longer has a financial interest in the vehicle; or
 - Buys the vehicle back from the purchaser for an amount representing the current fair value of the motor vehicle, accounting for depreciation.
- 9.8 All contracts respecting motor vehicle transactions are in writing and disclose all terms and conditions, including the total amount of all payments made or received in relation to the sale or lease of a motor vehicle. After all terms and conditions have been filled out on the contract, every contract is signed by all parties to the contract and a signed, duplicate original copy of the contract is provided to all parties to the contract.
- 9.9 All terms and conditions in contracts respecting motor vehicle transactions are set out clearly and in plain language. Disclosure statements are expressed clearly and concisely in a logical order and in a manner that is likely to bring the information to the attention of the purchaser.
- 9.10 Dealers encourage consumers to read and understand the terms and conditions of all contracts before signing the contract.
- 9.11 Dealer employees are clear and truthful in describing vehicle features, benefits and prices, and in explaining products, services, programs and charges. They assist customers to find the vehicle that best meets their needs and financial ability.
- 9.12 Registrants comply with the all laws that govern the motor vehicle industry, including applicable parts of the following legislation:
- *Motor Vehicle Dealers Act, 2002;*
 - *Consumer Protection Act, 2002;*
 - *Highway Traffic Act;*
 - *Human Rights Code;*

- *Sale of Goods Act*;
 - *Environmental Protection Act*;
 - *Personal Property Security Act*;
 - *Repair and Storage Liens Act*.
 - *Competition Act* (as it pertains to the advertising of motor vehicles)
- 9.13 Registrants have knowledge of and comply with the Code of Ethics. Registrants cannot create or enter into an agreement which negates any obligation under the Code of Ethics.
- 9.14 Registrants do not knowingly do business with curbsiders.
- 9.15 Registrants do not provide anyone who is not registered under the *Motor Vehicle Dealers Act* with access to Dealer-only motor vehicle auctions, i.e. Wholesale Auctions
- 9.16 Registrants do not knowingly allow anyone other than a registered Salesperson to be involved in negotiating or approving motor vehicle transactions or to give information about specific motor vehicles that are for sale or lease. Without limiting the generality of the foregoing, such positions include those typically known as business managers, finance and insurance staff, leasing staff, sales staff and all sales and leasing managers.
- 9.17 Registrants do not encourage or counsel anyone to break a contract already made with another Registrant.
- 9.18 When leasing a used motor vehicle, Registrants ensure that the motor vehicle has been inspected and that a Safety Standards Certificate has been issued for that vehicle.
- 9.19 Registrants comply with the *Environmental Protection Act*, including in particular all laws in force in Ontario with respect to the storage and disposal of waste material, and all laws in force in Ontario with respect to vehicle emissions, catalytic converters, and abandoned motor vehicles