



Ontario's Vehicle Sales Regulator

65 Overlea Boulevard, Suite 300, Toronto ON M4H 1P1

Tel: 416-226-4500 Toll Free: 1-800-943-6002

email: registration@omvic.on.ca

www.omvic.on.ca

BUSINESS APPLICATION - PAYMENT INFORMATION

For office use only

Reg #:

P-Ref:

Legal Name: _____

Business Name: _____

PAYMENT INFORMATION

Applicant's Name: _____

The application processing fee is \$500.

- Cheque** **Money Order** – Please make payable to the “Ontario Motor Vehicle Industry Council.”
- Visa** **MasterCard** **Cash** **Debit Card** – Please make payment in person at OMVIC's head office. If you submit your application with credit card payment by email, mail or courier, please complete the fields below and a representative from OMVIC's Registration department will contact you by telephone for your CVV number, the three-digit number printed on the back of the card.

If paying by credit card, I acknowledge that I authorize OMVIC to charge my credit card for the amount of \$500 and that I understand OMVIC's refund policy as defined below.

Credit Card #: / / / Expiry Date: /

Print Cardholder Name: _____ Cardholder Signature: _____

If you have selected the “General Dealer” or “Broker” class, you must attach a separate payment by certified cheque or money order in the amount of \$324 payable to the “Motor Vehicle Dealers Compensation Fund.” Do not combine your payments to OMVIC and the Compensation Fund.

This processing fee will not be refunded after your application is processed. Refund requests will be considered only if received, in writing, within 48 hours from when this application is received. A \$35 service charge will apply for all NSF cheques or declined credit card payments.

Processing Fees – If a cheque is returned NSF, or a credit card is declined, there will be a **\$35 service charge** and the applicant's registration (if granted) may be cancelled. A certified cheque or money order is preferable. In any event, this processing fee **will not be refunded** after the application is processed. Refund requests will be considered only if they are received, in writing, within 48 hours from when the application is received.



Ontario's Vehicle Sales Regulator

65 Overlea Boulevard, Suite 300, Toronto ON M4H 1P1
Tel: 416-226-4500 Toll Free: 1-800-943-6002
email: registration@omvic.on.ca
www.omvic.on.ca

For office use only
Reg #:
P-Ref:
W - ID:
A - ID:

BUSINESS APPLICATION

This application is to be completed by sole proprietors, partnerships, limited partnerships or corporations applying for registration or reinstatement as a dealer unless you are applying as a New and Used (Franchise) dealer. In this case, you can complete the New and Used (Franchise) form which is available separately. Also, partnerships, limited partnerships or corporations who are "interested persons" in relation to a company applying for registration may be requested to complete this form. Please review the Business Application Information section of this form before completing it. For the purpose of this form, the "applicant" is the relevant sole proprietorship, partnership, limited partnership, corporation identified in Section A and all authorized individuals.

Please note: We require the original copy of this application. It must be submitted in person, by mail or courier.

SECTION A: GENERAL INFORMATION

All applicants must complete this section.

Application Type:
[] First-Time Applicant for Registration
[] Reinstatement
[] Information and Review*
[] Change to Legal Entity (e.g., sole proprietor to corporation)
[] Existing dealership opening a new legal entity
Please provide Registration Number (if available):
*Check this box if your application pertains to an associated or interested company that is not applying for registration.

Application Contact Name:

Contact Phone: Contact Email:

Classification of Proposed Dealership:

- [] General Dealer - Used motor vehicles
[] Wholesaler [] Broker
[] Exporter [] Other (not applying as a dealer)

Business Information:

All applicants must submit confirmation of GST/HST registration. Corporations must submit a copy of their Articles of Incorporation. Sole Proprietors, Partnerships, Limited Partnerships (and Corporations with a Business (Trade) name) are required to submit a copy of their Business Name Registration/Master Business Licence.

Legal Name of Business:

- [] Corporation [] Sole Proprietorship [] General Partnership [] Limited Partnership

Business (Trade) Name (if applicable):

Note: Names deemed to be misleading will not be approved. See the Business Application Information section for details.

GST/HST Number: Corporation # (if applicable):

Business Phone: _____ Alternate Phone: _____

Business Fax: _____ Email: _____

Business Website (http://) _____

SECTION B: PRECONDITIONS TO REGISTRATION

All applicants must complete this section.

1. Has the applicant ever had his/her registration under the *Motor Vehicle Dealers Act* refused, revoked, suspended or cancelled?

Yes No

If "yes," kindly provide details on a signed and dated statement attached to this application. *Please Note: if the applicant's OMVIC registration has been refused or revoked within the last two years, the Registrar will not grant registration.*

2. Did the applicant previously or does the applicant presently own or operate a business that is in default with the Motor Vehicle Dealers Compensation Fund or Retail Sales Tax?

Yes No

If "yes," what arrangements has the applicant made to pay monies owed and has the applicant complied with those arrangements? Please provide details on a signed and dated statement, as well as a copy of the repayment agreement and payment confirmation.

SECTION C: BUSINESS PREMISES

All applicants seeking registration must complete this section before registration can be granted. However, if you do not currently have a premises for the dealership, you may complete and submit Section C at a later date or at the final stage of the process. **If you are applying as a General Dealer, you can also obtain the required garage insurance at a later stage. ALL GENERAL DEALERS MUST READ SECTION C OF THE "BUSINESS APPLICATION INFORMATION" AT THE BACK OF THIS FORM FOR IMPORTANT INFORMATION ABOUT SETTING UP THEIR BUSINESS PREMISES.**

Business Premises:

You are not required to submit photographs of your proposed location unless requested to do so. Any photos submitted will not be reviewed for compliance.

Note: The premises cannot be a dwelling unless the applicant has selected the "Wholesaler" or "Broker" class. Dealers in the "Wholesale" class should check Flexible Office Providers on the Registration Services page of our website at www.omvic.on.ca.

Street #: _____ Street: _____ Unit #: _____

City: _____ Province: _____ Postal Code: _____

1. The applicant confirms this proposed location accommodates an exclusive office for the dealership.
 Yes
2. The applicant confirms there will be permanent signage at the location for the proposed dealership. Please see the **Business Application Information** section of this form for signage requirements.
 Yes
3. Will this be the only business of any kind operating at the premises and unit number specified above?
 Yes No
If "no," please list other businesses at this location:

4. With respect to the business premises indicated above, does the applicant own, rent or lease?
 Own Rent/Lease Other, please specify: _____

In support of this application, we require you to attach clear copies of the following documentation. Kindly check the appropriate boxes to identify what you have attached:

- 1- Municipal permit/letter issued to the applicant
- 2- Lease or rental agreement in the applicant's name (if applicable)
- 3- Proof of ownership (deed or recent property tax bill) in the name of the registrant or lessor/landlord
Note: subleases will not be accepted without a copy of the primary lease confirming subleasing is permitted and a signed and dated letter of consent from the owner.

5. If you are applying as a General Dealer, you will be required to provide proof you have Garage Auto Policy (OAP4) with a minimum third party liability coverage of \$1,000,000 within 14 days of your application being approved. By checking "yes" below you are confirming your intention to obtain the required Garage Insurance.
 Yes No
If you've answered "no," kindly provide an explanation:

6. Have you ever been turned down for insurance, had an insurance policy cancelled or do you anticipate any problems obtaining the required insurance referenced above? Note: applicants are encouraged to make inquiries with insurance providers to ensure they qualify for Garage Insurance.

Yes No

If you've answered "yes," kindly provide an explanation:

Alternate Mailing Address:

You may request an alternate mailing address if Canada Post does not deliver mail to the business premises. **We require you to attach a letter of confirmation from Canada Post.** See the **Business Application Information** section for details.

PO Box Rural Route PO Box or Rural Route Number: _____

City: _____ Province: _____ Postal Code: _____

Records Storage Address:

Applicants registered in the "Wholesaler" or "Broker" classes who will work from a dwelling must store their records at an alternate location approved by the Registrar. The location should be a professional document management facility or a professional office (e.g. your lawyer, accountant or bookkeeper's office). **Self-storage or mobile-storage facilities will not be approved.** Kindly complete a **Request for Records Storage Address** form available at www.omvic.on.ca. "Wholesaler" or "Broker" applicants who will operate from a business premises may also apply to store their records at an alternate location. Please see the **Business Application Information** section of this form for more information.

SECTION D: ELIGIBILITY

All applicants must complete this section.

For the purpose of this form, the “applicant” is the relevant sole proprietorship, partnership, limited partnership, corporation identified in Section A and all authorized individuals.

If you answer “yes” to any of the questions below, kindly provide the details on a signed and dated statement.

1. Has the applicant ever had a commercial, professional or business registration certificate or licence of any kind refused, suspended, revoked, cancelled or been subject to disciplinary action or has the applicant ever been or are they currently a party to such a proceeding?
 Yes No
Please Note: if your OMVIC registration has been refused or revoked within the last two years, the Registrar will not grant the registration.
2. Are there any unsatisfied judgements, court orders or collections currently pending against the applicant?
 Yes No
3. Has the applicant ever been involved in bankruptcy proceedings, filed a consumer proposal, a commercial proposal or had a petition filed against him/her under any bankruptcy or insolvency legislation in any jurisdiction?
 Yes No
If “yes,” please attach a complete copy of the statement of affairs and certificate of discharge (if applicable) to this application.
4. Has a receiver, trustee, reorganization trustee or similar officer been appointed by a court or under a security agreement in any jurisdiction in the last five years for the business or property of the applicant?
 Yes No
5. Has the applicant **ever** been found guilty or convicted of an offence **under any law**, or are there any charges pending? **Make sure to include those cases with a conditional, absolute discharge or stayed charges. Please note: This question refers to charges under any law. Accordingly, you may need to answer “yes” even if a criminal record (or other) check has come back clean.**
 Yes No
6. To the best of your knowledge, are any investigations being conducted on the applicant in any jurisdiction?
 Yes No
7. Has the applicant traded vehicles to customers who are non-dealers in the past two years?
 Yes No

SECTION E: BUSINESS PLAN

Complete this section if you are a first-time applicant for registration or if you are applying for reinstatement and your registration has been expired for three months or more. *Please note: All applicants will be required to submit additional applications, documents, financial information, records or questionnaires regarding their business plan depending upon the information provided in this application.*

1. Please list the source of funds or assets that will be used in the start-up and operation of the dealership. Include the dollar amount of the start-up capital. Kindly attach statements from your bank or other financial institution to verify your answer. *Please note: all financial statements submitted in support of this application must reflect the dollar amount provided in the answer to this question.*

2. Please list all job titles for existing and planned positions at the dealership, with the first and last name of the individual who will hold each position. (Attach additional sheets if necessary).

3. Is the applicant taking over an existing dealership? If yes, please provide the name, address and registration number of the existing dealership.

4. What is the projected number of vehicles for the start-up of the dealership? In addition, please specify the make, model, year and average purchase price of the vehicles.

5. Does the applicant have any contacts in the industry that will advise and assist with the dealership? Please list the individuals and/or company names and addresses.

6. Does (or will) the applicant exist for any other purpose besides the operation of a motor vehicle dealership? If "yes," please provide particulars.

7. If you are applying in either of the 'General Dealer' classes of registration, you will be required to have an agreement with a licensed **Motor Vehicle Inspection Station (MVIS)**. Please indicate below the **MVIS Licence Number** and the **name of the repair facility** you intend to use, or check the appropriate box below.

I will provide this information later Not Applicable

8. Do you intend to pass on the transaction fee to non-dealer customers on your bills of sale? Please note you are allowed (but are not required) to incorporate this fee (payable to OMVIC on renewal) as a pass through to customers on your bills of sale. See the **Business Application Information** section at the back of this form for more information.

Yes No

If you require additional space you may attach supplementary sheets to this application. **Kindly sign and date all attachments and clearly identify each question number.**

SECTION F: BUSINESS MAKEUP

All applicants must complete this section.

If you are NOT a General Dealer, please go to Question 2, below.

1. A) Will the applicant accept **deposits** over \$10,000 for a **single vehicle transaction** prior to vehicle delivery?

Yes No

B) Will the applicant take vehicles to sell on behalf of a consumer (i.e. consignments) within its first year of operation?

Yes No

If "yes" to 1A or 1B, the applicant is required to set up a trust account. Please indicate the signing authorities in the relevant space below. We will require a recent bank statement or letter from the applicant's bank confirming a trust account has been set up in the applicant's legal name and business (trade) name (if applicable).

2. For dealers applying in the General, Wholesaler, Exporter or Broker classes, have you set up a bank account in the applicant's legal name and business (trade) name (if applicable)? *If this is not a new account, you will need to provide your three most recent bank statements. Otherwise, kindly attach a letter from your bank confirming an account has been set up.*

Yes No

Please list all individuals in the space below who will occupy the role of an officer, director, partner, shareholder, sole proprietor, person in charge or who will have signing authority on the applicant's bank or trust account, where applicable. Upon review, we may require you to submit additional applications, documents, financial information, records or questionnaires regarding any individuals named in this section. For a definition of terms, please read the corresponding section of the BUSINESS APPLICATION INFORMATION at the end of this form. Please note: At least one partner, officer or the sole proprietor should be a Canadian citizen or landed immigrant in Canada. If not, please contact OMVIC before submitting this application.

First Name: _____

Middle Name: _____

Last Name: _____

Gender: M F

Birth Date (YYYY/MM/DD): / /

Registration Number (if applicable):

Position (check as many as apply):

Corporations must have officers, directors and shareholders.

- Person in Charge
 Partner
 Officer Director Shareholder
 Sole Proprietor
 Bank Signing Authority
 Trust Signing Authority

First Name: _____
 Middle Name: _____
 Last Name: _____
 Gender: M F
 Birth Date (YYYY/MM/DD): / /
 Registration Number (if applicable):

Position (check as many as apply):
Corporations must have officers, directors and shareholders.
 Person in Charge
 Partner
 Officer Director Shareholder
 Sole Proprietor
 Bank Signing Authority
 Trust Signing Authority

First Name: _____
 Middle Name: _____
 Last Name: _____
 Gender: M F
 Birth Date (YYYY/MM/DD): / /
 Registration Number (if applicable):

Position (check as many as apply):
Corporations must have officers, directors and shareholders.
 Person in Charge
 Partner
 Officer Director Shareholder
 Sole Proprietor
 Bank Signing Authority
 Trust Signing Authority

First Name: _____
 Middle Name: _____
 Last Name: _____
 Gender: M F
 Birth Date (YYYY/MM/DD): / /
 Registration Number (if applicable):

Position (check as many as apply):
Corporations must have officers, directors and shareholders.
 Person in Charge
 Partner
 Officer Director Shareholder
 Sole Proprietor
 Bank Signing Authority
 Trust Signing Authority

Corporate Shareholders:

COMPLETE THIS SECTION ONLY IF SHARES IN THE APPLICANT ARE HELD BY ANOTHER CORPORATION.

Please Note: We require corporate shareholders to complete a Business Application form.

- Legal Name of Business: _____
 Business (Trade) Name (if applicable): _____
- Legal Name of Business: _____
 Business (Trade) Name (if applicable): _____

If you require additional space you may attach supplementary sheets to this application. **Kindly sign and date all attachments.**

3. Are there any individuals **who have not already been disclosed in Section F of this application** who will have authority to sign on behalf of the dealership e.g. floor plan agreements, financing agreements etc.?

Yes No

If "yes," please identify them:

- First Name: _____ Middle Name: _____
Last Name: _____ Birth Date (YYYY/MM/DD): ____/____/____
Gender: M F Position: _____
- First Name: _____ Middle Name: _____
Last Name: _____ Birth Date (YYYY/MM/DD): ____/____/____
Gender: M F Position: _____
- First Name: _____ Middle Name: _____
Last Name: _____ Birth Date (YYYY/MM/DD): ____/____/____
Gender: M F Position: _____
- First Name: _____ Middle Name: _____
Last Name: _____ Birth Date (YYYY/MM/DD): ____/____/____
Gender: M F Position: _____

4. In order to complete this application, you will need to provide a completed Individual Application for any persons occupying the role Person in Charge, Officer, Director, Partner, Shareholder or Sole Proprietor. You will also need to provide an Individual Application for any salespersons who are not currently registered or a Salesperson Change Application for any registered salespersons. Have you attached the required applications?

Yes No

SECTION G: CONSENT AND UNDERTAKING

All applicants must complete this section.

I confirm that I have not misrepresented or omitted any material facts in any document or statement made in support of this application. I understand that each statement is subject to verification. I understand it is a serious offence to knowingly provide false information in connection with this application. **I further understand the provision of false, incomplete or misleading information, or the omission of information in this application or the documents submitted with it, may result in the refusal, suspension or revocation of registration.**

In order to complete or verify the information provided on this form, it may be necessary for OMVIC to collect additional information from, or to exchange information with, government and relevant non-government sources regarding the applicant, its officers, directors, partners and shareholders or any previous or current business or corporation of which the applicant is an owner, officer, director or partner. On request by OMVIC, I agree to furnish any required authorization or release to obtain information. I consent to the collection of this information as authorized under the *Motor Vehicle Dealers Act, 2002* ("the Act"). I understand this information will be used to determine whether I am and remain qualified for the registration for which I am applying or to ensure compliance with the Act. Only information relevant to my registration will be collected. I further consent to the sharing of any information gathered in the course of processing this application with others as may be considered necessary in the course of determining whether I am and remain qualified for registration or to ensure compliance with the Act. **I understand the consent to the collection and sharing of this information remains ongoing throughout the term of my registration during the application process and for a period of two (2) years thereafter.**

I understand I must notify OMVIC in writing within five days of any changes to this information that occurs following this application being filed. I confirm I have retained a copy of this application for my records.

The registration record, which includes the applicant's name, registration number, business address and registration dates, is part of the public record.

The applicant understands it is a violation of the Act to conduct business as a motor vehicle dealer without benefit of registration from OMVIC.

I confirm that I have read and understood the information provided in the BUSINESS APPLICATION INFORMATION section of this application.

I certify the information provided by the undersigned in support of this application is, to the best of my knowledge and belief, true.

I certify I am an authorized representative of the applicant (i.e., an officer, director, partner or the sole proprietor).

Print Name of Authorized Individual/Employer

Signature of Authorized Individual/Employer

Date Signed (YYYY/MM/DD): / /

Position of Authorized Individual

Business Phone

Business Fax



CHECK THE STATUS OF THIS APPLICATION ONLINE AT WWW.OMVIC.ON.CA

Affirmation of Advisor/Interpreter

This section must be completed by any person who advised the applicant how to respond to questions on this form or who completed this form on their behalf.

I confirm I have a good understanding of written English and have faithfully explained the questions on this form to the applicant and am satisfied the information provided herein accurately reflects the applicant's answers.

Print name of Interpreter/Translator

Signature of Interpreter/Translator

Date Signed (YYYY/MM/DD): / /

BUSINESS APPLICATION FORM CHECKLIST

Have you attached:

- Copy of the Articles of Incorporation. See Section A – General Information
- Copy of the Business Name Registration/Master Business Licence. See Section A – General Information
- Confirmation of GST/HST registration. See Section A – General Information
- Signed and dated statement if you answered “yes” to Questions 1 or 2 in Section B – Preconditions to Registration
- Municipal permit/letter. See Section C – Business Premises
- Proof of ownership (deed or recent property tax bill) OR lease or rental agreement in the applicant's name. Also, if you sublease, a copy of the primary lease and signed/dated letter of consent from the owner. See Section C – Business Premises
- Confirmation letter from Canada Post if applying for an alternate mailing address. See Section C – Business Premises
- Signed and dated statement for each question answered “yes” in Section D – Eligibility
- Complete copy of the statement of affairs and certificate of discharge (if applicable) if you answered “yes” to Question 3 in Section D - Eligibility
- Statements from your bank or financial institution. See Section E – Business Plan
- Individual Application form (with BackCheck confirmation, Certification Course confirmation and processing fee, if applicable) for all officers, directors, partners, the sole proprietor, shareholders, signing authorities and individuals seeking registration as a salesperson. See Section F – Business Makeup.
- Recent bank statement or letter from the applicant's bank as proof of trust account. See Question 1 in Section F – Business Makeup
- Recent bank statements or letter from the applicant's bank as proof of bank account. See Question 2 in Section F – Business Makeup
- Processing fee of \$500 made payable to the “Ontario Motor Vehicle Industry Council” if you are seeking registration. See the Payment Information section. **Note: Additional payment is required for related salesperson applications or transfers.**
- Payment of \$324 by certified cheque or money order made payable to the “Motor Vehicle Dealers Compensation Fund” (for “General Dealer” and “Broker” classes only). **Do not combine your payments to OMVIC and the Compensation Fund.** See the Payment Information section.

BUSINESS APPLICATION INFORMATION

The following information is provided as a guideline only. All applicants are encouraged to review the relevant sections of *The Motor Vehicle Dealers Act, 2002* ("the Act") and its regulations and to consult with a lawyer if they have any questions. After reviewing this information, please call OMVIC at 416-226-4500 (Toronto) or toll-free at 1-800-943-6002 for questions about completing this form.

Trade – Includes buying, selling, leasing, advertising or exchanging an interest in a motor vehicle or negotiating, inducing or attempting to induce the buying, selling, leasing or exchanging of an interest in a motor vehicle.

Motor Vehicle Dealer – An individual or company that trades in motor vehicles, whether for their own account or the account of any other individual or business, or who holds themselves out as trading in motor vehicles.

Interested Persons – Refer to Signing Authorities under Section F – Business Makeup for further information about interested persons.

SECTION A: GENERAL INFORMATION

Information and Review – If you are an interested person in connection with an applicant or registrant under the *Act*, you may be requested to complete this form for "information and review." If that is the case, you do not need to pay a fee. You are only required to complete Section A – General Information, Section C – Business Premises (except Questions 1 – 6), Section D – Eligibility, Section F – Business Makeup and Section G – Consent and Undertaking. You may be required to provide additional information or documents based on the information provided in this form.

DEALER CLASSIFICATION

The following is a brief description of the classes of registration most often selected by registered dealers. If none of the classes described below fit the business, please contact OMVIC.

General Dealer (New & used motor vehicles) – A business which buys, sells or leases both new and used vehicles. If the applicant is not a Trillium Automobile Dealers Association member, please provide evidence of an existing motor vehicle manufacturer sales and service agreement in order to be assigned to this class. For the purpose of the *Act*, a vehicle is not considered a new vehicle if a permit has been issued under Section 7 of the *Highway Traffic Act* or by another jurisdiction having an equivalent requirement. There is an exception if a permit has been issued to a customer who has returned the vehicle within 14 days.

General Dealer (Used motor vehicles) – A business which trades only in used vehicles. This class will generally apply to any dealer who is not a new car dealer and who does not fit into one of the classes described below.

Wholesaler – A business that sells vehicles exclusively to other registered dealers and acquires vehicles only from registered dealers or people/organizations who are exempt from registration under the Regulations. Wholesalers cannot trade with consumers. Wholesalers can do business with dealers who have an equivalent registration or licence in a jurisdiction outside of Ontario. Dealers in the "Wholesaler" class cannot be involved in leasing vehicles. If the applicant is currently registered as a wholesale/leasing dealer and is doing some leasing, they will need to choose the "General Dealer" class.

Please note there are other more restrictive classes of registration for dealers.

Exporter – A business which purchases motor vehicles only for the purpose of export outside of Ontario.

Broker – A business which facilitates a vehicle trade on behalf of non-dealers where the broker does not own the vehicle or accept payment towards the vehicle. A dealer in this class cannot be affiliated with any other registered dealer.

Business (Trade) Name (Master Business Licence/Trade Name Registration/Incorporation Documents) – The business name is the name by which the dealership will identify itself to the public on its signs, advertisements, bills of sale, etc. This name must also be registered with the Ministry of Consumer Services – Companies Branch. For example, if the applicant will identify itself to the public as "Mary's Quality Used Cars," they must register this name with the Companies Branch.

Go to www.serviceontario.ca to register a trade name online or to obtain information about how to register or incorporate the business. You can also call 416-314-8880 or 1-800-361-3223 for more information about registering a trade name.

Please attach a copy of the articles of incorporation (where applicable) and registration of new business name (Master Business Licence). Sole proprietors, partnerships (general or limited) and corporations can operate under a business or

trade name other than their own (e.g., “John and Mary’s Auto Sales”). Any business name must be registered with the Ministry of Consumer Services – Companies Branch or with Ontario Business Connects (OBC) through their Master Business Licence (MBL) registration. A Business Identification Number (BIN) is assigned to a registered business name.

Misleading Names – OMVIC reserves the right to refuse registration to an applicant who proposes to conduct business under any name which is misleading. For instance, names which incorporate words or phrases such as “wholesale,” “at cost,” “liquidation” and “factory direct” may lead customers to believe they will enjoy special pricing otherwise unavailable. For any questions about the applicant’s proposed name, please contact OMVIC prior to submitting this application.

GST/HST Number – Any companies that collect or pay GST/HST must obtain a GST/HST registration number from the Canada Customs and Revenue Agency. Go to www.cra-arc.gc.ca to register for a GST/HST number online. Otherwise, look for a local Canada Customs and Revenue Agency office in the blue pages of the phone book.

SECTION B: PRECONDITIONS TO REGISTRATION

Certification Requirements – The OMVIC certification course is a correspondence course offered through the Automotive Business School of Canada (ABSC) at Georgian College. Individuals are required to complete this course as a precondition of having their registration granted. Certain individuals are also required to complete this course as a precondition of a dealership’s registration being granted or renewed.

Enrollment forms are available from OMVIC or ABSC. Enrollment forms may be submitted to ABSC via fax or mail. Once ABSC receives the form, they will send the course material to the individual by courier. Course material can also be downloaded from OMVIC’s website at www.omvic.on.ca. Once an individual has finished studying the course material, he/she can arrange to write the test at their local MTO issuing office. This is an open-book test containing multiple-choice questions. One hour is given to complete the test. Test results will be communicated directly to OMVIC by ABSC, provided OMVIC has the student’s information and student number.

All applicants and registrants are encouraged to complete the OMVIC certification course to receive important information about the MVDA 2002, such as:

- Automatic rescission of customer contract if certain disclosures are not made.
- New disclosure requirements affecting all retail and wholesale contracts.
- A new Code of Ethics and disciplinary process affecting both dealers and salespeople.
- Restriction on what extended warranties the applicant can offer or sell.
- All-in price advertising.

SECTION C: BUSINESS PREMISES

Premises Requirements for General Dealers – In addition to the requirements which apply to all dealers, any dealer applying in the General category must satisfy the following additional requirements regarding their business premises:

- a separate, permanent, fully secured and enclosed (walls to ceiling and lockable door) office space for each dealer. The office space must be sufficient in size for the secure storage of six years of books/records, provide an exclusive work area for the dealer to conduct business (including office furnishings – desk, chairs, file cabinets), and provide electricity, heat and access to a washroom/toilet
- be clearly separate from other businesses operating at the location. Note: an exception may be granted if the dealership shares an office with a related business (e.g. a repair facility) that is operated by the same dealership
- sufficient space for the storage or display of any vehicles in the dealer’s possession which provides a marked area for the display of vehicles (this area and/or individual parking spots must be clearly marked with the dealership’s name) or, display a sign on each vehicle clearly indicating the selling dealer’s name. For dealers with no trade name, the legal name can be used
- be easily accessible and open to the public, or able to be reached at a clearly posted phone number, during normal business hours, or at times that are clearly posted for the public to see
- have a premises lease with a minimum term of six months; the lease must permit the sale/inventory of vehicles and provide unrestricted access to the premises by the dealer
- have evidence of compliance with the *Compulsory Automobile Insurance Act* i.e. a statement of insurance (garage auto policy OAP4) with a minimum third-party coverage of \$1,000,000

Address Terms – Street Type is the name after the street name (e.g., Avenue, Street, Road, etc.). Street Direction should be included when the name of the street includes a direction after the street type (e.g., Eglinton Avenue East). In this case “East” is the Street Direction.

Business Address – This is the location from which the applicant will be operating the business. The applicant is not required to provide a business address or a copy of their municipal permit, lease agreement or deed for OMVIC to start processing this application. We will begin processing the application and doing all the necessary background checks with the exception of those relating to the business premises. Once we have completed this process, the applicant will be contacted and will be given a reasonable period of time to identify a specific property from which they would propose to operate. The applicant will not be required to submit a municipal permit, executed lease/rental agreement or deed at this stage. However, they may be asked to provide information concerning the landlord or property owner and an unsigned copy of the lease or rental agreement. Once we have checked the proposed business location, we will advise the applicant whether the application is going to be approved. If yes, we will contact the applicant and advise them that the application will be approved once we receive confirmation that the premises are set up and they are ready to begin operation. Please note, the applicant must be prepared to set up the dealership within 60 days of receiving notification of approval from OMVIC. Once the applicant is ready to begin operation, they will be required to provide documentation to confirm they have made arrangements to operate the business from its proposed location in the form of a lease or rental agreement. If the applicant is subleasing the property, we will require a copy of the primary lease showing that sublease arrangements are permitted. If the primary lease does not permit sublease arrangements, we will require an original letter of consent from the landlord and proof of ownership. Otherwise the applicant will have to find another location from which to operate the business.

If the applicant owns the property, please provide a copy of the deed or a recent property tax bill. We reserve the right to refuse the application if this documentation differs in any material respect from the information previously provided. Once the applicant is approved, an OMVIC inspector will be scheduled to visit the dealership. These inspections are not always done by scheduled appointment so please ensure there is a visible sign and the office is set up with the dealership's books and records available for inspection. At any time during this process, the application may be refused if any information comes to our attention relating to past conduct, dealership makeup or financial position. If the application is refused, the applicant will be advised as soon as possible.

The applicant will not be allowed to operate from a residence unless they are seeking registration in the "Wholesaler" or "Broker" class. In order to be approved to operate the "Wholesaler" or "Broker" class dealership from a residence, the applicant will need to establish an acceptable Records Storage Address.

The business location address must be in the format shown on this application. Addresses which include Routes, P.O. Boxes, General Delivery, Suburban Services, Lot, Concession, Plan or Block numbers are not accepted. If the applicant does not know the street assigned to the business location (civic address, also known as a 911 address), contact the local municipality. To include an alternative mailing address (e.g., Rural Route, PO Box, etc.) please review instructions under the heading Mailing Address.

Please refer to the "Records Storage Address" section for information about what records the applicant will be required to maintain.

Municipal Permit – A letter or permit which confirms the proposed location of the dealership is permitted and will allow the business to do the activity for which it is applying (e.g. motor vehicle trade, wholesale office, service and repair, auto body or home occupation).

Also the property will need to be approved by the city for retail motor vehicle sales if:

- Members of the public will be invited to trade in motor vehicles at this location.
- Vehicles will be stored, displayed or serviced at this location.

Please note:

- The letter or permit must be in the same business name as stated on this application.
- The letter or permit must have the same physical address as stated on this application.

Signage Requirements – For dealers registered in the "General Dealer," "Wholesaler," "Broker," or "Exporter" class:

1. The sign must be permanently mounted, not hung on wires, taped or propped up.
2. Signage must be made of a material which is sufficient to withstand typical weather challenges like rain, snow and wind.
3. Signage in a building lobby must be on the directory and indicate the suite # for the dealership. Signage should then be on the suite and be permanently mounted.
4. If the dealer uses a trade name, it and/or the legal name may be used.

Plus for "General Dealers" and "Brokers":

5. Signage should be posted prominently and be readable from the street that the address is on (that is, if your address is 123 Bank St., the sign must be visible from Bank St.) so that members of the public can identify the dealer's location.

Mailing Address – Please provide an explanation if the applicant needs to set up a mailing address other than the approved location. For example, alternate mailing addresses will usually be accepted if the post office does not deliver mail to the business address. If this is the case, attach a letter from Canada Post confirming this. However, if the applicant would like to request an alternate mailing address due to a problem with the approved business location (e.g., a lack of security), then they may be required to find another location from which to operate the dealership.

Records Storage Address – If the applicant is seeking registration in either the "Broker" or "Wholesaler" class, they may be able to store their books and records at an alternate address. The record storage facility should be a professional document management facility or a professional office (e.g., lawyer's, accountant's or bookkeeper's office). Self-storage or mobile-storage facilities will not be approved. This location must be commercially zoned and there must be an individual present at the location during normal business hours who can assist an OMVIC representative accessing the records. The applicant must provide a signed agreement with the facility explaining how the OMVIC representative can contact this business or facility during normal business hours to access the records. The OMVIC representative must be provided free access to the records whenever requested. The location must be a fixed, secured location with heat, electricity and a work area for the OMVIC representative.

Records kept at the business or records storage address must include but are not limited to:

- Records of motor vehicles (e.g., safety standard certificates, repair or reconditioning records, vehicle permits, etc.).
- Records relating to trades (e.g., consignment, lease, purchase, broker, trade-in, service plan or warranty agreements, payment and commission records).
- Records of business (e.g., employee records, records of associated persons, financing records, loan agreements, bank records, trust account records).

The applicant must ensure records kept at the records storage address are no more than one month out of date.

If the applicant is seeking registration as a Wholesaler or Broker and would like to request the Registrar's approval for a records storage address, please submit a "Request for Records Storage Address" form.

SECTION F: BUSINESS MAKEUP

Person in Charge – Is the person who is at the dealership on a day-to-day basis and has been designated with and accepted primary responsibility for ensuring compliance with the *Act* and Regulations and has authority over employees engaged in the trade (as defined in the MVDA) of motor vehicles (e.g. the General Manager or Dealer Principal).

Officer – Includes the chair and any vice-chair of the board of directors, the president and any vice-president, the secretary and assistant secretary, the treasurer and assistant treasurer and the general manager and the assistant general manager of a corporation or a partner or general manager and assistant manager of a partnership; any other individual designated as an officer by by-law or resolution or any other individual who performs functions normally performed by an individual occupying such office.

Shareholder – Includes any person (or group of related persons) who will have beneficial ownership or control of at least 10% of the equity shares of a corporation. This includes shareholders previously reported to OMVIC who have increased their holdings. Shareholders are also considered Interested Persons.

Salesperson – An individual who is employed by a motor vehicle dealer to trade in motor vehicles on the dealer's behalf.

Employ – Means to employ, appoint, authorize or otherwise arrange to have another person act on the applicant's behalf.

Bank Account – If the applicant is seeking registration in the "General," "Wholesaler," "Broker" or "Exporter" class, they will need to set up a bank account for the dealership.

Please set up an account at an institution that is a bank, a loan or trust corporation, a credit union or an authorized foreign bank under Section 2 of the *Bank Act*. The account must be in the legal name of the dealership and should also indicate the trade name (if applicable). The purpose of maintaining a bank account is to keep a record of any financial transactions involving motor vehicles. A dealership must ensure all monies received in connection with a transaction in a motor vehicle are deposited in this account, unless they are required to go in a trust account (see Trust Account section below). If cash is received towards a motor vehicle, it must be deposited in the dealership's bank account and cannot

be used to pay any expenses. Any monies needed to pay out in connection with a transaction involving a motor vehicle must be paid from this account.

Trust Account – If the applicant is seeking registration in the “General” class and will handle the funds described below, they must set up an account at an institution that is a bank, a loan or trust corporation, a credit union or an authorized foreign bank under Section 2 of the *Bank Act*. The name on this account should contain the words “Motor Vehicle Dealers Act, 2002 Trust Account” and the registered name of the dealership. If there is not enough room for both, use the words “Trust Account” and the registered name of the dealership.

The purpose of maintaining a trust account is to ensure customers who leave large deposits (i.e., greater than \$10,000) or individuals who give a dealership vehicles to sell on consignment have their monies protected until the deal is completed. In the case of large deposits, the money must be deposited directly in the dealership’s trust account and not withdrawn until the purchase has been completed. In the case of a consignment deal, all monies received from the buyer must be deposited directly in the dealership’s trust account and cannot be withdrawn except to make a payment to the consignor in accordance with the written consignment agreement. After that, the dealership can withdraw any excess (i.e., any monies received from the buyer that is greater than what is owed to the consignor). Monies which are required to be kept in the trust account must be kept separate from the dealership’s general funds at all times.

A dealership must reconcile their trust account on a monthly basis to ensure they have sufficient funds on deposit to cover deposits over \$10,000 for purchases which have not been concluded or funds received for consignment sales which have not been paid to the consignor. The best way to do this is to keep a list of all deposits and withdrawals from the trust account which includes the date, amount, type (e.g., cheque, cash, etc.), customer/consignor name, the person from whom the money was received (if not the customer/consignor) and the reason for the deposit or withdrawal. On a monthly basis, the dealership (or their accountant) should reconcile the totals on this list with the monthly statements from the bank. Any reconciliation prepared by an accountant should be reviewed. If a shortfall is found in the trust account, make it up immediately and report it to OMVIC. While we understand mistakes can occur, please remember a dealership could lose their registration if they fail to deposit required funds or if funds are withdrawn before allowed. This applies regardless of whether the dealership makes up the shortfall later. If excess funds are discovered in the trust account because of interest earned, a dealership can withdraw these funds monthly. Reconciliations must be prepared within 30 days of receiving the monthly statements from the bank unless there is a zero balance on the trust account or there has been no activity on the account since the last prepared reconciliation.

Signing Authorities – The regulations to the *Act* require dealers to report to OMVIC any changes regarding who will have signing authority on the dealer’s bank account, trust account (if applicable) or who will have authority to sign on behalf of the dealership. The individuals reported on this application may be required to submit an Individual Application because they are deemed to be “interested persons” or “associated persons.”

Interested and Associated Persons – Section 6 of the *Act* empowers the Registrar to refuse, revoke or suspend registration based on the conduct of “interested persons” and “associated persons” as defined under Section 1(2) and 6(4) of the *Act* (see below). The applicant must make reasonable efforts to identify to OMVIC any person who may be an “interested person” or “associated person.” In the course of processing this application, the applicant may be required to answer questions regarding persons who are deemed to be “interested persons” or “associated persons.”

From the *Motor Vehicle Dealers Act, 2002*:

1(2) For the purpose of this *Act*, one person is associated with another person in any of the following circumstances:

1. One person is a corporation of which the other person is an officer or director.
2. One person is a partnership of which the other person is a partner.
3. Both persons are partners of the same partnership.
4. One person is a corporation that is controlled directly or indirectly by the other person.
5. Both persons are corporations and one corporation is controlled directly or indirectly by the same person who controls directly or indirectly the other corporation.
6. Both persons are members of the same voting trust relating to shares of a corporation.
7. Both persons are associated within the meaning of paragraphs 1 to 6 with the same person.

6(4) For the purposes of this section, a person shall be deemed to be an interested person in respect of another person if the person is associated with the other person or if, in the opinion of the Registrar:

- (a) The person has or may have a beneficial interest in the other person’s business;
- (b) The person exercises or may exercise control either directly or indirectly over the other person, or;
- (c) The person has provided or may have provided financing either directly or indirectly to the other person’s business.

TRANSACTION FEES

The following is a shortened version of our Transaction Fee Frequently Asked Questions. For more information about the transaction fee, please refer to OMVIC's website at www.omvic.on.ca.

• **What type of vehicle transactions are subject to the fee?**

Under the transaction fee program, dealers are required to remit \$10 for every sale, lease, fleet or "as is" transaction on a "per vehicle" basis as a component of their registration renewal fee except transactions to other registered dealers.

For the purpose of the transaction fee, a vehicle is any motorized vehicle other than:

- a non-motorized trailer
- a vehicle used primarily for farming
- a specialized construction machine
- a snowmobile
- a vehicle which is not built for use on the road (e.g. ATVs, watercraft, dirt bikes etc. which are not to be used on roads or highways)

Examples of motor vehicles subject to the transaction fee include cars, vans, trucks, SUVs, motorcycles, etc.

• **What transactions are exempt from the transaction fee?**

The following transactions are exempt:

- Selling or leasing a vehicle directly to another registered dealer, who will then be responsible to remit the transaction fee when it sells or leases the vehicle to a non-registrant
- Selling a vehicle to a bona fide lessee during or at the end of their lease term (note: the transaction fee is applicable at the inception of the lease). Also, if a lessee chooses to re-lease the same vehicle as a way of financing the lease buy-out, this second lease would not be subject to the transaction fee
- Transactions involving buses or commercial vehicles as defined by the Highway Traffic Act unless the customer is an individual obtaining it for personal or family use.

• **How does the transaction fee work for leases?**

New car dealers are required to remit the transaction fee for leases on behalf of the lessors with whom their manufacturers have arrangements (sometimes referred to as "captive lessors").

This applies regardless of whether the vehicle being leased by the dealer is a new or used car. New car dealers may choose to pass on the transaction fee to consumers through their retail bill of sale. Independent lessors are required to remit their transaction fee payments directly to OMVIC.

• **If I pass through the transaction fee to customers, where should it be placed on a bill of sale? Is it a taxable fee?**

If you wish, you may record this fee on your bill of sale or lease.

This fee cannot exceed the \$10 OMVIC is collecting. If you are referring to an OMVIC fee (verbally or in writing) you must also indicate the amount is \$10.

For example, if you incorporate the OMVIC fee in the administration fee you currently charge and you refer to it on the bill of sale, you must also indicate OMVIC's portion of the administration fee is \$10.

If you do list it on the bill of sale or lease, you will need to collect and remit both HST and GST directly to tax authorities. You do not need to remit the HST or GST to OMVIC.