

Dealers are encouraged to use this checklist in order to perform periodic self-inspections and proactively avoid non-compliance issues. If you have any questions about interpretation please contact OMVIC.

Records Generally

- records stored at the registered premises (or location approved by OMVIC)
- books and records organized and easily accessible
- bills of sale and/or lease agreements filed together with other relevant documents including work sheets, invoices, safety certificates, financing documents, ads, history reports, and reconditioning records

Written disclosures on retail and wholesale bills of sale include:

- vehicle's prior use (e.g. daily rental, taxi, police cruiser)
- all accidents/incidents over \$3,000 in damage are listed, including details about the nature and estimated **cost of repairs** (note: in the case of multiple incidents, repair costs to be written out separately)
- other mandatory disclosures related to the vehicle's past use, history and condition disclosed
- disclosures found after physical inspection of vehicles conducted
- disclosures noted in a vehicle history report (e.g. outstanding recalls)
- any fact that may affect a retail purchaser's decision to buy the vehicle or to purchase at that price (e.g. accident disclosures less than \$3,000, U.S. lemon law or CAMVAP buy-backs)
- any fact about the vehicle that affects the structural or mechanical quality or performance that would reasonably be expected to influence the decision of a wholesale buyer
- all mandatory disclosure statements for "AS-IS" vehicles

- all verbal disclosures are also reflected on the bills of sale

Trade-ins

- outstanding loans and liens related to trade-ins are removed immediately
- consumer trade-in disclosure forms completed (regardless of the trade value)
- trade-in disclosure forms kept together with original deals and subsequent sale of the trade-in

Aftermarket Products

- aftermarket items and/or inducements individually priced and identified on bills of sale without short forms or industry jargon
- mandatory products included in the all-in advertised price
- other products are described verbally and on option sheets in a clear and comprehensible fashion that the products are indeed optional

Extended Warranties

- extended warranties sold are insured or secured by a letter of credit (see OMVIC website for list)
- contracts and payment submitted to the extended warranty company within seven days
- terms and conditions of all warranties outlined in writing (e.g. existence of activation fees)

Consumer Finance/Lease Agreements

- lease/finance contracts kept in the deal file
- complete and accurate terms of financing included on the bills of sale and consistent with finance documents
- receipt of incentives from financial institution initialled by the customer, if applicable
- finance disclosure requirements in compliance with the *Consumer Protection Act* (including adjustments to the APR to account for any finance fee, vehicle disabling devices or other costs a cash customer isn't required to pay)

Dealer Self-Inspection Checklist

Other Items Related to the Vehicle Transaction

- copy of the purchase agreement including attachments provided to customer
- vehicles sold free and clear without liens, verification done by lien check
- due diligence exercised (ordering history report, conducting physical and visual inspection of vehicle) regardless of where vehicle was purchased (e.g. salvage auction, franchise dealers)
- signed copy of the vehicle history report provided to the customer and maintained on file (recommended)

Dealership Bank Account and Sources of Financing

- business bank account in dealer's name is used and maintained according to MVDA requirements
- all funds related to vehicle transactions (including cash) deposited to and withdrawn from business account
- non-traditional sources of financing disclosed to OMVIC (e.g. loans from family/friends, other dealers or businesses) including written agreements with names of the parties, financing availability, repayment arrangements, interest etc.
- accurate bank signing authority information maintained
- electronic bank statements and cheques accessible

Dealership Staff Records

- detailed employee records maintained including payroll, position/title and dates of employment
- all employees who "trade" in motor vehicles, including attempts to induce a sale, are registered with OMVIC
- all managers, including GM, GSM, SM, F&I and Business Manager registered with OMVIC
- dealership registered as an online user with OMVIC to check registration status of staff, renew registration and pay all required fees (not mandatory but highly recommended)

Consignment Sales (vehicles being sold by dealer on behalf of another party)

- consignment agreements completed in writing (required even if consignor is another dealer)

OMVIC's Best Practices for Retail Consignments followed

- all funds related to consignment sales placed into a trust account as required under the MVDA regardless of amount

Trust Account

- trust account established for all consignment funds (any amount)
- trust account established for transactions involving a deposit of over \$10,000
- signed reconciliations completed and maintained monthly

Advertising

- all vehicle advertisements, including signage in/on vehicles, that **include** a price for a vehicle comply with all-in pricing requirements (ALL fees and charges the dealer intends to collect other than HST and the actual licensing cost)
- ad clearly, comprehensibly and prominently indicates HST and licensing are extra
- vehicle's former daily rental history clearly, comprehensibly and prominently identified in ads (if applicable)
- term, interest rate, cash price of the vehicles and cost of borrowing indicated for finance offers
- ads do NOT make savings claims compared to MSRP
- savings claims are verifiable
- details of term and claim limits for extended warranties included in advertisements
- all websites monitored regularly to ensure advertising compliance
- vehicles advertised are available

Note: This Inspection Guide & Checklist has been prepared to provide an overview of the OMVIC inspection process for information purposes only. It is not intended to substitute, supersede or limit the requirements of the Motor Vehicle Dealers Act, 2002 (the "MVDA") in any way. This Inspection Guide & Checklist is prepared for convenience of reference only. Should there be any discrepancies between this Inspection Guide & Checklist and the MVDA and/or its related regulations (including the Code of Ethics), or other applicable laws, the legislative provisions will apply.