

THE DEALER STANDARD

Consumer Protection • Registrant Professionalism • Consumer Support

OMVIC offers free education to help dealers and salespersons understand and maintain compliance with the Motor Vehicle Dealers Act (MVDA).

We have recently noticed an increase in the number of dealers who request these sessions and find our resources to be effective education tools.

Education sessions can cover topics including MVDA compliance, advertising, and disclosure obligations. These can also be customized to cover an area of particular interest, as long as it is a requirement under the MVDA or other legislation that OMVIC enforces.

Recently, a large Ontario dealer group reached out to us to explore options for annual compliance training for their staff. The dealer group worked with our education team to address specific areas of interest, such as advertising and contract disclosure and intends to schedule this training annually to ensure the ongoing success of their business.

The education sessions we offer are not mandatory. However, dealers can proactively implement their own annual training process for their teams. Dealers interested in a similar approach can reach out to education@omvic.ca to inquire about our free education sessions which are offered in-person or virtually and can be scheduled to accommodate your business hours.

OMVIC can help!

OMVIC offers free education services and webinars for dealers upon request, just email education@omvic.on.ca today for more information on our services and materials.



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Dealer premises and advertising guidelines

OMVIC's dealer support team embarked on a project earlier this year to develop and circulate dealer guidelines to our registrant community. The guidelines support registrants in meeting current compliance obligations and provide clarity around critical topics related to dealership operations.

OMVIC has recently released two guidelines outlining the current expectations and requirements for a dealership's physical space and advertising.

We worked with registrants to assess the guidance they need to help them understand the rules and expectations related to their physical space and advertising. The guidelines reflect the input received and are intended to support the industry in meeting current compliance obligations.

For more information about our guidelines or if you have specific questions related to compliance with the MVDA please contact our dealer support team at dealers@omvic.on.ca or call 1-800-943-6002 ext.3180.



TADA Talks Podcast

- Over the past 25 years, OMVIC has been dedicated to enhancing industry professionalism and ensuring fair, honest, and open competition for registered motor vehicle dealers.
- Maureen Harquail, OMVIC's CEO and Registrar participated in a TADA Talks podcast in August to discuss how dealers can use MVDA requirements, such as transparency with mandatory disclosures, to create better relationships with their customers.
- To watch the podcast visit: www.youtube.com/tadanewcars

Follow OMVIC on social media to stay up to date on the latest news.

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Twitter: [@OMVIC_Official](https://twitter.com/OMVIC_Official)

LinkedIn: [Ontario Motor Vehicle Industry Council \(OMVIC\)](https://www.linkedin.com/company/ontario-motor-vehicle-industry-council)

Facebook: [OntarioMotorVehicleIndustryCouncil](https://www.facebook.com/OntarioMotorVehicleIndustryCouncil)



OMVIC'S APPROACH TO ENFORCEMENT ACTION

In general, people who sell or lease motor vehicles in Ontario must be registered by the Ontario Motor Vehicle Industry Council (OMVIC).

Most registered motor vehicle dealers and salespersons adhere to the high ethical standards required by the laws and regulations governing the industry. But when a dealer or salesperson fails to meet those expectations, they may be subject to one or more of OMVIC's enforcement proceedings.

OMVIC enforces the Motor Vehicle Dealers Act, 2002 (MVDA), the Consumer Protection Act (CPA), and other applicable laws and regulations. This includes a Code of Ethics (COE) which must be followed by registered dealers and salespersons.

Notice of Proposal / Licence Appeal Tribunal

OMVIC's Registrar is responsible for the overall administration of the MVDA. This responsibility includes the authority to issue proposals to refuse, revoke or suspend registration. If the registrar has reasonable grounds to believe that an applicant or registrant does not meet the criteria for registration as a dealer or salesperson under the MVDA, he or she will do one or a combination of the following: issue a notice of proposal to refuse an application for registration; revoke an existing registration; or apply conditions to a registration.

The notice of proposal will detail the grounds for exclusion. An applicant or registrant who disagrees with the notice of proposal has the right to appeal this decision to the Licence Appeal Tribunal (LAT) of Ontario. This is an independent body similar to a court and empowered to hear evidence and deliver a decision on whether the registration should be refused, revoked, or have conditions added.



Most of the time when a registrant is facing the possibility of having their registration revoked, they will be able to trade motor vehicles until LAT makes its decision. But in serious cases, OMVIC may seek to immediately suspend a registrant's registration before a hearing has taken place.

Notice of Complaint / Discipline Committee

The second type of enforcement proceeding relates to registered dealers and salespersons who have violated the Code of Ethics. In these cases, the registrar will issue a notice of complaint detailing the alleged violations of the code.

A registrant who disagrees with the notice of complaint has the right to have the matter heard before the Discipline Committee. This is a three-person panel (made up of registered dealers/salespersons and non-industry representatives of the public). The committee will hear evidence, decide whether the allegations are founded and if so, decide on an appropriate penalty. They can order a fine of up to \$25,000 per violation and mandatory education courses.

Provincial Offences Act Proceedings

In some cases, a violation of the MVDA, CPA, or certain other laws will result in a salesperson or dealer being formally charged with an offence and prosecuted under the Provincial Offences Act (POA). People who sell motor vehicles without being registered (typically referred to as curbsiders), may also be subject to POA proceedings.

Offences are investigated by OMVIC's investigators, who conduct interviews, gather evidence, and testify in court against the defendant. Upon conviction, penalties can include up to two years in jail for the most serious offences, and fines from \$2,500 to a maximum of \$250,000. A person convicted of an offence under a law enforced by OMVIC is often given a probation order in addition to a fine.

OMVIC's Approach to Enforcement Action

OMVIC works closely with other law enforcement agencies to identify persons engaged in illegal activities. Tips and complaints from consumers, registrants, industry stakeholders, and the public often lead to enforcement action.

In each of the above types of enforcement proceedings, dealers and salespersons have the right to know the case against them. They can challenge OMVIC's witnesses and evidence, and present their own evidence, witnesses, and legal arguments. They may choose to represent themselves or hire a lawyer or paralegal to defend them in court or before LAT or the Discipline Committee. Decisions are public and posted on OMVIC's website.

Depending on the type of offence and circumstances of the case, a dealer or salesperson may be subject to one or more of the three types of enforcement proceedings explained above. For example, a dealer alleged to be selling motor vehicles with rolled-back odometers or without properly disclosed accident repair histories may face both a trial in Provincial Offences Court (with the possibility of jail time and/or a high fine) and have their registration revoked via a notice of proposal.

OMVIC prefers an educational approach rather than immediately commencing enforcement action. Sometimes, a letter of caution can correct a dealer or salesperson's conduct. However, this depends on the severity of the offence, past violations, the risk to the public, and OMVIC's obligation to ensure a professional, fair, and honest motor vehicle sales industry in Ontario.

To find out more the enforcement process, register for our webinar in November. Watch our social channels in the coming weeks to find out how you can register. Or visit our website at [OMVIC.ca](https://www.omvic.ca).



Maureen Harquail with Mary Nurse, owner of Nurse Chevrolet



Maureen Harquail with Richard Macdonald, owner and general manager of Motorcity Mitsubishi



Maureen Harquail with Bob and Mark Verwey, general managers of OWASCO Group

CEO dealership visits

Each quarter OMVIC’s CEO and registrar visits three to four car dealerships in Ontario. This outreach offers an opportunity to build relationships with dealers from a non-enforcement perspective.

On August 26th, Maureen Harquail visited six dealerships in the Whitby, Ontario area including OWASCO Volkswagen, Audi and Pre-Owned Centre; Nurse Chevrolet; Ontario Hyundai and Motorcity Mitsubishi. This was her first dealership visit as CEO and registrar and she inquired about the economic impact of the vehicle shortage and welcomed feedback on how OMVIC can better support dealers.

Dealers raised concerns about fraud at the dealership level and specifically how they can protect themselves. Also, some dealers noted that they are putting infrastructure in place to accommodate electric vehicle sales which is costly and unsettling due to the lack of inventory available.



Maureen Harquail with Muzammil Ali, general manager of Ontario Hyundai

CONTACTING OMVIC

THE DEALER STANDARD

is published by the

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

- **DEALER SUPPORT**
dealers@omvic.on.ca
- **REPORT A CURBSIDER**
nocurbs@omvic.on.ca
- **REGISTRATION**
registration@omvic.on.ca

- **COMMUNICATIONS AND MEDIA INQUIRIES**
communications@omvic.on.ca
- **EDUCATION**
education@omvic.on.ca