

Title:	Exemptions - for non-for-profit organizations
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Introduction and purpose

As the regulator of motor vehicle sales in Ontario, OMVIC registers both individuals and corporations engaged in trade, defined as buying, selling, leasing, advertising or exchanging an interest in a motor vehicle or negotiating or inducing or attempting to induce the buying, selling, leasing or exchanging of an interest in a motor vehicle. There are certain exemptions to the requirements for registration, as outlined below. This guideline is intended to provide consumers and the industry with a framework for understanding and implementing these rules and regulations.

Terminology

- For the purposes of these guidelines, the word “Act” refers to the [Motor Vehicle Dealers’ Act](#) (MVDA).
- [The Regulation](#) refers to Regulation 333/08 GENERAL
- [The Code of Ethics](#) refers to Regulation 332/08 Code of Ethics and Operation of Committees

Context

Exemptions along these lines have been industry practice since before the Act came into force in 2002. As such, they were codified and included in the regulations to ensure transparency. Section 2, sub-section 1 of the regulation sets out the 22 separate classes of persons who are exempt from the MVDA registration requirements. In addition to not-for-profits and registered charities, other examples of exemptions – subject to certain conditions – include:

- Auctions
- Wreckers and salvage operations
- A lawyer or someone who’s fulfilling court instructions
- An assignee, a custodian, a liquidator, a receiver, a trustee
- An executor, etc.

See the Appendix for the full list and all applicable details.

Part of the way not-for-profit corporations can maintain their exemption is by offering education and consumer support. There is a different set of rules that apply to [brokers](#). Those rules are out of scope for this guideline.

Guidelines

Exemption conditions

Not-for-profit corporations that provide information to help people make a decision regarding trade in a motor vehicle have been designated as a class of person(s) exempted under the Act.

[Section 2, sub-section 16](#) of the Regulation provides an exemption from registration with OMVIC for not-for-profit corporations that:

- Disclose to the prospective customer, before providing assistance, the amounts that the corporation charges or receives in connection with providing the assistance;
- Have no conflict of interest with a registrant or insurer;
- Have no property interest in the vehicle being sold;
- Don't handle payment for the sale or lease; and
- Make reasonable effort to ensure that no one affiliated the not-for-profit corporation is a registrant.

Requirements

To remain entitled to the exemption under the MVDA Regulations 333/08, section 2(1)(16), not-for-profit corporations must file annually with the Registrar:

- a statement outlining the consideration, if any, they have received from registrants and listing their corporation's members, directors, officers and employees, and
- an affidavit attesting to these disclosures.

Not-for-profit corporations are required to file the material described in the Regulation as defined in subparagraph 16 vi of subsection (1) with the Registrar no later than 180 days after the day the Regulation comes into force and no later than each anniversary of the day that this Regulation came into force to be exempt under paragraph 16.

If they fail to provide this information, they might be subject to administrative action up to and including revocation of their exemptions.

Other jurisdictions

A brief survey of other Canadian provinces yields no information about similar types of exemptions elsewhere in the country. Exemptions for specific types of vehicles were not included in the survey.

About OMVIC and these guidelines

The Ontario Motor Vehicle Industry Council (OMVIC) administers and enforces the [Motor Vehicle Dealers Act, 2002](#) (MVDA), its regulations and code of ethics, as well as relevant sections of the [Consumer Protection Act](#) (CPA), on behalf of Ontario's Ministry of Public and Business Service Delivery. OMVIC's mandate is to maintain a fair and informed marketplace by protecting the rights of consumers, enhancing industry professionalism, and ensuring fair, honest, and open competition for registered motor vehicle dealers.

The list of available guidelines can be found [here](#). Once the page opens, you'll see the guidelines listed on the left-hand side.

Contact

The Dealer Support team is available to assist dealers in achieving and maintaining compliance with the MVDA and Code of Ethics. Registrants who wish to contact Dealer Support can reach the team at the phone number below and leave a message. Messages are returned in priority sequence.

Phone: 1-800-943-6002 ext. 4

Email: dealers@omvic.on.ca

Appendix – General Exemptions

Excerpts from the Regulation 333/08 GENERAL

Exemption of certain persons from Act

2. (1) The classes of persons described in each of the following paragraphs are exempt from the Act and the regulations in connection with carrying on the activities described in the paragraph:

1. A person who arranges for and conducts an auction of motor vehicles and the person's employees and agents acting for the purpose of the auction if the conditions set out in subsection (3) are satisfied.
2. A person who buys one or more motor vehicles for the purpose of wrecking or dismantling them if, after buying them, the person wrecks or dismantles the vehicles in accordance with the *Highway Traffic Act* and the regulations made under it and does not trade in the vehicles.
3. A person who trades in a motor vehicle in the course of performing the person's duties under an order of a court.
4. An assignee, a custodian, a liquidator, a receiver, a trustee or another person, if the assignee, custodian, liquidator, receiver, trustee or other person trades in a motor vehicle in the course of performing the person's duties under the *Bankruptcy and Insolvency Act (Canada)*, the *Business Corporations Act*, the *Companies' Creditors Arrangement Act (Canada)*, the *Courts of Justice Act* or the *Winding-up and Restructuring Act (Canada)*.
5. An executor or estate trustee who trades in a motor vehicle in the course of performing the person's duties or a person who arranges for and conducts an auction to make such a trade on behalf of an executor or estate trustee.
6. A barrister and solicitor who trades in a motor vehicle in the course of acting in his or her professional capacity.
7. A person that trades in a motor vehicle that is used or to be used by the person as sole proprietor for the purpose of carrying on the person's business or for the personal use of the person or a member of the person's family, but not if the person is in the business of trading in motor vehicles or repairing them.

8. A person that trades in a motor vehicle that is used or to be used by an individual who is a director, officer or employee of the person for the purpose of carrying on the person's business or for the personal use of the individual or a member of the individual's family, but not if the person is in the business of trading in motor vehicles or repairing them.
9. A person who trades in one or more power-assisted bicycles equipped with both a pedalling device and an auxiliary motor.
10. A person who leases a motor vehicle as lessor if,
 - i. the person does not own the vehicle,
 - ii. the lessee does not buy the vehicle at the end of the term of the lease,
 - iii. the lease is for a term of no more than 120 consecutive days,
 - iv. the lessor has filed with the registrar, upon request, a declaration stating that the lessor will not trade in the vehicle after the vehicle is no longer going to be leased, except to lease it as described in this paragraph, and
 - v. the lessor does not trade in the vehicle after the vehicle is no longer leased, except to lease it as described in this paragraph.
11. A receiver and manager appointed under section 21 of the Act that acts under that section.
12. A person who sells a stock of motor vehicles on behalf of their owner by means of an auction open to the public if,
 - i. the vehicles were owned in connection with a business of the owner of the vehicles and the sale of the vehicles is part of the sale of the assets of that business for the purposes of the business ceasing operations,
 - ii. the auction is held at the owner's place of business or at another location that the person arranges and that is suitable for the auction, and

- iii. the person who sells the stock of the vehicles has been retained on a temporary basis solely for the purpose of the ceasing operations mentioned in subparagraph i and does not acquire a property interest in any of the vehicles.
13. A registered charity within the meaning of subsection 248 (1) of the *Income Tax Act* (Canada) that acts as such.
14. A creditor, other than a registrant, who,
- i. lawfully takes possession of a debtor's motor vehicle or has a lawful lien against the vehicle, and
 - ii. sells the vehicle to or through a registered motor vehicle dealer or through a person who is exempt under paragraph 15.
15. A person who,
- i. after a creditor, other than a registrant, has lawfully taken possession of a debtor's motor vehicle, takes possession of the vehicle from the creditor and sells it to or through a registered motor vehicle dealer, and
 - ii. is not otherwise in the business of trading in or repairing motor vehicles.
16. A not-for-profit corporation that assists a person in making a decision regarding a trade in a motor vehicle if,
- i. before providing the assistance, the corporation discloses to the person the amounts that the corporation charges or receives from any person in connection with providing the assistance,
 - ii. the corporation does not have a property interest in the vehicle,
 - iii. the corporation does not handle the person's payment for the trade in the vehicle,
 - iv. the corporation makes reasonable efforts to ensure that no member of the corporation is a registrant,
 - v. no director, officer or employee of the corporation is a registrant, an insurer under an insurance policy that covers theft of the vehicle or damage to the vehicle or a person in the business of repairing motor vehicles, and
 - vi. the corporation files with the registrar in accordance with subsection (5),

- A. a statement outlining the consideration, if any, that it has received from registrants and listing the corporation's members, directors, officers and employees, and
 - B. an affidavit attesting to the information contained in the statement mentioned in sub-subparagraph A.
17. The board of trustees for the Fund, the Trustee of the Fund appointed under section 70 or a person that acts on behalf of the board of trustees for the Fund.
18. A person who trades in a motor vehicle that has a gross vehicle weight rating as defined in subsection (6) of more than 21 tonnes.
19. A person who trades in a motor vehicle that is a bus or commercial motor vehicle, as those terms are defined in the *Highway Traffic Act*, except if the person trades the vehicle to an individual described in section 5 of the *Motor Vehicle Dealers Act, 2002*.
20. An insurer, as defined in the *Insurance Act*, who,
- i. receives a used motor vehicle after making payment under an insurance policy as a result of the vehicle having been stolen or wrecked, if,
 - A. the Registrar of Motor Vehicles has classified the vehicle as irreparable or salvage under section 199.1 of the *Highway Traffic Act*, or
 - B. the vehicle is registered in the name of the insurer, and
 - ii. sells the vehicle to or through a registered motor vehicle dealer.
21. Subject to subsection (7), a person who trades in motor vehicles that the person or a person associated with the person, as described in subsection 1 (2) of the Act, manufactures or that the person distributes as the authorized distributor of motor vehicles manufactured by another person according to a declaration that the person files with the registrar under subsection (9) stating that the person is an authorized distributor of that manufacturer.
22. A person who receives a motor vehicle from a purchaser or lessee as all or part of the consideration for supplying a motor vehicle under a trade described in paragraph 21. O. Reg. 333/08, s. 2 (1); O. Reg. 221/09, s. 2 (1)