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Table of Contents

Introduction and purpose.....	2
Terminology	2
Guidelines	2
Registration	2
Advertising.....	2
Contracts & disclosures	3
Dealer Support role in wholesale transactions.....	3
Auctions restrictions.....	3
Exports	3
Accessing these guidelines	3
About OMVIC and these guidelines	4
Contact.....	4
Appendix – Wholesale transactions	5
Excerpts from Regulation 333/08 GENERAL	5
Section 7: Exemptions relating to advertising	5
Section 21: Wholesalers	5
Section 28: Place of business	5
Section 56: Retention of records	6
Section 58: Trust account	6
Excerpts from the Code of Ethics and Operation of Committees.....	6
Section 5: Disclosure of information in contracts of sale or lease	6

Introduction and purpose

Wholesalers are a specific class of Registrants and are subject to certain rules that differ from those that apply to other classes. For example, they're not allowed to trade with the public. Wholesalers may only:

- Trade with other registered motor vehicle dealers registered under the Act;
- Purchase vehicles from the Crown, or a person who is exempt (i.e. listed in [section 2.1 of the regulation](#)); and
- Sell vehicles at a wholesale auction to a person located in another jurisdiction outside Ontario, where that person is registered with an equivalent status to a registered motor vehicle dealer.

This guideline will review the requirements for wholesalers and reflects input from OMVIC's key stakeholders.

Terminology

- The definition of "wholesaler" is derived from [Section 21 of the Regulation](#).
- For the purposes of these guidelines, the word "Act" refers to the [Motor Vehicle Dealers Act](#) (MVDA).
- [The Regulation](#) refers to Ontario Regulation 333/08 GENERAL
- [The Code of Ethics](#) refers to Ontario Regulation 332/08 Code of Ethics and Operation of Committees

Guidelines

Registration

Business owners must apply to become a registered dealer with OMVIC, whether as a wholesaler or in any other class. The registration requirements are clearly spelled out on [OMVIC's website](#). The Registration Department will assess the application and determine eligibility. The Department's contact information is available [here](#).

The Regulation and the Code of Ethics both contain essential information that applies to all wholesalers. Relevant excerpts are included in the Appendix at the end of this document. Of particular note is [Section 21 of the Regulation](#), which spells out exactly what wholesale dealers are allowed to do.

Advertising

Wholesalers are one of the classes of dealers exempt from the advertising provisions, under [Section 36 of the Regulation](#). However, all dealers are reminded of their obligations to act responsibly and professionally, as explained in the [Code of Ethics](#). A wholesale dealer who chooses to advertise isn't allowed to engage with members of the public.

Contracts & disclosures

[Section 5 of the Code of Ethics](#) lists 22 items that must be disclosed in every wholesale contract. They're very similar to the requirements for contracts with retail buyers. OMVIC recently published a separate guideline on [disclosures](#). It provides lots of important detail. Further information is also available on OMVIC's website.

Dealer Support role in wholesale transactions

In dealer-to-dealer transactions, all parties are expected to use their industry knowledge and expertise to ensure that their transactions meet the requirements of the relevant legislation and regulations. In the event of a dispute between dealers, the Dealer Support Team can only process complaints when a dealer fails to comply with the legislation and/or regulations. OMVIC will make reasonable attempts to address complaints between dealers, but it can't impose decisions on parties.

Auctions restrictions

Many wholesale transactions are facilitated through auctions. OMVIC's [guideline on auctions](#) makes it clear that auctions that deal strictly in wholesale transactions and do not engage in trade with the public aren't required to register with OMVIC. Many auctions opt to do so because they see potential benefits to being registered under the Act. Once they do, the law stipulates that they are bound by the same rules as other Registrants. Dealers registered as wholesalers can only participate in wholesale-restricted auctions.

Exports

There are limits on the export activity in which wholesalers can engage. OMVIC published a [Dealer Bulletin](#) in 2022 outlining these conditions. It explains that wholesale dealers can:

- Trade vehicles only with another OMVIC-registered dealer under the Act.
- Buy from individuals/organizations who are exempt from registration under the regulations. These exemptions can be found [here](#).
- Export vehicles through wholesale auctions where the sale is made to another dealer outside of Ontario who has equal registration status in their respective jurisdiction.

Accessing these guidelines

OMVIC publishes and updates these guidelines regularly. You can find them the left-hand side of [this page](#).

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 – Wholesale transactions

Excerpts from Regulation 333/08 GENERAL

Section 7: Exemptions relating to advertising

A motor vehicle dealer registered as one or more of the following is exempt from [Section 36](#) with respect to the dealer's activities as a dealer registered in the class:

1. A wholesaler.
2. An exporter.
3. An outside Ontario dealer.
4. A fleet lessor.

Section 21: Wholesalers

A motor vehicle dealer registered as a wholesaler shall not act as a motor vehicle dealer, other than,

- (a) to trade in motor vehicles with other registered motor vehicle dealers;
 - a) to purchase motor vehicles from the Crown or a person who is exempt from the Act and the regulations as a result of one of the paragraphs of subsection 2 (1); or
 - b) to sell motor vehicles at an auction where,
 - (i) the person who arranges for and conducts the auction is exempt from the Act and the regulations as a result of paragraph 1 of subsection 2 (1), and
 - (ii) the sale is made to a person who, at the time of the sale, is located in another jurisdiction and registered in that jurisdiction as a person with equivalent status to a registered motor vehicle dealer.

Section 28: Place of business

Except in the case of a motor vehicle dealer registered only as a wholesaler or broker, each place from which a registered motor vehicle dealer is authorized to trade shall be separate from a dwelling.

[Section 56: Retention of records](#)

A registered motor vehicle dealer shall keep a record retained under subsection (1) at

- (a) any place, other than a dwelling, chosen by the dealer and approved by the registrar, if the dealer,
 - (i) is registered as an outside Ontario dealer, lease finance dealer, fleet lessor or a combination of those classes, or
 - (ii) is registered as a broker or wholesaler and, in fact, trades only from a dwelling

[Section 58: Trust account](#)

A motor vehicle dealer registered only as one or more of the following is exempt from [section 25 of the Act](#) and this section:

1. A broker.
2. A wholesaler.
3. An exporter.
4. An outside Ontario dealer.
5. A lease finance dealer.
6. A fleet lessor.

[Excerpts from the Code of Ethics and Operation of Committees](#)

[Section 5: Disclosure of information in contracts of sale or lease](#)

A registered motor vehicle dealer who enters into a contract to sell or lease a motor vehicle to a person who is also a registered motor vehicle dealer shall ensure that the following information is disclosed in the contract:

1. If the vehicle is a used motor vehicle, the total distance that it has been driven if the dealer can determine the distance.
2. If the vehicle is a used motor vehicle and the dealer cannot determine the total distance that the vehicle has been driven but can determine the distance that the vehicle has been driven as of some past date, a statement of that distance and date, together with a statement that the total distance that the vehicle has been driven is believed to be higher than that distance.
3. If the vehicle is a used motor vehicle and the dealer can determine neither the total distance that the vehicle has been driven, nor the distance that the vehicle has been driven as of some past date, a statement that the total distance that the vehicle has been driven is unknown and may be substantially higher than the reading shown on the odometer.

4. If the vehicle's odometer is broken or faulty, has been replaced, has been rolled back or is in miles, a statement to that effect.
5. If any of the following is true of the vehicle, a statement to the effect that the vehicle was previously,
 - i. leased on a daily basis, unless the vehicle was subsequently owned by a person who was not registered as a motor vehicle dealer under the Motor Vehicle Dealers Act or the Motor Vehicle Dealers Act, 2002,
 - ii. used as a police cruiser or used to provide emergency services, or
 - iii. used as a taxi or limousine.
6. If the vehicle has sustained any damage caused by fire, a statement to that effect.
7. If the vehicle has sustained any damage caused by immersion in liquid that has penetrated to the level of at least the interior floorboards, a statement to that effect.
8. If there has been structural damage to the vehicle or any repairs, replacements or alterations to the structure of the vehicle, a statement to that effect.
9. If the vehicle is equipped with an anti-lock braking system that is not operational, a statement to that effect.
10. If any of the vehicle's airbags are missing or are not operational, a statement to that effect.
11. If the vehicle is materially different from the original or advertised production specifications, a statement to that effect.
12. If the vehicle has two or more adjacent panels that are not bumper panels and that have been replaced, a statement to that effect.
13. Revoked: O. Reg. 220/09, s. 1.
14. The make, model, trim level and model year of the vehicle.
15. If any badge or other indication on the vehicle relates to a different model than the model of the vehicle, a statement to that effect.
16. If the total costs of repairs to fix the damage caused to the vehicle by an incident exceed \$3,000, a statement to that effect and if the dealer knew the total costs, a statement of the total costs.
17. If the manufacturer's warranty on the vehicle was cancelled, a statement to that effect.
18. If the vehicle was declared by an insurer to be a total loss, regardless of whether the vehicle was classified as irreparable or as salvage under section 199.1 of the Highway Traffic Act, a statement to that effect.
19. If the vehicle previously received treatment in a jurisdiction other than Ontario that was equivalent to having had a permit issued under section 7 of the Highway

Traffic Act or having been traded in Ontario, a statement to that effect and a statement of which jurisdictions, except if one or more permits have been issued for the vehicle under section 7 of that Act to cover at least the seven previous consecutive years.

20. If the vehicle has been classified, under section 199.1 of the Highway Traffic Act, as irreparable, salvage or rebuilt, a statement as to how it was last classified.
21. If the vehicle had been recovered after being reported stolen, a statement to that effect.
22. Any other fact about the vehicle that affects the structural or mechanical quality or performance of the vehicle and that, if disclosed, could reasonably be expected to influence the decision of a reasonable purchaser or lessee to buy or lease the vehicle.