



Ontario's Vehicle Sales Regulator

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www.omvic.on.ca

For office use only

Reg #: _____

P-Ref: _____

W - ID: _____

A - ID: _____

BUSINESS APPLICATION FOR NEW AND USED (FRANCHISE) ONLY

This application is to be completed by partnerships, limited partnerships or corporations applying for registration or reinstatement as a new car dealer only. Please review the **Business Application Information** section of this form before completing it. **For the purpose of this form, the "applicant" is the relevant partnership, limited partnership or corporation identified in Section A.**

SECTION A: GENERAL INFORMATION

Application Contact Name: _____

Contact Phone: _____ Contact Email: _____

Will this dealership be part of a dealer group?

Yes No If you've answered "yes," please provide:

Dealer Group Name: _____

Dealer Group Contact Name (if different from Application Contact): _____

Dealer Group Contact Phone: _____ Dealer Group Contact Email: _____

Business Information:

Legal Name of Business: _____

Corporation 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.

HST Number: _____ Corporation # (if applicable): _____

Business Phone: _____ Alternate Phone: _____

Business Fax: _____ Email: _____

Business Website (http://) _____

SECTION B: BUSINESS DETAILS

Business Premises:

In support of this application, we require you to attach a clear copy of the Municipal permit/letter issued to the applicant.

Street #: _____ Street: _____ Unit #: _____

City: _____ Province: _____ Postal Code: _____

1. The applicant will be required to provide proof of a 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 the applicant is confirming their intention to obtain the required Garage Insurance.

Yes No

If you've answered "no," kindly provide an explanation:

2. Has the applicant or any related individuals 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:

3. Is the applicant taking over the premises of an existing dealership?

Yes No

If you've answered "yes," please provide the name, address and registration number of the existing dealership.

4. You are allowed (but are not required) to incorporate the transaction fee (payable to OMVIC on renewal) as a pass through to customers on your bills of sale. Does the applicant intend to pass on the transaction fee to non-dealer customers on your bills of sale? See the **Business Application Information** section for more information.

Yes No

5. 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).

SECTION D: 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

BUSINESS APPLICATION FORM CHECKLIST

I have (or intend to) attach the following documents in connection with this application.

	Attached	Later	N/A
1. Articles of Incorporation / Partnership Registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Master Business License (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Shareholder Register	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Letter from Manufacturer with name of dealership, dealer principal, dealer operator (if different) and address	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. HST Registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Municipal Permit (see the BUSINESS APPLICATION INFORMATION section at the back of this form for details)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Completed Individual Applications for any persons occupying the role Person in Charge, Dealer Principal, Officer, Director, Partner or Shareholder <u>who is not already registered with OMVIC in one of these capacities.</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Completed Individual Applications for any salespersons who are not currently registered with OMVIC with the required fee and attachments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. If you have registered salespeople you wish to transfer to your dealership, after the dealership approval the salespeople can apply to transfer/add the dealership via OMVIC's Online Services. Go to www.omvic.on.ca/OnlineServices/Guests/Login.aspx and submit a Salesperson Change Application.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Processing fee of \$500 made payable to the "Ontario Motor Vehicle Industry Council." See the Payment Information section.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Payment of \$324 by certified cheque or money order made payable to the "Motor Vehicle Dealers Compensation Fund." Do not combine your payments to OMVIC and the Compensation Fund. See the Payment Information section.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

SECTION A: GENERAL INFORMATION

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.

SECTION B: BUSINESS DETAILS

Municipal Permit – A letter or permit which confirms the proposed location of the dealership is permitted and will allow the business.

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.

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.

SECTION C: OWNERSHIP AND MANAGEMENT

Person in Charge (Dealer Principal) – 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.

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.