

Title:	Guideline – online sales
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## Key highlights

- Companies and individuals engaged in online sales are subject to the same rules, requirements and expectations as other Registrants.
- Key among these requirements is that all dealers and salespeople must be registered with OMVIC.
- The guideline provides advice on areas such as registration requirements; contract language and provisions; disclosure requirements; maintenance of business records; test drives; cooling-off periods; place of business and associated signage; advertising; and the role of the Code of Ethics.

## OMVIC's role and mandate

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.

As the automotive industry increasingly moves towards an internet-based selling model to provide innovative customer experiences, OMVIC has consulted the industry on how best to ensure a fair operating environment that meets business needs and protects consumers' interests. Feedback from those consultations has been incorporated into this guideline.

## Purpose

This guideline is intended to provide advice and – where appropriate – direction to Registrants about how they can best comply with existing legislation and regulations in online vehicle sales. Online sales simply means that the purchaser is not necessarily required to attend the seller's physical premises. A separate guideline has been published on [non-traditional business models](#).

## Current legislation and regulations

Both British Columbia and Alberta have empowered their respective registrars of motor vehicles to administer certain aspects of online vehicle sales. While [British Columbia administers Distance Contracts](#), [Alberta has its own rules](#), which include an [Internet Sales Contract Regulation](#). Although OMVIC has not been delegated authority in either of these areas, the [Electronic Commerce Act](#) and the [Consumer Protection Act](#) have provisions that apply to online sales in Ontario.

Like other dealerships, companies that choose to sell vehicles online in Ontario must be registered with OMVIC. Regardless of where or how a Registrant sells a vehicle in Ontario, the same legislation applies. [Section 28 of Regulation 333/08](#) under the Motor Vehicle Dealers Act clearly outlines these requirements: “Except for advertising, a registered motor vehicle dealer other than a motor vehicle dealer registered only as a broker shall not trade except from a place authorized by the dealer’s registration.”

Sections of Regulation 333/08 dealing with [Place of Business](#), [Signs](#) and Bills of Sale for [new](#) and [used](#) vehicles stipulate that a contract must include the business address of the place where the agreement was entered into.

## Guidelines

### General advice

Dealers operating online are reminded that they are required to follow the same rules of disclosure as those operating in a traditional bricks-and-mortar business model. Online dealers who fail to abide by these requirements are subject to the same administrative and disciplinary procedures as the in-person premises model. The disclosure requirements include:

- [Registration](#) of all individuals involved in the sales process;
- [Advertising](#);
- [Contract language and provisions](#);
- [Disclosure of information](#);
- [Maintenance of business records](#);
- [Notification to the Registrar](#) of certain business events;
- The [Code of Ethics](#), etc.

### Test drives

The Act defines trade 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. Trading off-premises is illegal. That means a dealer who is taking a prospective customer on a test drive must not engage in activities that constitute trading, including any conversations on those topics. Dealers who violate these rules are subject to the appropriate regulatory and enforcement measures. If the prospective customer wants to engage in conversation that might be construed as trading, the dealer should advise the customer that the conversation can only take place once the dealer has returned to the registered premises.

### Cooling-off period

While the Act doesn't require a cooling-off period in Ontario, most online dealers registered to operate in Ontario already provide one for purchases without any test drive. For those who don't, one example would be a seven-day/500-km money-back guarantee program for all motor vehicle transactions conducted online with consumers. The rules in other provinces might be different.

Such programs should be clear about how consumers can end their contracts and financial arrangements, as well as the provisions about warranties, trade-ins, etc. The programs should also provide consumers with information about what refunds or reimbursements they're entitled to receive in these circumstances.

### Place of business

Registered dealerships trading in Ontario must operate from their registered locations as approved by the Registrar. This includes those engaged in online sales. [Section 28](#) provides the requirements for the operation of places of business. In the case of online Registrants, OMVIC will sometimes impose terms and conditions on a dealer's registration, such as allowing an online dealer to have a physical location where there might not be any vehicles available on site, but where a consumer can go and speak to the dealer in case there are any problems with the transaction. Note as well that [Section 30](#) requires a sign be affixed to that place of business, indicating the registered name of the dealership. For the purposes of vehicle delivery, a Registrant is permitted to deliver a vehicle to a consumer's home so long as the actual act of trading occurred in accordance with the registrant's terms and conditions. Delivering a motor vehicle to a consumer's home subsequent to a purchase and sale agreement being executed at the Registrant's place of business would not be considered an act of trade.



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## Advertising

OMVIC has published a [separate guideline](#) on advertising for Registrants, based largely on [Section 36](#) of Regulation 333/08, as well as certain provisions of the Consumer Protection Act. That guideline – which applies equally to online Registrants – reminds dealers that all advertising:

- Should be clear, comprehensible and prominent, wherever it appears;
- Should also be free of anything that could be seen as misleading or misrepresentation, and it should be fair and accurate; and
- Must include certain mandatory disclosures (for example, if a used vehicle was previously leased on a daily basis; as a police cruiser; to provide emergency services; or as a taxi or limousine).

The [advertising guideline](#) provides extensive advice on how dealers and salespeople should conduct themselves on these platforms. Perhaps of particular interest to online Registrants, it also addresses advertising through websites, social media platforms and third-party sites. The guideline speaks to the requirements for all-in price advertising and ads for vehicles identified for sale as-is or unfit.

It also reminds dealers that they are responsible for all advertising conducted on their behalf and should not engage in activities that could be seen as misrepresentative or misleading. This would include, for example, failing to disclose the name of the dealership involved or advertising on websites primarily or exclusively designed for consumer-focused transactions.

## Contracts

All vehicle sales in Ontario require a sales contract, which must comply with the appropriate sections of the Act and its Regulations. [Section 39 of Regulation 333/08](#) explains the requirements for sales contracts for new vehicles. [Section 40](#) explains the requirements for sales contracts of used vehicles.

## Code of Ethics

[The Code of Ethics](#) applies to all dealers. It includes requirements regarding dealers' integrity; disclosure in marketing and contract provisions; compliance; respect; and professionalism.

#### Related links

- [Consumer Protection Act](#)
- [Code of Ethics](#)
- [Electronic Commerce Act](#)
- [Motor Vehicle Dealers Act](#)

#### 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](mailto:dealers@omvic.on.ca)