

A Vehicle Dealer Information Guide

A summary of the

Vehicle Dealer Regulations

Note to Reader

New vehicle dealer provisions (hereafter referred to as the “vehicle dealer regulations”), are found in Part V of *The Consumer Protection and Business Practices Regulations*, which are regulations flowing from *The Consumer Protection and Business Practices Act*. These vehicle dealer regulations replace and update *The Motor Dealers Act* and came into effect February 1, 2016.

The guide is intended to familiarize dealers with the regulations and is hyperlink enabled at <http://fcaa.gov.sk.ca/cpd-vd>. Check periodically for updates.

Disclaimer - these guidelines summarize the position of the Director of Consumer Protection and Business Practices on the issues raised herein and does not constitute legal, business or other advice and should not be relied on as such. The relevant sections of *The Consumer Protection and Business Practices Act* and its associated regulations should always be consulted for any legal interpretation or application. Readers should consult with legal counsel for the legal interpretation or application of *The Consumer Protection and Business Practices Act* and its associated regulations.

February 1, 2016

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Quick Summary of some Key Changes

Advertising – new rules (see [section 4](#))

Including the requirement where the price of a vehicle is listed in an advertisement to show a stock number and to keep a record of every advertisement.

Annual filing required (see [section 3](#))

Once licensed, the licence is considered to be continuous unless otherwise suspended, cancelled or surrendered.

On initial application and thereafter, annually, the dealer must sign and submit a declaration verifying that the information in the application is correct and has not changed since the previous filing. If there has been a change, an update is required. Failure to file this annual report, update information, or pay the required annual fee may result in suspension or cancellation of the licence

Drive-away price (see [paragraph 4Biii](#), [5C](#))

A selling price is not required in advertisements - but if the dealer advertises the vehicles price in an advertisement [5-21(2)(i) or on the sales lot at the dealer's premises [5-21(3)], the price advertised or listed must be the drive-away price.

If the consumer elects to purchase the vehicle as advertised (that is, without a trade, financing or extra items), the price to be paid for the vehicle is the advertised price or less (if the parties so agree) plus GST and PST, if applicable.

Leases are now covered (see [subsection 1D](#))

In Saskatchewan, the business of selling vehicles, leasing vehicles, offering vehicles for sale, or taking vehicles on consignment are all designated activities that require the business operator to be licensed as a vehicle dealer.

Material fact disclosure (see [section 5](#))

The buyer must be given any material fact or they may be able to cancel the transaction or make a claim for damages. A "material fact" is information is known to the dealer or that the dealer should reasonably be expected to know that could reasonably be expected to influence a reasonable consumer's decision to buy or lease, or refuse to buy or lease, a vehicle from the dealer.

Minimum Power Train Vehicle Warranty (see [section 9](#))

If the vehicle has been driven a distance less than 200,000 kilometres, the dealer must provide a minimum warranty on the power train for 30 days or 1,000 kilometres, whichever occurs first.

Violation to sell trade-ins to an unlicensed dealer (see [section 11](#))

No dealer shall sell a vehicle to a person who is not licensed as a vehicle dealer (aka a "curber"), if the selling dealer knows or should reasonably be expected to know that the person is in the business of purchasing vehicles for the purpose of resale.

1. GENERAL INFORMATION

A. Vehicle Dealer Legislation

Legislation governing the vehicle dealer sector are found within Part V (the Designated Activities and Licensing sections) of *The Consumer Protection and Business Practices Regulations* attached to *The Consumer Protection and Business Practices Act*. On February 1 2016, these regulations replaced *The Motor Dealers Act*.

The Act and the Regulations are administered by the Financial and Consumer Affairs Authority (FCAA). The lead vehicle dealer administrator is the Director of Consumer Protection and Business Practices (the “director”). The director is supported by a deputy director, licensing officers and investigators.

B. Contact Information

Consumer Protection Division
Financial and Consumer Affairs Authority
Suite 500 - 1919 Saskatchewan Drive
Regina, SK S4P 4H2

Email: consumerprotection@gov.sk.ca
Phone: (306) 787-5550
Toll Free: 1-877-880-5550
Fax: (306) 787-9779

Current web page - <http://www.fcaa.gov.sk.ca/CPD-VD>

New vehicle dealer regulations information web page - <http://fcaa.gov.sk.ca/vehicledealers>

C. References and Key Definitions

References in this document should be understood as being taken from *The Consumer Protection and Business Practices Regulations* unless otherwise noted. These references are placed within brackets to assist the reader in finding the related legislative authority. For example, “[5-7]” is intended to be a reference to section 5-7 of *The Consumer Protection and Business Practices Regulations*. When referring to sections in *The Consumer Protection and Business Practices Act*, and not the regulations, the phrase “of the Act” will be added (e.g. s 108 of the Act); this should alert the reader to look to the Act.

Key Definitions [5-7]

Vehicle is defined as any self-propelled vehicle required to be registered pursuant to *The Traffic Safety Act* and includes cars, SUV’s, trucks including commercial trucks, buses, motor bikes, motorized RV’s and by definition, snowmobiles.

Dealership means a business that:

- (i) sells or leases vehicles or offers vehicles for sale or lease; or
- (ii) takes vehicles on consignment.

Dealer means a person carrying on the business of a dealership or who holds himself or herself out as a dealer, whether on the person’s own account or on the account of any other person, and includes, when the context requires:

- (i) a broker;
- (ii) a person who is in the business of selling repossessed vehicles, whether on his or her own behalf or on behalf of another owner;

(iii) a vehicle rental company that sells vehicles

Broker means a person whose business is restricted to the buying and selling of vehicles exclusively for dealers, or any person who holds himself or herself out as a broker.

D. Vehicle Dealer Licence required [5-8; 5-10(1); and s. 55, 56 of The Act]

In Saskatchewan, the business of selling vehicles, leasing vehicles, offering vehicles for sale, or taking vehicles on consignment are all designated activities that require the business operator to be licensed as a vehicle dealer.

Section 5-8 and subsection 5-10(1) of *The Consumer Protection and Business Practices Regulations* read:

5-8 For the purposes of section 55 of the Act, the selling or leasing of vehicles by a dealer is designated as a business to which Part VII of the Act applies.

5-10(1) Every dealer shall hold a valid licence to sell or lease vehicles.

Sections 55 and 56 of *The Consumer Protection and Business Practices Act* read:

55 The Lieutenant Governor in Council may, by regulation, provide that this Part applies to the whole or a part of a trade, business, industry, employment or occupation designated in the regulations.

56 No person may engage in a designated business unless the person holds a licence pursuant to this Act that authorizes the person to engage in that business.

This licensing requirement applies to persons in the business of selling vehicles on behalf of [5-9(2)]

- Creditors, and
- A trustee in bankruptcy, receiver, liquidator, sheriff, collateral recovery agent or person acting under an order of a court or by statutory authority or an executor, estate trustee or other trustee or a lawyer who sells a vehicle in the course of the person's duties or professional capacity

E. Exemptions from the Requirement to hold a Vehicle Dealer Licence

The following businesses do not require a vehicle dealer licence:

1. A person (other than a person licensed as a broker) who only sells vehicles to dealers;
2. An auction sales company licensed under *The Auctioneers Act* that sells at auction only vehicles owned by others and not owned by itself (if the auction sells its own vehicles or sells vehicles for others outside of an auction, a licence is required);
3. The sale of vehicles by Saskatchewan Government Insurance or an insurer licensed pursuant to *The Saskatchewan Insurance Act* as a result of administering an insurance claim;

4. A person:
 - i. who trades in vehicles solely for the purpose of providing or facilitating financing for the purchase or lease of a vehicle;
 - ii. who sells a vehicle to a dealer that the person has repossessed or seized under a security agreement; or
 - iii. whose dealings in vehicles are incidental to his or her ordinary business of lending money or dealing in financial contracts or instruments;

The position of the Director of Consumer Protection and Business Practices (the “Director”) is that a business must be licensed if it leases vehicles to a Saskatchewan resident; unless the business can be shown to fit into one of the exemptions contained in subsection 5-9(1). The exemption section relevant to businesses who offer financing and leasing state:

5-9(1) This Division does not apply to the following:

(d) subject to subsection (2), a person:

(i) who trades in vehicles solely for the purpose of providing or facilitating financing for the purchase or lease of a vehicle;

(ii) who sells a vehicle to a dealer that the person has repossessed or seized under a security agreement; or

(iii) whose dealings in vehicles are incidental to his or her ordinary business of lending money or dealing in financial contracts or instruments;

(2) A person who is in the business of selling vehicles for or on behalf of the entities mentioned in clauses (1)(d) and (h) is a dealer for the purposes of this Division.

For purposes of (d)(i), The Director takes the position that a business is solely involved in facilitating financing for a purchase or sale of a vehicle when said business is also not involved in the on-going management of that vehicle. A business could be said to be involved in the management of vehicles if one or more of the following is present:

- The business is the primary agent and point of contact with the lessee at the time of lease sign up;
- The business has a showroom which contains vehicles available for lease;
- The business is the primary agent and point of contact with the lessee at the end of the lease term, where among other things the lease buyout is managed by said business;

If one or more of the above is present, the Director takes the position that a vehicle dealer licence is required.

Note that a person in the business of selling vehicles on behalf of the entities mentioned in this exemption is required to be licensed.

5. A secured creditor enforcing his or her security interest;
6. An unpaid commercial lien claimant within the meaning of *The Commercial Liens Act* who sells a vehicle to satisfy a lien, unless that person is otherwise a dealer;
7. A business or government agency selling its own fleet vehicles if the vehicles have been owned by the business or government agency for more than one year ('fleet vehicles' [5-7] means vehicles owned by a business or government agency and used by the employees of the business or government agency for business purposes);
8. A trustee in bankruptcy, receiver, liquidator, sheriff, collateral recovery agent or person acting under an order of a court or by statutory authority or an executor, estate trustee or other trustee or a lawyer who sells a vehicle in the course of the person's duties or professional capacity;

Note that a person in the business of selling vehicles on behalf of the entities mentioned in this exemption is required to be licensed.

9. A manufacturer, exporter, importer or distributor of vehicles that sells vehicles only to a licensed dealer or to a person who sells vehicles to a licensed dealer;
10. A person who leases vehicles to consumers for a term of less than 120 days and does not sell their own vehicle inventory to consumers at the end of the vehicle's business life cycle.

F. Offense to Operate Without a Licence

It is an offense to operate as a dealer without holding a valid licence [s. 108 & 109 of The Act]. Violators are subject to prosecution, fines and/or jail terms.

Sections 108 and 109 of *The Consumer Protection and Business Practices Act* reads:

108(1) No person shall:

- (a) contravene any provision of this Act, the regulations or an order of the director pursuant to this Act;
- (b) refuse or fail to furnish information as required by this Act or the regulations, or furnish false information to a person acting pursuant to this Act;
- (c) fail to comply with an order of the court; or
- (d) fail to comply with a voluntary compliance agreement entered into pursuant to section 80 unless the agreement has been rescinded by written consent of the director or by the court.

(2) Any individual who contravenes subsection (1) is guilty of an offence and liable on summary conviction:

- (a) for a first offence, to a fine of not more than \$5,000, to imprisonment for a term of not more than one year or to both; and

(b) for a second or subsequent offence, to a fine of not more than \$10,000, to imprisonment for a term of not more than one year or to both.

(3) Any corporation that contravenes any provision of this Act or the regulations is guilty of an offence and liable on summary conviction:

(a) for a first offence, to a fine of not more than \$100,000; and

(b) for a second or subsequent offence, to a fine of not more than \$500,000.

109 Every director, officer or agent of a corporation who directed, authorized, assented to or acquiesced in or participated in an act or omission of the corporation that would constitute an offence by the corporation is guilty of that offence and is liable on summary conviction to the penalties provided for that offence whether or not the corporation has been prosecuted or convicted.

G. Separate Licence for Each Location [5-10(2),(3)]

A separate licence is required for each location from which a person carries on business as a dealer, **unless all three** of the following apply (in which case only one licence is required):

1. The locations have the same business name; and
2. are within one kilometer of each other; and
3. form part of the same business.

Exception - an additional separate licence is not required if the dealer carries on business from a separate location other than the main location for not more than 30 days in any calendar year. An additional separate licence would be required if the operation from the separate unique location exceeds 30 days each.

H. [FCAA411](#) (web register)

Once licensed, every licensed Saskatchewan vehicle dealer is listed on the FCAA webpage at [FCAA411](#)

I. Brokers - Modified Rules [5-10(4)]

Broker means a person whose business is restricted to the buying and selling of vehicles exclusively for dealers. Such a person requires a vehicle dealer-broker's licence which in turn facilitates entrance to dealer-only auctions.

A broker is required to follow the vehicle dealer rules, however the broker is exempted from the sections below. These exemptions are found in subsection 5-10(4) which reads:

Clauses 5-12(1)(d), (h) and (i), sections 5-13 and 5-14, subsections 5-21(2), 5-22(2), 5-23(1) and 5-24(1) do not apply to a dealer who is a broker.

Thus, the following rules **do not** apply to brokers:

- The premises requirements of section 5-14
- The consumer sale/consignment contract requirements of the regulations
- The repair facilities requirement of subsection 5-14(3)
- The advertising requirements of subsection 5-21(2)
- The material fact disclosure requirement of subsection 5-22(2)
- The non-disclosure remedy of subsection 5-23(1)

- The advance deposit limitation of subsection 5-24(1)

Notwithstanding the above 'do not apply provisions,' all record keeping requirements apply (see [5-19]).

J. Vehicle Rental Company – Modified Rules [5-7(n);5-10(5)]

Vehicle Rental Company means a person or partnership whose business is renting vehicles on a short-term basis to consumers [5-7(n)].

Short-term is to be understood to mean the lease of a vehicle for a term of less than 120 days [5-9(1)(j)].

A vehicle rental company who leases vehicles to consumers for a term of *less than 120 days* and *does not sell its own vehicle inventory* to consumers at the end of the vehicles business life cycle *is not required* to be licensed as a vehicle dealer.

A vehicle rental company who leases vehicles to consumers for a term of *more than 120 days* or *sells its own or other inventory* to consumers *is required* to be licensed as a vehicle dealer.

A vehicle rental company that is required to be licensed is required to follow the vehicle dealer rules. However, it is exempted from the sections below. These exemptions are found in subsection 5-10(5) which reads:

Subsection 5-14(3), clause 5-25(2)(j), subsection 5-25(4) and sections 5-26 to 5-29 do not apply to a dealer that is a vehicle rental company [5-10(5)].

Thus, the following **do not** apply to short-term vehicle rental companies:

- The repair facilities requirement of subsection 5-14(3)
- Details of a trade-in (as no trade-in's should be occurring); see clause 5-25(2)(j)
- The lease contract requirements of subsection 5-25(4)
- The consignment contract provisions of sections 5-26, 5-27 and 5-28
- The minimum warranty provisions of section 5-29

Notwithstanding the above 'do not apply provisions,' all record keeping requirements apply (see [5-19]).

2. BECOMING A LICENSED VEHICLE DEALER

A. Vehicle Dealer Licence Application Requirements [5-12]

In order to be licensed as a vehicle dealer, every such applicant must:

1. register a business name and if a corporation or a partnership register those entities with the Information Services Corporation (ISC);
2. file an **electronic** application on the FCAA-RLS platform for each location from which a dealer does business ;
3. designate land and building(s) located in Saskatchewan from which to conduct business as a vehicle dealer;
4. electronically file copies of bills of sale, lease agreements or consignment sales contracts with the director;
5. provide financial security to the Director (minimum \$25,000);
6. file a recent criminal record check (90 days or less) of all officers with the Director; and
7. pay the applicable licensing fees.

See below for further details.

B. Registration with Information Services Corporation ISC Required

Before beginning the Vehicle Dealer's application process, the director requires the dealer to register its business, or firm, and/or corporate name with the Corporate Registry of the Information Services Corporation (ISC). Visit www.isc.ca/CorporateRegistry or call 306-787-2962 for more information.

The ISC registration must be kept active for the life of the licence. There is a periodic fee required by ISC to keep this registration active.

The name must be registered with ISC in one of these ways:

- As a sole proprietor - this is business name of the one individual who owns the business
- As a partnership - this could be a partnership between individuals or between corporations
- As a corporation

C. Electronic Filing Required

The Vehicle Dealer Application is to be filed **electronically** on the FCAA RLS platform.

On filing, the applicant must provide:

1. the vehicle dealer's business name and corporate name if a corporation that has been registered with the Information Services Corporation (ISC);
2. the name of the principal contact person for the licensee;
3. a business phone number registered in the name of the licensee;
4. an email address where notices and other documents required to be delivered or sent to the licensee may be sent;
5. evidence, generally by way of photographs, that the dealer meets the premises requirements

(see premises requirements – section [2F](#) of this document);

6. the applicable licensing fees;
7. a security bond or other suitable financial instrument (requires an original paper copy to be filed with the director)
8. a criminal record check for the business principals;
9. copies of each sales/lease contracts;
10. a declaration verifying the correctness of the information in the application; and
11. any other information that the director directs.

An application is required for each location [5-10] from which a dealer conducts business unless all three of the provisions below apply:

- The locations all have the same business name; and
- are within one kilometre of each other; and
- form part of the same business.

A separate application is not required for a temporary separate location other than the main location if this separate location is used for not more than 30 days in any calendar year [5-10].

D. Financial Security Required [5-15]

Dealers should review their security bonds - a minimum \$25,000 amount is required.

Each applicant for a dealer licence must provide financial security in accordance with section 59 of the Act in an amount determined by the director that is not less than \$25,000 per licence.

This is generally satisfied by filing a penal bond with the director that was obtained from an insurance agency. Alternate financial security arrangements are also possible. If this security is cancelled the licence is no longer valid and the vehicle dealer must cease doing sales, leases or consignment of motor vehicles.

The director may require a higher amount depending on circumstances [section 59 of the Act].

Transition - A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-15 with respect to financial security until August 1, 2016 [5-30(7)].

E. Criminal Record Check on Initial Application [5-12] to be Periodically Updated [5-16(1)]

Periodic criminal record checks are now required.

5-12(1)(e) of the regulations requires a criminal record check dated no earlier than three months before the date of the application with respect to the following:

- (i) in the case of a corporation, all directors and officers of the corporation;

- (ii) in the case of a partnership, all partners;
- (iii) in the case of a sole proprietorship, the sole proprietor;

In certain circumstances the director may vary this requirement [5-12(3)].

A dealer shall provide to the director an updated criminal record check before the fifth anniversary of the date of the criminal record check provided pursuant to clause 5-12(1)(e) and before every subsequent fifth anniversary of that date [5-16].

The anniversary date is the calendar day that corresponds to the day of the month that the dealer's current licence was issued – see licence for "the issue date."

Transition - A dealer licensed pursuant to the former Act is required to provide to the director an updated criminal record check at the time the licensee is required to file an annual return [5-30(5)].

F. Premises Requirements [5-14]

Dealers are required to meet certain premises requirements (note, this does not apply to a broker or to a business outside Saskatchewan that leases fleet vehicles to persons in Saskatchewan).

A dealer must have:

- (a) land designated for vehicle display and storage that meets municipal zoning requirements and is capable of holding a minimum of six vehicles;
- (b) a structure where business is conducted that meets the requirements of the director;
- (c) a permanent sign that meets the director's requirements;
- (d) a salesperson:
 - i) who is in attendance at the premises mentioned in clause (a) to deal with consumers during normal hours of operation; or
 - (ii) who, if the premises mentioned in clause (a) are operated on an appointment basis only, is made available by the dealer at those premises:
 - (A) for an appointment within three business days after a consumer's request for an appointment; and
 - (B) for a reasonable amount of time.
- (e) any other thing respecting premises that is required by the director.

Transition - A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-14 with respect to its premises until August 1, 2016 [5-30(4)].

On application by the dealer, the director may vary the premise requirements [5-14(4)].

G. Repair Facility [5-14(3); 5-10(4),(5)]

Other than brokers (as defined earlier) and vehicle rental companies who sell their own fleet, every dealer must either have its own facility or designate a third-party facility that is available to make repairs to vehicles sold or leased by the dealer.

In addition, before any sale or lease is concluded, if the repair facility is located more than 80 kilometres from the dealer's premises [5-22(1)(c)], the dealer must disclose to the consumer the

location of the repair facility.

Transition - A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-14 with respect to its premises until August 1, 2016 [5-30(4)].

H. Transfer of Licence Prohibited [s. 67 of the Act]

The transfer of a licence to another individual or entity is not permitted. In those cases, a new licence application must be submitted.

Section 67 of *The Consumer Protection and Business Practices Act* reads:

Subject to the regulations, a licence issued pursuant to this Part is not transferable or assignable.

3. ANNUAL FILINGS & FEES

Note the annual processes.

A. Annual Filing Requirements [5-4; 5-5]

Once licensed, the licence is considered to be continuous unless otherwise, suspended, cancelled or surrendered [5-4].

On initial application and thereafter, annually, the dealer must sign and submit an e-declaration on the FCAA-RLS platform verifying that the information in the application is correct and has not changed since the previous filing [5-5]. If there has been a change, an update is required. Failure to file this annual report, update information, or pay the required annual fee may result in suspension or cancellation of the licence.

Transition - A licensee who was licensed pursuant to the former Act is not required to submit an annual return pursuant to section 5-5 until the first anniversary date of the issuance of the licensee's licence that occurs after August 1, 2016 [5-30(2)].

The anniversary date is the calendar day that corresponds to the day of the month that the dealer's current licence was issued – see licence for “the issue date.”

B. Annual Licensing Fee [5-11]

On annual renewal or on initial application:

- Effective Jan. 1, 2016, annual licence fee is \$400 per location.
- Effective Jan. 1, 2017, annual licence fee is \$500 per location.
- Effective Jan. 1, 2018, annual licence fee is \$600 per location.

Payment can be made via debit or credit card through the FCAA-RLS platform at the time of the initial application or at the annual filing date. Cash will not be accepted.

Note that previously, licenses needed to be renewed every five years. Licensees currently licensed under the previous system will not be required to pay the prescribed annual fee until the expiration of their current licence. At that time the fee in effect at the time of renewal is payable.

C. Licensee to notify director if circumstances change [s. 70 of The Act]

Within five business days after a prescribed change in circumstances, an applicant or licensee shall notify the director in writing using the FCAA-RLS platform.

4. ADVERTISING [5-21]

Dealers should review their advertising practices to ensure that they conform. Note the “drive-away price” requirements.

There are at least five areas to note regarding advertising in the vehicle dealer sector.

- A. *The Consumer Protection and Business Practices Act* and the *Competition Act* anti-competitive, unfair or deceptive practices provisions
- B. Saskatchewan Vehicle Dealer Regulations
- C. *The Cost of Credit Disclosure Act* (if engaged in financing or leases)
- D. Local Municipal Bylaws (premises, signage, hours of operation, etc.)
- E. *The Canadian Code of Advertising Standards*

Each topic is explained further below. The focus is on *The Vehicle Dealer Regulations*.

A. Anti-competitive, Unfair or Deceptive Practices Provisions

Both the federal *Competition Act* and *The Consumer Protection and Business Practices Act* (provincial act) contain provisions that prohibit a dealer from engaging in deceptive and misleading advertising.

The *Competition Act* is a federal law governing most business conduct in Canada. It contains both criminal and civil provisions aimed at preventing anti-competitive practices in the marketplace. Its purpose is to maintain and encourage competition in Canada in order to:

- promote the efficiency and adaptability of the Canadian economy
- expand opportunities for Canadian participation in world markets while at the same time recognizing the role of foreign competition in Canada
- ensure that small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy
- provide consumers with competitive prices and product choices

Examples of anti-competitive practices include: fixing prices on goods and services, limiting or preventing production or supply, rigging bids, engaging in practices that prevent or reduce competition in a market, and misusing market power.

The Consumer Protection and Business Practices Act makes it an offence for a supplier (retailer, manufacturer or distributor) to engage in an unfair practice by making a false claim or by doing or saying anything, or failing to do or say anything, that might reasonably deceive or mislead a consumer. It also makes it an unfair practice for a supplier to take advantage of a consumer who is not in a position to protect their own interests.

Unfair practice definitions are found in section 6 and 7 of *The Consumer Protection and Business Practices Act* and include:

- (a) representing that goods or services have sponsorship, approval, performance characteristics, accessories, ingredients, components, qualities, uses or benefits that they do not have;
- (b) representing that the supplier has a sponsorship, approval, status, affiliation or connection that the supplier does not have;
- (c) representing that goods or services are of a particular standard, quality, grade, style, model, origin or method of manufacture if they are not;
- (d) representing that goods are new or unused if they are not or if they have deteriorated or been altered, reconditioned or reclaimed;
- (e) representing that goods have been used to an extent different from the fact or that they have a particular history or use if the supplier knows it is not so;
- (f) representing that goods or services are available or are available for a particular reason, for a particular price, in particular quantities or at a particular time if the supplier knows or can reasonably be expected to know it is not so, unless the representation clearly states any limitations;
- (g) representing that a price benefit or advantage exists respecting goods or services if a price benefit or advantage does not exist;
- (h) representing that a transaction involving goods or services involves or does not involve rights, remedies or obligations if that representation is deceptive or misleading;
- (i) representing anything that gives a part of the price of specific goods or services but does not give reasonable prominence to the total price of the goods or services;
- (j) representing that a salesperson, representative, employee or agent has the authority to negotiate the final terms of a transaction involving goods or services if that is not so;
- (k) using exaggeration, innuendo or ambiguity in representing a material fact, or failing to disclose a material fact, if the representation or failure is deceptive or misleading.

B. The Vehicle Dealer Regulations [5-21]

The Vehicle Dealer Regulations of *The Consumer Protection and Business Practices Act* set out the advertising rules for the Vehicle dealer sector in the following areas:

i. ADVERTISING

5-21(1) No dealer or salesperson shall publish or cause to be published in a newspaper or other printed or electronic publication an advertisement for the sale of a vehicle unless the advertisement contains:

- (a) the name of the dealer; or
- (b) the words 'Dealer Licence Number' or the initials 'DL' followed by the number of the licence issued to the dealer pursuant to this Division.

ii. CONTENT OF ADVERTISING

5-21(2) a dealer must ensure that every advertisement for a dealer's business that promotes the purchase or lease of a vehicle from the dealer:

Must use reasonable font size; that is:

5-21(2)(c) does not use a font that due to its size or other visual characteristics is likely to materially impair the legibility or clarity of the advertisement;

Must not misrepresent

5-21(2)(a) ... through statements or omissions, a vehicle's mechanical or structural condition; and

Must 5-21(2)(b) use descriptions and make promises only in accordance with actual conditions, situations and circumstances;

Must not use certain words or phrases unless those can be proved to be accurate. That is, the advertisement is not to:

5-21(2)(d) use the words, or words similar to, 'demonstrator vehicle' or 'demo vehicle' unless the vehicle in question was purchased new by the dealer and used primarily for sales demonstrations by the dealer;

5-21(2)(e) use the words, or words similar to, 'savings', 'discount', 'percentage off the purchase price', 'free', 'invoice price', 'below invoice', 'dealer's cost', 'at cost', or 'employee pricing' or show a price that is a specified amount above or below invoice or cost unless the claims represented by the words, or the price shown, can be substantiated;

5-21(2)(f) use the words, or words similar to, 'wholesale', 'take over payments' or 'repossession' unless the claims represented by the words can be substantiated;

5-21(2)(g) imply that a warranty exists with respect to a vehicle or a repair or service unless that warranty with respect to the vehicle, repair or service exists and is available at the price advertised;

5-21(2)(h) make comparisons or claims of superiority unless the results of the comparisons or the claims can be substantiated;

iii. ADVERTISED SELLING PRICE

A selling price is not required in advertisements but if the dealer advertises the vehicle's price in an advertisement [5-21(2)(i)] or on the sales lot at the dealer's premises [5-21(4)], the price advertised or listed must be the drive-away price.

iv. FINANCING/TRADE-IN FEES

If there is an advertised price for a vehicle, where there are no trades or financing associated with the vehicle purchase all associated fees must be included within the advertised drive-away price. This also includes where periodic payment terms for financing is advertised. While the price components may be broken down in the contract, the final price to the consumer can be less than but cannot exceed the advertised drive-away price plus applicable taxes.

Note where periodic financing terms are advertised the total amount payable must be listed and that total amount must include all fees except those fees, if any, for processing a trade-in.

v. ADDITIONAL FEES

Additional administration, documentation fees or levies are permitted, if one or more of the following occurs:

- i. Where a selling price was not advertised,
- ii. Where there is a trade-in involved, or
- iii. Where financing terms were not advertised and dealer assisted financing for the vehicle is required.

Even when the fee is permitted, such a fee is optional and thus up to each individual dealer to invoke. In no case, should these fees be characterized as being required by regulation, by the "government" or by the "regulator."

Drive-away price [5-17] means the total charges, not including PST and GST or financing charges, that the consumer, if paying cash without a trade, would be required to pay to conclude a transaction, including:

- (i) the price of the vehicle; and
- (ii) charges for freight, inspection before delivery of the vehicle, fees and levies;

vi. TIME-LIMITED SALES PRICES

Dealers should ensure that advertisements that include time-limited sales prices include information about this time limitation within the advertisement to avoid later disputes. If there is no time limitation, a previously advertised price without a time limitation could be held to be the drive-away price.

vii. STOCK NUMBER

(i) if a specific vehicle is advertised as being available at the time the advertisement is placed and **if the dealer lists the price of the vehicle**, whether or not the advertisement contains a picture of the vehicle, the dealer must include a dealer's **stock number** for that vehicle.

viii. LOT ADVERTISEMENT

[5-21(4)] If a vehicle is displayed for sale at the dealer's premises **and** the price of the vehicle is displayed, the price displayed must be the drive-away price.

A vehicle price is not required in advertisements but if the dealer chooses to advertise the vehicle's price in an advertisement, the price advertised or listed in the advertisement must be the drive-away price. For pre-owned vehicles, a window sticker on a vehicle on the sales lot at the dealer's premises is considered an advertisement. Note the allowance for the Manufacturer Suggested Retail Price (MSRP) listing on new vehicles in section below.

ix. MANUFACTURERS' PRICE STICKER

The vehicle dealer advertising regulations do not apply to advertising placed by out of province vehicle manufacturers or to certain manufacturer created MSRP-stickers placed on new vehicles unless the local dealer can vary the content of the advertisement and/or the dealer is identified within such advertising. Thus a MSRP on a new vehicle may not be the drive-away price.

By way of explanation, out of province manufacturers often affix or cause to be affixed a sticker on a new vehicle in accordance with their pledge to provide the gas mileage rating for that vehicle. The sticker will often include the manufacturer's suggested retail selling price (or MSRP). This suggested price is generally the same across Canada and is not necessarily the local retail drive-away price as the MSRP may or may not include transportation costs, block heater installation (which is often not required in eastern Canada), dealer preparation, etc.

Based on the above, the provincial vehicle dealer regulator takes the position that the application of the advertising rules to MSRP stickers on new factory delivered vehicles is as follows:
if the vehicle is new and the content of the MSRP sticker cannot be varied by a Saskatchewan dealer and the dealer's name is not associated within the "MSRP" sticker; the director considers such stickers to be a national vehicle manufacturers' advertisement and thus not subject to the provincial drive-away price regulations.

Dealers may wish to proactively provide full transparency to the dealer's valued clients. An accommodation to allow for transparency is suggested below.

Suggested Accommodation for the MSRP Sticker on New Vehicles

As a best practice, it is recommended that the dealer affix a second sticker in close proximity to the MSRP sticker listing one of the following:

- The drive-away price,
- Notification asking consumer to request the drive-away price or
- Notification that the MSRP is not the dealer's drive-away price

Commendation. Manufacturers not subject to the regulations but who voluntarily comply with the drive-away provisions are to be commended for providing such transparency to their down-stream customers.

x. ADVERTISING LOAN PAYMENT PRICES

[5-21(5)] A dealer who advertises a periodic payment for a vehicle that is to be financed on approved credit must include in the advertised price the total charges that the consumer would pay if credit is approved, not including PST and GST.

For example, if the advertisement states “\$299 for 84 months,” the advertisement must include the drive-away price, the total cost and the cost of credit.

xi. NATIONAL ADVERTISING

The content requirement, the stock number requirement and the drive-away price requirement **do not apply to national advertising**. The requirements do apply if the Saskatchewan dealer is identified within or with the national advertisement.

xii. RECORD OF ADVERTISING [5-19(5)]

The dealer must keep a record for at least five years of every advertisement that **lists a price** of a specific vehicle.

To meet this requirement, dealers can elect one or more of the following:

- keep a paper copy of each advertisement
- keep an electronic copy of the advertisement (scanned or kept as an electronic picture)
- keep a written or electronic record of the advertisement on a spread sheet with sufficient information such as date of the advertisement, where and when placed, stock number of the vehicle, price advertised, dates advertised etc.

To avoid later disputes, once the vehicle is sold, dealers should:

- keep a copy of the lowest price advertisement for that specific vehicle
- keep a copy of any time limited advertisement associated with that vehicle
- list the advertised price of the vehicle on the sales contract, and
- attach a copy of the related advertisement to the dealers’ record of the final sales contract.

Transition - A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-19 with respect to the keeping of records until August 1 2016 [5-30(6)].

C. The Cost of Credit Disclosure Act (if engaged in financing or leases)

If engaged in advertising financing or leasing arrangements, you are required to follow the financing and leasing advertising requirements as outlined in *The Cost of Credit Disclosure Act*. These requirements include:

Advertising for fixed credit:

The Cost of Credit Disclosure Act

23(1) This section applies only to advertisements that:

- a) offer credit to which this Part applies; and
- b) state the interest rate or amount of any payment.

(2) Every advertisement to which this section applies must disclose:

- (a) the APR (Annual Percentage Rate); and
- (b) the term of the credit agreement.

(3) In addition to the information mentioned in subsection (2):

- (a) an advertisement for a credit sale of a specifically identified product must disclose the cash price; and
- (b) an advertisement for a credit sale in connection with which any noninterest finance charge would be payable must disclose:
 - (i) the cash price; and
 - (ii) the total cost of credit.

(4) Notwithstanding clause (3)(b), an advertisement on radio, television, a billboard or another medium with similar time or space limitations is not required to disclose the total cost of credit.

(5) If any of the information required to be disclosed pursuant to subsection (2) or (3) is not the same for all credit agreements to which the advertisement relates, the information must be for a representative transaction and must be disclosed as being for a representative transaction.

Advertising interest-free periods:

The Cost of Credit Disclosure Act

24(1) An advertisement that states or implies that no interest is payable for a certain period respecting a transaction must disclose whether:

- (a) the transaction is unconditionally interest-free during the period; or
- (b) interest accrues during the period but will be forgiven under certain conditions.

(2) If interest accrues during the period but will be forgiven under certain conditions, the advertisement must also disclose:

- (a) the conditions; and
- (b) in the case of a transaction under an agreement for fixed credit, the APR that will apply to

the period, assuming the conditions for forgiveness of the interest are not met.

(3) If an advertisement to which subsection (1) or (2) applies does not disclose the information required to be disclosed, that advertisement is deemed to represent that the transaction is unconditionally interest-free during the relevant period.

D. Local Municipal Bylaws (premises, signage, hours of operation, etc.)

A vehicle dealer is expected to conform to local municipal bylaws (including bylaws with respect to dealer signage and advertising). Failing to adhere to local municipality bylaws may result in a review of the suitability of the dealer to hold a vehicle dealer's licence.

As an example, in September 2015, the City of Saskatoon Temporary Sign Bylaw 7491 section 6 reads:

Bylaw 7491(6). The following signs are prohibited on all streets and buffer strips:

- a) temporary signs which are flashing, rotating, animated, illuminated or contain moving lights or other electrical features are prohibited;
- b) balloon signs or other inflatable devices, electronic message centers or kites;
- c) temporary signs which resemble a traffic control device;
- d) portable signs.

See <https://www.saskatoon.ca/sites/default/files/documents/city-clerk/bylaws/7491.pdf>

E. The Canadian Code of Advertising Standards

Readers are encouraged to visit the webpage <http://www.adstandards.com> for more information. Below are excerpts from those pages.

The Canadian Code of Advertising Standards (the Code) sets the criteria for acceptable advertising in Canada. Created by the advertising industry in 1963 to promote the professional practice of advertising, the Code is the cornerstone of advertising self-regulation in Canada.

The Code ... contains 14 clauses that set the criteria for acceptable advertising that is truthful, fair and accurate.

- | | |
|-------------------------------------|--|
| 1. Accuracy and Clarity | 8. Professional or Scientific Claims |
| 2. Disguised Advertising Techniques | 9. Imitation |
| 3. Price Claims | 10. Safety |
| 4. Bait and Switch | 11. Superstition and Fears |
| 5. Guarantees | 12. Advertising to Children |
| 6. Comparative Advertising | 13. Advertising to Minors |
| 7. Testimonials | 14. Unacceptable Depictions and Portrayals |

5. DISCLOSURE TO THE BUYER PRIOR TO A SALE [5-20; 5-22]

Dealers should review their sales practices and inform their sales staff of the regulations. Missteps could lead to the vehicle being returned for a refund.

Before the contract of sale or lease is entered into by the purchaser or lessee, every dealer must disclose in writing to the prospective purchaser or lessee for their review:

(A) [All material facts](#), as known by the dealer or that the dealer should reasonably be expected to know at the time the vehicle contract is entered into [5-22(2)(a)].

(B) [All elements required in the vehicle contract](#) as set out in subsection 5-25(2).

(C) If a drive-away price has been advertised or displayed, [the drive-away price](#). See also [4B](#) of this document regarding advertising regulations

(D) Information (this one does not have to be in writing) with respect to the availability of specific [vehicle information](#) that can be obtained from a search of other jurisdictions, including jurisdictions outside Canada [5-20(3)].

Each is described below.

A. Material fact [5-22]

Material fact means information that is known to the dealer or that the dealer should reasonably be expected to know that could reasonably be expected to influence a reasonable consumer's decision to buy or lease, or refuse to buy or lease, a vehicle from the dealer, and includes (but is not limited to):

(a) in the case of a new vehicle, whether the vehicle has sustained damage requiring repairs costing more than 20% of the asking price of the vehicle;

(b) in the case of a used vehicle:

- (i) a current printed VIN search result provided by Saskatchewan Government Insurance;
- (ii) whether the vehicle has been used as a taxi, police or emergency vehicle or in organized racing;
- (iii) if the vehicle has been owned by a vehicle rental company within the previous 24 months;
- (iv) if the vehicle was previously registered in a jurisdiction other than a jurisdiction in Canada within the previous 36 months;
- (v) whether the vehicle has been brought into Canada specifically for the purpose of resale;
- (vi) whether the odometer of the vehicle:

- A. does not accurately record the true distance travelled by the vehicle; or
- B. has been replaced or altered.

(c) in the case of a new or used vehicle, the repair facility, if the facility is more than 80 kilometres from the dealer's premises.

B. Elements of the Contract [5-25]

See [section 9](#) of this document for essential contract requirements.

C. The Drive-away Price

Regulation 5-17(a) reads:

'drive-away price' means the total charges, not including taxes payable pursuant to *The Provincial Sales Tax Act* and Part IX of the *Excise Tax Act* (Canada) or financing charges, that the consumer, if paying cash without a trade, would be required to pay to conclude a transaction, including:

- i. the price of the vehicle; and
- ii. charges for freight, inspection before delivery of the vehicle, fees and levies.

During the negotiation process for the sale of a vehicle, if a price was previously advertised (even if there is a trade-in or the vehicle is financed), the purchaser, in the context of full disclosure, must be informed of the drive away price in writing prior to the formation of the contract. This "in writing" requirement can be done by any method including (but not limited to):

- i. providing the drive-away price on the sales contract (this is the preferred option; note that the drive-away price can be called advertised price, retail price, etc. as long as it is obvious to the buyer)
- ii. providing the consumer with a copy of the advertisement
- iii. providing the drive-away price in writing in some other fashion

For clarity, the drive-away price includes any charge treated as mandatory by the dealer. A charge is deemed to be mandatory if the buyer is not given the opportunity to decline the charge during the negotiation process.

Further, if a dealer intends to charge for products or services they have pre-installed on a vehicle, those costs must also be included in the advertised drive-away price. Examples include:

- Charges for filling tires with nitrogen
- Installed or pre-paid protection packages
- Pre-paid warranties
- Pre-installed or pre-paid security or theft deterrent products/services (etching, etc.)
- Fuel, block heaters, etc.

D. Vehicle Information [5-20(3)]

No dealer shall sell a **used** vehicle to a consumer **unless the dealer has provided information with respect to the availability of information** that can be obtained from a search of other jurisdictions, including jurisdictions outside Canada, for vehicle damage information and other types of information. These information sources include:

- SGI – VIN Search:
 - Saskatchewan: https://www.sgi.sk.ca/online_services/vin/vin-faq.html
 - Cross-Canada: https://www.sgi.sk.ca/online_services/issuer/crosscanadavinsearch.html
- RCMP VIN Search: <http://app.cpic-cipc.ca/English/searchformvin.cfm>
- CARFAX or CARPROOF: www.carproof.com; www.carfax.com

Note: A dealer must provide the results of a FREE SGI VIN search to a consumer prior to the sale of a used vehicle.

E. Remedy for Non-Disclosure [5-23]

If, at the time the vehicle contract is entered into, a dealer does not provide disclosure as required by subsection 5-22(2), or provides disclosure that the dealer knows or should reasonably be expected to know is false or misleading and if:

- a) the failure to disclose or the false or misleading disclosure is remediable and not of a substantial character, the consumer may, at his or her option, recover damages for losses that he or she has suffered and that were reasonably foreseeable as liable to result from the failure to disclose or the false or misleading disclosure; or
- b) the failure to disclose or the false or misleading disclosure is of a substantial character, the consumer, at his or her option, may reject the vehicle and in that case, the consumer is entitled:
 - (i) to recover the purchase price from the dealer; and
 - (ii) to recover damages or any other losses that the consumer has suffered and that were reasonably foreseeable as liable to result from the failure to disclose or the false or misleading disclosure.

If clause (b) applies and the consumer rejects the vehicle, subsections 28(2) & (3) of the Act apply:

The Consumer Protection and Business Practices Act:

28 (2) The consumer shall exercise his or her right to reject the consumer product pursuant to clause (1)(b) within a reasonable period pursuant to subsection (3), except where the consumer delays the exercise of his or her right to reject because he or she has relied on assurances made by the party in breach or the party's agent that the breach would be remedied and the breach was not remedied.

(3) For the purposes of subsection (2), regardless of whether the right to reject is being exercised by the consumer or a person mentioned in subsection 12(1), a reasonable period:

- a. runs from the time of delivery of the consumer product to the consumer; and
- b. consists of a period sufficient to permit any testing, trial or examination of the consumer product that may be normally required by consumers of that consumer product and as may be appropriate considering the nature of the consumer product, for the purpose of determining the conformity of the consumer product to the obligations imposed pursuant to this Part on the party in breach.

Note: these remedies do not apply to a dealer who leases a new vehicle to a consumer and who, during or at the end of the term of the lease, enters into a contract with the consumer to sell the vehicle.

6. TAKING A PURCHASE DEPOSIT [5-24]

The rules with respect to advance deposits or pre-contract down payments only apply prior to the formation of the sales contract. They do not apply after the contract is formed. Once the approved contract is signed by the dealer and the purchaser, the amount of the deposit retained or returned is governed by the contract clauses.

5-24(1) A dealer shall accept a deposit from a consumer before entering into a vehicle contract **only** in accordance with this section.

(2) No dealer shall require or accept a deposit that is greater than 2% of the purchase price of the vehicle.

(3) If a consumer does not enter into a vehicle contract for the vehicle for which the deposit mentioned in subsection (1) was given, no dealer shall retain a deposit given by the consumer unless the deposit was used to defray an actual expense to acquire a vehicle that was not in the possession of the dealer at the time the deposit was taken.

(4) On or before the payment of a deposit by the consumer, the terms and conditions of the deposit taken by the dealer must be provided to the consumer in writing and must include conditions for the return of the deposit.

(5) Any deposit that is returned to the consumer must be in the same form as it was provided.

(6) A consumer is entitled to the return of the full deposit if the dealer fails to comply with this section.

7. MINIMUM POWER TRAIN WARRANTIES ON USED VEHICLES – BEST PRACTICE SUGGESTIONS

As a best practice, the dealer may want to conduct an SGI safety inspection on any trade-in that is acquired. This information can then be used to identify defects, as a guide for fixing the identified defects, and/or as an information piece to pass on to subsequent buyers in the context of full disclosure. If the dealer so elects, the trade-in customer can be charged for such an inspection if they are so informed before the contract is formed.

If after such an inspection, the identified defects are not fixed, this information is to be disclosed to any subsequent buyer for that trade-in prior to the signing of the vehicle contract. This information should also be disclosed to potential bidders at auctions.

If after such disclosure the vehicle is purchased, the minimum warranty does not apply to the specifically identified power train defects. The minimum warranty regulation would apply to any non-disclosed power train defects for the first 30 days or 1000 KMS on a vehicle with less than 200,000 KMS at the time of the sale.

If a safety inspection is undertaken, dealers can elect to conduct the SGI safety inspection at their cost or may charge the trade-in owner for that cost. If the trade-in owner is charged for that cost, the inspection must be completed or the charges shall be refunded to the trade-in owner. Indicating that an inspection charge is payable and then failing to conduct that inspection is an unfair practice and such a practice is prohibited.

In no case should the dealer indicate that such an inspection fee is required by government or the regulator. It is the dealer's choice to charge that fee on a trade-in or to absorb for business reasons. Remember, if there is no trade or financing, the drive-away price rules apply where a price is advertised.

8. FORMS OF CONTRACT

Dealers should review their forms of contracts to ensure that they conform to the requirements. Forms of contracts must be submitted to the Director for filing before being used.

If interested, a contract content instruction sheet is available to assist dealers when developing their own contract.

A. Endorsed Forms of Contract [5-13]

Only exact copies of the dealer's forms of contract that have been electronically filed with the director, endorsed by the director, and returned to the dealer can be used with the consumer. Failing to use such forms is an offense and may provide the consumer with the right to return the vehicle for a full refund.

5-13(1) Every dealer shall file with the director two copies of each form of contract for the sale, lease or consignment that he or she uses or proposes to use when entering into an agreement with a consumer.

(2) No dealer shall use a form of contract for the sale, lease or consignment unless:

- a) the form of contract complies with section 5-25 or 5-27; and
- b) a copy of the form of contract has been returned to him or her **bearing an endorsement** by the director to the effect that the form has been accepted for filing.

(3) The director may refuse to accept for filing any form of contract for sale, lease or consignment that the director determines to be objectionable.

(4) If the director refuses to accept a form of contract for filing, the director shall, on request, specify the reason for that refusal.

Transition - A licensee who was licensed pursuant to the former Act is not required to submit a revised vehicle contract for filing pursuant to section 5-12 until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force [5-30(3)].

The regulations came into force on Feb 1 2016 thus the 6 month transition period ends on Aug 1 2016.

Note: the dealer should ensure that their forms of contract conform to the new regulations. Using a contract that does not conform to the new regulations may cause regulatory sanctions and expose the dealer to the remedies under the disclosure section [5-23] by the purchaser.

B. Contract Content Requirements [5-25]

Each vehicle contract must contain, at a minimum:

- a) the names and addresses of the purchaser or lessee and the dealer;
- b) the date of the contract;
- c) the make, model and year of the vehicle and any specific model identifier;
- d) the VIN;
- e) particulars of extra equipment or accessories to be provided;
- f) the odometer reading;
- g) 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;
- h) the selling price, or if sold at an auction, the final bid price;
- i) the actual amount of the down payment or deposit, if any;
- j) details of trade-in or exchange, if any, including the amount of any outstanding security relating to the trade-in or exchange;
- k) additional warranties, if any;
- l) if the dealer financed the purchase or lease, a statement to that effect; and
- m) the name of the salesperson.

C. Additional Contract Requirements for Leases [5-25(4)]

In addition to the above requirements, a vehicle contract that is for the lease of a vehicle must contain, at a minimum:

- a) the amount due at lease signing or delivery;
- b) the monthly payment and the date in each month that the monthly payment is due;
- c) any other charges that the lessee is to pay;
- d) the amount of total payments that will be made over the term of the lease;
- e) the portion of the total payments mentioned in clause (d) that constitutes finance charges;
- f) a calculation of how the monthly payment is determined;
- g) a statement of the rights and obligations of the lessee in the event of early termination of the lease;
- h) the amount to be paid by the lessee in the event of early termination of the lease;
- i) an explanation of what constitutes normal wear and tear, including details regarding any obligations the lessee may have for payment for excessive wear and tear;
- j) the amount to be paid by the lessee for excessive mileage;
- k) the lessee's responsibility respecting maintenance of the vehicle;
- l) the lessee's responsibility to maintain insurance, including insurance against a stolen or destroyed vehicle, and details of the payee of the insurance proceeds;
- m) the lessee's option to purchase at the end of the lease; and
- n) the lessee's option to purchase before the end of the lease, if any.

D. Consignment contract with Vehicle Seller [5-27]

(1) If a consignment is contemplated, the dealer must prepare a consignment contract and provide

the consignor (the owner of the vehicle) with a copy of the consignment contract at the time of signing by the consignor.

(2) The consignment contract must contain, at a minimum:

- a) the names and addresses of the consignor and the dealer;
- b) the commencement date and the termination date of the consignment;
- c) a complete description of the vehicle being consigned, including the year, make, model, VIN and odometer reading;
- d) confirmation from the consignor that the consignor owns the vehicle and has the right to sell the vehicle;
- e) confirmation from the consignor that the consignor will not take any action that affects his or her authority to sell the vehicle until it is sold pursuant to the consignment agreement or the consignment agreement is otherwise terminated;
- f) confirmation that any outstanding liens will be discharged at the time of sale;
- g) the minimum price the consignor will accept for the sale of the vehicle;
- h) a description of all fees or charges payable by the consignor to the dealer in connection with the consignment contract;
- i) a description of any warranty or guarantee assignable by the consignor;
- j) a statement of the responsibilities of both the consignor and the dealer with respect to insurance coverage on the vehicle during the period of the consignment; and
- k) a statement allowing for or restricting the use of the vehicle during the period of the consignment.

E. Responsibilities on the sale of a consigned Vehicle [5-28]

If a consigned vehicle is sold:

- a) the dealer must notify the consignor of the sale of the consigned vehicle no later than one business day after the sale of the consigned vehicle; and
- b) disbursement of the sale proceeds must take place within 30 days after the sale of the consigned vehicle unless the consignor specifically waives this right, in writing, after the sale.

As the sale to the consumer of a consigned vehicle is treated as a sale from the vehicle dealer, the responsibilities (including warranties and disclosure) associated with that sale rests with the dealer

F. Separate Contracts for each sale or lease [5-25(5)]

The dealer shall ensure that there is a separate vehicle contract for each vehicle that the dealer sells or leases.

G. Each Owner must be listed on the Contract [5-25(6)]

If two or more persons jointly purchase or lease a vehicle, they must all be shown as owners or lessees on the vehicle contract.

H. Contract Must be Signed and given to Purchaser [5-25(7)]

For each vehicle contract, the dealer shall ensure that:

- a) the contract is signed by the parties; and
- b) the purchaser or lessee receives a copy of the contract immediately after signing it.

I. Vehicles Sold at an Auction [5-25(3)]

If a vehicle is sold by a dealer to a consumer at an auction, the auctioneer must provide the winning bidder with the name and address of the dealer, as the dealer is still responsible to the purchaser.

9. MINIMUM POWER TRAIN VEHICLE WARRANTY [5-29]

'Power train' means the engine, transmission, drive shafts, differential and the components required to deliver torque to the drive wheels of a vehicle.

Less than 200,000 KM. If the vehicle has been driven a distance less than 200,000 kilometres, the dealer must provide a minimum warranty on the power train for 30 days or 1,000 kilometres, whichever occurs first.

If any component of the power train fails during the warranty period, it is deemed to be a breach of substantial character. The purchaser can elect to have it repaired at the dealer's expense, or require that the purchase price be returned. If it is to be repaired, the dealer may require the consumer to pay a maximum of \$200.00 towards the cost of repair of the vehicle.

This minimum warranty does not diminish any other warranty provided by the Act, the dealer, the manufacturer or any other party.

The minimum warranty **does not** apply if:

- a) it can be demonstrated that, during the minimum warranty period, the vehicle was used or misused in a manner that was not reasonably intended when it was sold; or
- b) the problem with the component that resulted in the failure was disclosed in writing to the consumer before or at the time the consumer signed the vehicle contract and the consumer acknowledged the disclosure in writing.

Repairs. If a power train component fails, it is the position of the director, that if the cost of the repair is price prohibitive, a dealer (in meeting their obligation with respect to the minimum power train warranty) may elect to void the contract and return all funds and trade-in or trade-in equivalencies. While the courts may award additional damages, refunding monies paid should mitigate any award, if any, should the dispute be litigated in the courts.

Minimum power train warranties on snowmobiles and motor cycles

The minimum power train warranty also applies to snowmobiles and motor cycles. Essentially this means that the 30 day or 1000KM power train warranty will apply to all used snowmobiles and motor cycles machines as the 200,000km threshold is unlikely to be reached.

If a specific component of the snow machine or motor cycle needs to be rebuilt, replaced, or has exceeded and is coming to the end its power-train life expectancy as per the manufacturer's declaration or the dealer's examination, the dealer should indicate that information to the consumer in writing. Thereafter if that component fails, the minimum power train warranty does not apply to that component. The warranty would still apply to other power train components where no disclosure was made.

The declaration is to be based on industry or manufacturer's standard that is otherwise independently available or based on the structural or mechanical inspection done by a qualified individual.

The consumer is to sign that declaration prior to the sale. If there is no signed acknowledgement, the 30-day minimum power-train warranty applies.

Dealers may also conduct and provide a report of a safety or structural inspection – so ask if such an inspection was done and if so ask to see the results.

Dealers are reminded that the minimum power train warranty does not diminish any other warranty provided by the Act, the dealer, the manufacturer or any other party.

10. VEHICLE RETURNS

If the purchased vehicle can be delivered as agreed, it is up to the individual dealers to decide if they will accept the return of a vehicle after the contract is signed unless the contract or the regulations allow for a return or if the courts so require.

The following provide examples (not exhaustive) of times when a return of a purchased vehicle may be required by legislation:

A. Contracts with a minor - see *The Sales of Goods Act*.

B. If, at the time the vehicle contract is entered into, a dealer does not provide disclosure as required by subsection 5-22(2) of The Vehicle Dealer Regulations, or provides disclosure that the dealer knows or should reasonably be expected to know is false or misleading and the failure to disclose or the false or misleading disclosure is of a substantial character, the consumer, at his or her option, may reject the vehicle and in that case, the consumer is entitled:

- I. to recover the purchase price from the dealer; and
- II. to recover damages or any other losses that the consumer has suffered and that were reasonably foreseeable as liable to result from the failure to disclose or the false or misleading disclosure.

If consumer rejects the vehicle, subsections 28(2) & (3) of the Act apply:

The Consumer Protection and Business Practices Act:

28 (2) The consumer shall exercise his or her right to reject the consumer product pursuant to clause (1)(b) within a reasonable period pursuant to subsection (3), except where the consumer delays the exercise of his or her right to reject because he or she has relied on assurances made by the party in breach or the party's agent that the breach would be remedied and the breach was not remedied.

(3) For the purposes of subsection (2), regardless of whether the right to reject is being exercised by the consumer or a person mentioned in subsection 12(1), a reasonable period:

- c. runs from the time of delivery of the consumer product to the consumer; and
- d. consists of a period sufficient to permit any testing, trial or examination of the consumer product that may be normally required by consumers of that consumer product and as may be appropriate considering the nature of the consumer product, for the purpose of determining the conformity of the consumer product to the obligations imposed pursuant to this Part on the party in breach.

Note: this return remedy does not apply to a dealer who leases a new vehicle to a consumer and who, during or at the end of the term of the lease, enters into a contract with the consumer to sell the vehicle.

C. If the vehicle has been driven a distance less than 200,000 kilometres, the dealer must provide a minimum warranty on the power train for 30 days or 1,000 kilometres, whichever occurs first.

If any component of the power train fails during the warranty period, it is deemed to be a breach of substantial character. The purchaser can elect to have it repaired or return the vehicle and require that the purchase price be returned. If it is to be repaired, the dealer can elect to require the consumer to pay a maximum of \$200.00 towards the cost of repair of the vehicle.

It is the position of the director that if the cost of the repair is price prohibitive, a dealer, in fulfilling the obligation with respect to the minimum power train warranty, may elect to void the contract and return all funds and trade-in or trade-in equivalencies. While the courts may award additional damages, refunding monies paid should mitigate any award, if any, should the dispute be litigated in the courts.

This minimum warranty does not apply if:

- a) it can be demonstrated that, during the minimum warranty period, the vehicle was used or misused in a manner that was not reasonably intended when it was sold; or
- b) the problem with the component that resulted in the failure was disclosed in writing to the consumer before or at the time the consumer signed the vehicle contract and the consumer acknowledged the disclosure in writing.

11. PROHIBITED SALES [5-20]

A. No dealer shall sell a vehicle to a person who is not licensed as a vehicle dealer (aka a "curber"); if the selling dealer knows or should reasonably be expected to know that the person is in the business of purchasing vehicles for the purpose of resale.

B. No dealer shall sell or lease to a consumer a vehicle that is not equipped as required by

section 114 of *The Traffic Safety Act* unless:

- (a) the dealer has identified on the vehicle contract that the vehicle is not equipped as required by that section; and
- (b) the consumer has acknowledged in writing that he or she does not intend to drive the vehicle on a highway until the vehicle is equipped as required by that Act.

C. No dealer shall sell a used vehicle to a consumer unless the dealer has provided information with respect to the availability of and information that can be obtained from a search of other jurisdictions, including jurisdictions outside Canada, for vehicle damage information. These could include:

•SGI – VIN Search:

- Saskatchewan: https://www.sgi.sk.ca/online_services/vin/vin-faq.html
- Cross Canada: https://www.sgi.sk.ca/online_services/issuer/crosscanadavinsearch.html

•RCMP VIN Search: <http://app.cpic-cipc.ca/English/searchformvin.cfm>

- CARFAX or CARPROOF: www.carproof.com; www.carfax.com

Explanation summaries (note that you will need the vehicle’s VIN to perform the search. All vehicles have a unique vehicle identification number or VIN).

SGI VIN search - Saskatchewan: The Saskatchewan VIN search is a free online service offered by SGI and tells you the Saskatchewan status of the vehicle, the most recent Saskatchewan registration expiry date, the past damage claims reported to SGI and the value of the appraised damages, and whether the Saskatchewan PST is payable.

SGI VIN search – Cross Canada: The Cross-Canada search costs \$10 although at this time cannot be completed online. This search confirms whether or not Saskatchewan will allow a vehicle to be registered in this province determined by its status, whether the [Saskatchewan PST](#) is payable and also includes the Saskatchewan damage claims history. Only information about the availability of this search has to be provided by the dealer, it will be up to the prospective buyer if they want to obtain and pay a fee for such a search.

RCMP VIN Search – use the website to see if it has been reported stolen to police. Property reported stolen is entered into the CPIC database by police jurisdictions across Canada.

CARFAX or CARPROOF: www.carproof.com; www.carfax.com These are private enterprises that collate information, into reports about a specific used car, truck or SUV, including information such as: previous registration, accident history, structural damage history, lien status, salvage or junk history, odometer readings, service and repair information, vehicle usage (taxi, rental, lease, etc.), total loss accident history, recall information. Note the information is only reported if it is elsewhere available. There is a fee for such services.

12. DEALER RECORD KEEPING REQUIREMENTS [5-19]

Dealers should review their records management processes to ensure that they will conform to the new regulations.

Definitions [5-17]

'stock number' means the number or symbol that the dealer uses to identify a specific vehicle in the dealer's inventory;

'VIN' means the vehicle identification number, the vehicle information number or, in the case of a snowmobile, the serial number, that is unique to the vehicle.

Record Keeping Requirements:

5-19(1) Every dealer shall keep a record of all vehicles purchased, sold, leased or taken on consignment by the dealer in any manner that will readily identify those vehicles.

(2) The records mentioned in subsection (1) must be maintained separately from any other records of the licensee that are not related to the business for which the licence was granted.

(3) Every dealer mentioned in subsection (1) shall enter in the record mentioned in subsection (1):

a) in the case of a vehicle **purchased or acquired** by the dealer:

- i. the name and address of the person from whom the vehicle was purchased or acquired;
- ii. the date on which the vehicle was purchased or acquired;
- iii. an accurate description of the vehicle, including its year of manufacture, VIN, model and details of extra equipment;
- iv. in the case of a trade-in, the allowance made; and
- v. the odometer reading at the time of purchase or acquisition.

b) in the case of a vehicle **taken on** consignment by the dealer:

- i. the name and address of the person from whom the vehicle was taken on consignment;
- ii. the date on which the vehicle was taken on consignment;
- iii. an accurate description of the vehicle, including its year of manufacture, VIN, model and details of extra equipment;
- iv. a description of all fees or charges payable by the consignor to the dealer in connection with the consignment contract; and
- v. the odometer reading at the time that the vehicle was taken on consignment; and

c) in the case of a vehicle **sold or leased** by the dealer:

- i. the name and address of the purchaser or lessee;

- ii. the date on which the vehicle was sold or leased;
- iii. an accurate description of the vehicle, including its year of manufacture, VIN, model and details of extra equipment;
- iv. the sale price or lease terms;
- v. the terms and method of payment;
- vi. if another vehicle is accepted as a trade-in or other property is given in exchange, a description of that vehicle or other property, including, as applicable, its year of manufacture, VIN, model and amount of trade-in or exchange allowance;
- vii. the stock number;
- viii. the odometer reading at the time of sale or lease; and
- ix. the name of the salesperson.

(4) The dealer must keep a copy of every contract entered into in the course of the licensee's business for which the licence has been granted.

(5) The dealer must keep a record of every advertisement that lists a price of a specific vehicle.

For the purposes of keeping records - the prescribed period is the longer of:

- a) five years; or
- b) if the dealer provides financing to the purchaser, the period of the loan agreement.

To meet this requirement, dealers can elect one or more of the following:

- keep a paper copy of each advertisement
- keep an electronic copy of the advertisement (scanned or kept as an electronic picture)
- keep a written or electronic record of the advertisement on a spread sheet with sufficient information such as date of the advertisement, where and when placed, stock number of the vehicle, price advertised, dates advertised etc.

To avoid later disputes, once the vehicle is sold, dealers should:

- keep a copy of the lowest price advertisement for that specific vehicle
- keep a copy of any time limited advertisement associated with that vehicle
- list the advertised price of the vehicle on the sales contract, and
- attach a copy of the related advertisement to the dealers' record of the final sales contract.

Transition - A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-19 with respect to the keeping of records until August 1 2016 [5-30(6)].

13. TRANSITIONAL PROVISIONS

5-30(1) in this section, 'former Act' means *The Motor Dealers Act* as that Act existed before the coming into force of section 120 of the Act.

(2) A licensee who was licensed pursuant to the former Act is not required to submit an annual return pursuant to section 5-5 until the first anniversary date of the issuance of the licensee's licence that occurs at least six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(3) A licensee who was licensed pursuant to the former Act is not required to submit a vehicle contract for filing pursuant to section 5-12 until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(4) A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-14 with respect to its premises until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(5) A licensee who was licensed pursuant to the former Act is required to provide to the director an updated criminal record check at the time the licensee is required to file an annual return pursuant to subsection (2).

(6) A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-19 with respect to the keeping of records until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(7) A licensee who was licensed pursuant to the former Act is not required to meet the requirements of section 5-15 with respect to financial security until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force".

Coming into force

7(1) Subject to subsections (2) and (3), these regulations come into force on the day on which these regulations are filed with the Registrar of Regulations.

(2) Subject to subsection (3), subsection 3(1) and sections 4 to 6 come into force on the day on which section 120 of *The Consumer Protection and Business Practices Act* comes into force.

(3) If section 120 of *The Consumer Protection and Business Practices Act* comes into force before the day on which these regulations are filed with the Registrar of Regulations, subsection 3(1) and sections 4 to 6 come into force on the day on which these regulations are filed with the Registrar of Regulations.

14. LICENSING CONDITIONS [s. 63 - 71 of The Act]

A. Terms and Conditions

63(1) Subject to section 71, at the time a licence is issued, the director may establish any terms and conditions for the licence that the director considers necessary.

(2) Subject to section 71, at any time after a licence is issued, the director may do all or any of the following:

- a) amend, modify or vary terms and conditions established for the licence;
- b) establish new terms and conditions for the licence;
- c) repeal terms and conditions established for the licence and substitute new terms and conditions in their place.

64 No licensee shall fail to comply with the terms and conditions established for the person's licence.

B. Suspension or Cancellation

The legislation prescribes a process should it be necessary to suspend or cancel a license. Where a license is suspended or cancelled the dealer has the right to appeal that decision.

65(1) Subject to section 71, the director may suspend or cancel a licence:

- (a) for the same reasons that the director might have refused to issue the licence pursuant to section 61;
- (b) if the licensee has failed to comply with this Act or the regulations; or
- (c) if there has been a prescribed change in the licensee's circumstances.

(2) If the director considers it appropriate to do so, and on receipt of any prescribed reinstatement fee, the director may reinstate a licence that has been suspended.

66(1) Subject to the regulations, a licence issued to a designated business is automatically cancelled if there is a change in ownership of the designated business.

(2) In the event of a change in ownership of a designated business, the person acquiring ownership of the designated business must apply for a new licence for each location where a licence is required pursuant to section 57.

C. Appeals

71(1) In this section, "action" means an action that the director may take to refuse to issue a licence, to establish terms and conditions for a licence or to suspend or cancel a licence.

(2) Before taking an action, the director shall give the person who is the subject of the proposed action a written notice:

- a) setting out the action proposed to be taken by the director and the grounds that, in the director's opinion, justify the action; and
- b) informing the person of the person's right to make representations to the director as to why the action should not be taken.

(3) A person to whom a notice is sent pursuant to subsection (2) may, within 10 business days after receiving that notice, advise the director that:

- a) the person requests an oral hearing; or
- b) the person wishes to make written representations to the director respecting why the action should not be taken.

(4) Nothing in this section requires the director to give an oral hearing to any person who has given notice pursuant to clause (3)(b).

(5) A person who requests an oral hearing pursuant to clause (3)(a) must, within five business days after requesting the hearing, contact the director and arrange a date, time and place for the hearing.

(6) Written representations pursuant to clause (3)(b) must be received by the director within 20 business days after the person receives the notice pursuant to subsection (2).

(7) The director may take the action stated in the notice without considering any representations of the person if the person fails to:

- (a) advise the director in accordance with subsection (3);
- (b) meet the requirements of subsection (5) or (6) within the required time; or
- (c) appear on the date and at the time and place arranged for the hearing without the prior approval of the director.

(8) The director may extend the periods mentioned in subsection (3), (5) or (6) if, in the director's opinion, it is appropriate to do so.

(9) Notwithstanding subsection (2), if the director considers that it is necessary and in the public interest to take immediate action, the director may immediately take any action without giving the person an opportunity to be heard, but the director shall give the person an opportunity to make written representations or attend a hearing before the director within 10 business days after the date on which the director takes the action.

(10) On holding a hearing or receiving a person's written representations pursuant to this section, the director shall, within a reasonable period:

- a) consider the submissions and make a decision;
- b) notify the person, in writing, of the director's decision;
- c) provide written reasons for the director's decision; and
- d) provide the person with information respecting the right of appeal pursuant to section 85.

(11) Subsection (12) applies if:

- a) a licensee holds more than one licence; and
- b) the director is satisfied that the same grounds for taking action apply to more than one of the licensee's licences.

(12) In the circumstances mentioned in subsection (11), the director may provide the licensee:

- a) with one written notice pursuant to subsection (2) that references all of the licensee's licences that are to be the subject of the action; and
- b) with one oral hearing pursuant to this section that deals with all of the licensee's licences that are to be the subject of the action.

Legislative References. Unless otherwise stated, the legislative references flow from The Vehicle Dealer Regulations found at Part V of *The Consumer Protection and Business Practices Regulations* enacted in accordance with *The Consumer Protection and Business Practices Act*.

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Title

SASKATCHEWAN REGULATIONS 72/2015

The Consumer Protection and Business Practices Act

Sections 74 and 113

Order in council 415/2015, dated August 20, 2015

(Filed August 21, 2015)

1 These regulations may be cited as *The Consumer Protection and Business Practices Amendment Regulations, 2015*.

R.R.S. c.C-30.2 Reg 1 amended

2 *The Consumer Protection and Business Practices Regulations* are amended in the manner set forth in these regulations.

.....

Note to reader. These two sections were reproduced here so that the reader is informed of the document citation. Section 3 has not been reproduced in this document (for that information in the Saskatchewan Gazette, Aug 28, 2015 using the citations above).

“PART V
Designated Activities and Licensing

DIVISION 1
General”.

New sections 5-3 to 5-6

4. The following sections are added after section 5-2:

“Fees

4-3 Subject to any contrary provision in any Division of this Part, the fees for an initial application for a licence for a designated activity and for each annual return with respect to that licence are:

- (a) \$300 per year for a business with employees or agents who are licensed;
- (b) \$600 per year for a business with:
 - (i) employees or agents who are exempt from licensing; or
 - (ii) no employees; and
- (c) \$125 per year for an individual employee or agent licence.

“Duration of licence

5-4(1) Each licence issued pursuant to this Part continues in force unless it is suspended or cancelled in accordance with the Act or this Part.

- (2) Every licence is the property of the director.
- (3) The licensee must return to the director any licence issued to the licensee that is cancelled.

“Annual return

5-5(1) Every licensee must submit to the director an annual return on or before the anniversary date of the issuance of the licensee’s licence in accordance with this section.

- (2) The annual return mentioned in subsection (1) must, with respect to the previous year:
 - (a) report any change in the information required to be provided to the director pursuant to sections 58 and 70 of the Act that has not already been reported;
 - (b) include a declaration that the licensee has complied with the Act and these regulations during the period since the previous annual return;
 - (c) include confirmation, verified by the declaration mentioned in clause (b), that the information in the annual return is true; and
 - (d) include any other information required by the director.

- (3) A declaration mentioned in clause (2)(b) must be completed:
 - (a) in the case of a licensee that is a sole proprietor, by the sole proprietor;
 - (b) in the case of a licensee that is a partnership, by any partner;
 - (c) in the case of a licensee that is a corporation, by a director.
- (4) The fee for an annual return mentioned in subsection (1) must be paid to the director on or before the date mentioned in that subsection.

“Notice of cancellation

5-6(1) Subject to any contrary provision in any Division of this Part, a consumer may cancel a contract pursuant to this Part on giving a notice of cancellation in accordance with this section.

- (2) A notice of cancellation of a contract may be expressed in any way as long as it indicates the intention of the consumer to cancel the contract.
- (3) A notice of cancellation:
 - (a) may be given by a consumer to a supplier by any means, including:
 - (i) personal service;
 - (ii) registered mail;
 - (iii) courier;
 - (iv) telephone;
 - (v) fax;
 - (vi) email; and
 - (b) is deemed to be given at the time it is sent or transmitted, as the case may be”.

New Division 2 of Part V

5. The following Division is added after section 5-6:

**“DIVISION 2
Vehicle Dealers**

*Subdivision 1
General*

“interpretation of Division

5-7 In this Division:

- (a) **‘broker’** means a person whose business is restricted to the buying and selling of vehicles exclusively for dealers, or any person who holds himself or herself out as a broker;

- (b) **'consignment'** means an arrangement under which a vehicle is entrusted by a consignor to a dealer:
- (i) to facilitate a sale between a consignor and a purchaser;
 - (ii) under a conditional sale to the dealer for the purpose of resale; or
 - (iii) to display for sale by the dealer;
- (c) **'consignor'** means a consumer who makes a consignment;
- (d) **'consumer'** means a person who buys, leases or otherwise acquires a vehicle from a dealer;
- (e) **'dealer'** means a person carrying on the business of a dealership or who holds himself or herself out as a dealer, whether on the person's own account or on the account of any other person, and includes, when the context requires:
- (i) a broker;
 - (ii) a person who is in the business of selling repossessed vehicles, whether on his or her own behalf or on behalf of another owner;
 - (iii) a vehicle rental company;
- (f) **'dealership'** means a business that:
- (i) sells or leases vehicles or offers vehicles for sale or lease; or
 - (ii) takes vehicles on consignment pursuant to section 5-27;
- (g) **'fleet vehicles'** means vehicles owned by a business or government agency and used by the employees of the business or government agency for business purposes;
- (h) **'lease'** means an arrangement in which a consumer acquires the right to take possession of a vehicle from a dealer but does not acquire ownership of the vehicle;
- (i) **'repossess'** means to retake possession of a vehicle when a purchaser defaults on payments;
- (j) **'sale'** includes a disposition or acquisition of a vehicle by exchange, trade or consignment;
- (k) **'salesperson'** means an individual who sells, leases or offers for sale or lease, or solicits orders for the future delivery of, vehicles for or on behalf of a dealer;
- (l) **'vehicle'** means any self-propelled vehicle that is required to be registered pursuant to The Traffic Safety Act and includes a snowmobile;
- (m) **'vehicle contract'** means an agreement for the sale or lease of a vehicle;
- (n) **'vehicle rental company'** means a person or partnership whose business is renting vehicles on a short-term basis to consumers.

“Selling or leasing vehicles as a designated activity

5-8 For the purposes of section 55 of the Act, the selling or leasing of vehicles by a dealer is designated as a business to which Part VII of the Act applies.

“exemptions

5-9(1) This Division does not apply to the following:

- (a) a person, other than a broker, who only sells vehicles to dealers;
- (b) an auction sales company licensed pursuant to *The Auctioneers Act* that, on behalf of others, sells at auction only vehicles owned by others and not owned by itself;
- (c) the sale of vehicles by Saskatchewan Government Insurance or an insurer licensed pursuant to *The Saskatchewan Insurance Act* as a result of administering an insurance claim;
- (d) subject to subsection (2), a person:
 - (i) who trades in vehicles solely for the purpose of providing or facilitating financing for the purchase or lease of a vehicle;
 - (ii) who sells a vehicle to a dealer that the person has repossessed or seized under a security agreement; or
 - (iii) whose dealings in vehicles are incidental to his or her ordinary business of lending money or dealing in financial contracts or instruments;
- (e) a secured creditor enforcing his or her security interest;
- (f) an unpaid commercial lien claimant within the meaning of *The Commercial Liens Act* who sells a vehicle to satisfy a lien, unless that person is otherwise a dealer;
- (g) a business or government agency selling fleet vehicles if the vehicles have been owned by the business or government agency for more than one year;
- (h) subject to subsection (2), a trustee in bankruptcy, receiver, liquidator, sheriff, collateral recovery agent or person acting under an order of a court or by statutory authority or an executor, estate trustee or other trustee or a lawyer who sells a vehicle in the course of the person's duties or professional capacity;
- (i) a manufacturer, exporter, importer or distributor of vehicles that sells vehicles only to a licensed dealer or to a person who sells vehicles to a licensed dealer;
- (j) the lease of a vehicle for a term of less than 120 days.

(2) A person who is in the business of selling vehicles for or on behalf of the entities mentioned in clauses (1)(d) and (h) is a dealer for the purposes of this Division.

Subdivision 2
Licensing

“Activities for which licence required

5-10(1) Every dealer shall hold a valid licence to sell or lease vehicles.

(2) Subject to subsection (3), for the purposes of section 57 of the Act, a separate licence is required for each location from which a person carries on business as a dealer.

(3) Subsection (2) does not apply to a dealer:

(a) whose locations have the same business name, are within one kilometre of each other and form part of the same business; or

(b) who carries on business from a separate location other than the main location for not more than 30 days in any calendar year.

(4) clauses 5-12(1)(d), (h) and (i), sections 5-13 and 5-14, subsections 5-21(2), 5-22(2), 5-23(1) and 5-24(1) do not apply to a dealer who is a broker.

(5) Subsection 5-14(3), clause 5-25(2)(j), subsection 5-25(4) and sections 5-26 to 5-29 do not apply to a dealer that is a vehicle rental company.

“Fees

5-11 Subject to section 5-30, the fee for an application for a licence and for each annual return with respect to that licence is:

(a) \$300;

(b) \$400, effective January 1, 2016;

(c) \$500, effective January 1, 2017;

(d) \$600, effective January 1, 2018.

“Application requirements

5-12(1) In an application for a licence, an applicant for a licence must provide:

(a) the name of a contact person for the licensee;

(b) a business phone number registered in the name of the licensee;

(c) an email address where notices and other documents required to be delivered or sent to the licensee may be sent;

(d) evidence that the dealer meets the requirements set out in section 5-14;

(e) subject to subsection (3), a criminal record check dated no earlier than three months before the date of the application with respect to the following:

(i) in the case of a corporation, all directors and officers of the corporation;

(ii) in the case of a partnership, all partners;

(iii) in the case of a sole proprietorship, the sole proprietor;

- (f) fees as set out in section 5-11;
- (g) financial security as set out in section 5-15;
- (h) a copy of the vehicle contract used by the dealer that complies with section 5-25;
- (i) a copy of the consignment contract, if any, used by the dealer that complies with section 5-27;
- (j) a declaration verifying the information in the application; and
- (k) any other information that the director directs.

(2) Subject to subsection (3), for the purposes of clause (1)(e), if a partner of a partnership is a corporation, all directors and officers of the corporate partner must provide a criminal record check.

(3) The director may exempt any person from the requirement to provide a criminal record check.

“Filing of vehicle contract

5-13(1) Every dealer shall file with the director two copies of each form of contract for sale, lease or consignment that he or she uses or proposes to use when entering into an agreement with a consumer.

- (2) No dealer shall use a form of contract for sale, lease or consignment unless:
 - (a) the form of contract complies with section 5-25 or 5-27, as the case may be; and
 - (b) a copy of the form of contract has been returned to him or her bearing an endorsement by the director to the effect that the form has been accepted for filing.
- (3) The director may refuse to accept for filing any form of contract for sale, lease or consignment that the director determines to be objectionable.
- (4) If the director refuses to accept a form of contract for filing, the director shall, on request, specify the reason for that refusal.

“Premises

5-14(1) Subject to subsection (2), a dealer must have:

- (a) land designated for vehicle display and storage that meets zoning requirements and is capable of holding a minimum of six vehicles;
- (b) a structure where business is conducted that meets the requirements of the director;
- (c) a permanent sign that meets the director’s requirements;

- (d) a salesperson:
 - (i) who is in attendance at the premises mentioned in clause (a) to deal with consumers during normal hours of operation; or
 - (ii) who, if the premises mentioned in clause (a) are operated on an appointment basis only, is made available by the dealer at those premises:
 - (A) for an appointment within three business days after a consumer's request for an appointment; and
 - (B) for a reasonable amount of time;
 - (e) any other thing respecting premises that is required by the director.
- (2) Subsection (1) does not apply to a business outside Saskatchewan that leases fleet vehicles to persons in Saskatchewan.
- (3) A dealer must designate a facility that is available to make repairs to vehicles sold or leased by the dealer.
- (4) The director may exempt any person from any of the requirements of subsection (1).

“Financial security

5-15 Each applicant for a dealer licence must provide financial security in accordance with section 59 of the Act in an amount determined by the director that is not less than \$25,000 per licence.

“Criminal record check to be updated

5-16(1) A dealer shall provide to the director an updated criminal record check before the fifth anniversary of the date of the criminal record check provided pursuant to clause 5-12(1)(e) and before every subsequent fifth anniversary of that date.

(2) clause 5-12(1)(e) applies to a criminal record check that is to be provided pursuant to subsection (1).

Subdivision 3

Specific Requirements for Vehicle Dealers

“interpretation of Subdivision

5-17 In this Subdivision:

- (a) **‘drive-away price’** means the total charges, not including taxes payable pursuant to *The Provincial Sales Tax Act* and Part IX of the *Excise Tax Act* (Canada) or financing charges, that the consumer, if paying cash without a trade, would be required to pay to conclude a transaction, including:
 - (i) the price of the vehicle; and
 - (ii) charges for freight, inspection before delivery of the vehicle, fees and levies;

(b) **‘stock number’** means the number or symbol that the dealer uses to identify a specific vehicle in the dealer’s inventory;

(c) **‘ViN’** means the vehicle identification number, the vehicle information number or, in the case of a snowmobile, the serial number, that is unique to the vehicle.

“Production of licence

5-18 Every dealer must, when requested to do so by any of the following, produce the dealer’s licence for inspection:

- (a) a consumer or potential consumer of the dealer;
- (b) a consignor or potential consignor;
- (c) the director, an inspector or an investigator;
- (d) a bylaw enforcement officer appointed pursuant to section 337 of *The Cities Act*, section 373 of *The Municipalities Act* or section 394 of *The Northern Municipalities Act, 2010*;
- (e) a member of:
 - (i) the Royal Canadian Mounted Police; or
 - (ii) a police service as defined in *The Police Act, 1990*.

“Record-keeping requirements

5-19(1) Every dealer shall keep a record of all vehicles purchased, sold, leased or taken on consignment by the dealer in any manner that will readily identify those vehicles.

(2) The records mentioned in subsection (1) must be maintained separately from any other records of the dealer that are not related to the business for which the licence was granted.

(3) Every dealer shall enter in the record mentioned in subsection (1):

- (a) in the case of a vehicle purchased or acquired by the dealer:
 - (i) the name and address of the person from whom the vehicle was purchased or acquired;
 - (ii) the date on which the vehicle was purchased or acquired;
 - (iii) an accurate description of the vehicle, including its year of manufacture, VIN, model and details of extra equipment;
 - (iv) in the case of a trade-in, the allowance made; and
 - (v) the odometer reading at the time of purchase or acquisition;
- (b) in the case of a vehicle taken on consignment by the dealer:
 - (i) the name and address of the person from whom the vehicle was taken on consignment;
 - (ii) the date on which the vehicle was taken on consignment;
 - (iii) an accurate description of the vehicle, including its year of manufacture, VIN, model and details of extra equipment;

- (iv) a description of all fees or charges payable by the consignor to the dealer in connection with the consignment contract; and
 - (v) the odometer reading at the time that the vehicle was taken on consignment; and
- (c) in the case of a vehicle sold or leased by the dealer:
- (i) the name and address of the purchaser or lessee;
 - (ii) the date on which the vehicle was sold or leased;
 - (iii) an accurate description of the vehicle, including its year of manufacture, VIN, model and details of extra equipment;
 - (iv) the sale price or lease terms;
 - (v) the terms and method of payment;
 - (vi) if another vehicle is accepted as a trade-in or other property is given in exchange, a description of that vehicle or other property, including, as applicable, its year of manufacture, VIN, model and amount of trade-in or exchange allowance;
 - (vii) the stock number;
 - (viii) the odometer reading at the time of sale or lease; and
 - (ix) the name of the salesperson.
- (4) The dealer must keep a copy of every contract entered into in the course of the dealer's business for which the licence has been granted.
- (5) The dealer must keep a record of every advertisement that lists a price of a specific vehicle.
- (6) For the purposes of subsection 73(2) of the Act, the prescribed period is the longer of:
- (a) five years; or
 - (b) if the dealer provides financing to the purchaser, the period of the loan agreement.

“Prohibited sales

5-20(1) No dealer shall sell a vehicle to a person who is not licensed pursuant to this Division if the dealer knows or should reasonably be expected to know that the person is in the business of purchasing vehicles for the purpose of resale.

(2) No dealer shall sell or lease to a consumer a vehicle that is not equipped as required by section 114 of *The Traffic Safety Act* unless:

- (a) the dealer has identified on the vehicle contract that the vehicle is not equipped as required by that section; and
- (b) the consumer has acknowledged in writing that he or she does not intend to drive the vehicle on a highway until the vehicle is equipped as required by that Act.

(3) No dealer shall sell a used vehicle to a consumer unless the dealer has provided information with respect to the availability of and information that can be obtained from a search of other jurisdictions, including jurisdictions outside Canada, for vehicle damage information.

“Advertising

5-21(1) No dealer or salesperson shall publish or cause to be published in a newspaper or other printed or electronic publication an advertisement for the sale of a vehicle unless the advertisement contains:

- (a) the name of the dealer; or
- (b) the words ‘Dealer Licence Number’ or the initials ‘DL’ followed by the number of the licence issued to the dealer pursuant to this Division.

(2) A dealer must ensure that every advertisement for a dealer’s business that promotes the purchase or lease of a vehicle from the dealer:

- (a) does not misrepresent, through statements or omissions, a vehicle’s mechanical or structural condition;
- (b) uses descriptions and makes promises only in accordance with actual conditions, situations and circumstances;
- (c) does not use a font that due to its size or other visual characteristics is likely to materially impair the legibility or clarity of the advertisement;
- (d) does not use the words, or words similar to, ‘demonstrator vehicle’ or ‘demo vehicle’ unless the vehicle in question was purchased new by the dealer and used primarily for sales demonstrations by the dealer;
- (e) does not use the words, or words similar to, ‘savings’, ‘discount’, ‘percentage off the purchase price’, ‘free’, ‘invoice price’, ‘below invoice’, ‘dealer’s cost’, ‘at cost’, or ‘employee pricing’ or show a price that is a specified amount above or below invoice or cost unless the claims represented by the words, or the price shown, can be substantiated;
- (f) does not use the words, or words similar to, ‘wholesale’, ‘take over payments’ or ‘repossession’ unless the claims represented by the words can be substantiated;
- (g) does not imply that a warranty exists with respect to a vehicle or a repair or service unless that warranty with respect to the vehicle, repair or service exists and is available at the price advertised;
- (h) does not make comparisons or claims of superiority unless the results of the comparisons or the claims can be substantiated; and
- (i) if a specific vehicle is advertised as being available at the time the advertisement is placed and if the dealer lists the price of the vehicle, whether or not the advertisement contains a picture of the vehicle, includes the drive-away price and the stock number.

(3) Subsection (2) applies notwithstanding that a dealer’s advertisement is shown in association with a national advertisement placed by a person who is exempt from licensing pursuant to this Division.

(4) If a vehicle is displayed for sale at the dealer's premises and the price of the vehicle is displayed, the price displayed must be the drive-away price.

(5) A dealer who advertises a periodic payment for a vehicle that is to be financed on approved credit must include in the advertised price the total charges that the consumer would pay if credit is approved, not including taxes payable pursuant to *The Provincial Sales Tax Act* and Part IX of the *Excise Tax Act* (Canada).

“Disclosure

5-22(1) In this section, **‘material fact’** means information that is known to the dealer or that the dealer should reasonably be expected to know that could reasonably be expected to influence a reasonable consumer's decision to buy or lease, or refuse to buy or lease, a vehicle from the dealer, and includes:

- (a) in the case of a new vehicle, whether the vehicle has sustained damage requiring repairs costing more than 20% of the asking price of the vehicle;
- (b) in the case of a used vehicle:
 - (i) a current printed VIN search result provided by Saskatchewan Government Insurance;
 - (ii) whether the vehicle has been used as a taxi, police or emergency vehicle or in organized racing;
 - (iii) if the vehicle has been owned by a vehicle rental company within the previous 24 months;
 - (iv) if the vehicle was previously registered in a jurisdiction other than a jurisdiction in Canada within the previous 36 months;
 - (v) whether the vehicle has been brought into Canada specifically for the purpose of resale;
 - (vi) that the odometer of the vehicle:
 - (A) does not accurately record the true distance travelled by the vehicle; or
 - (B) has been replaced or altered;
- (c) in the case of a new or used vehicle, the location mentioned in subsection 5-14(3), if the facility is more than 80 kilometres from the dealer's premises.

(2) Every dealer must disclose in writing the following to the prospective purchaser or lessee before the contract of sale or lease is entered into by the purchaser or lessee:

- (a) all material facts, as known by the dealer or that the dealer should reasonably be expected to know at the time the vehicle contract is entered into;
- (b) all of the elements of a vehicle contract as set out in subsection 5-25(2) except clauses (b), (i), (j) and (l);
- (c) if a drive-away price has been advertised or displayed, the drive-away price.

“Remedy for non-disclosure

5-23(1) If, at the time the vehicle contract is entered into, a dealer does not provide disclosure as required by subsection 5-22(2), or provides disclosure that the dealer knows or should reasonably be expected to know is false or misleading and if:

(a) the failure to disclose or the false or misleading disclosure is remediable and not of a substantial character, the consumer may, at his or her option, recover damages for losses that he or she has suffered and that were reasonably foreseeable as liable to result from the failure to disclose or the false or misleading disclosure; or

(b) the failure to disclose or the false or misleading disclosure is of a substantial character, the consumer, at his or her option, may reject the vehicle and in that case, the consumer is entitled:

(i) to recover the purchase price from the dealer; and

(ii) to recover damages or any other losses that the consumer has suffered and that were reasonably foreseeable as liable to result from the failure to disclose or the false or misleading disclosure.

(2) If clause (1)(b) applies and the consumer rejects the vehicle, subsections 28(2) and (3) of the Act apply.

(3) Subsection (1) does not apply to a dealer who leases a new vehicle to a consumer and who, during or at the end of the term of the lease, enters into a contract with the consumer to sell the vehicle.

“Return of deposit

5-24(1) A dealer shall accept a deposit from a consumer before entering into a vehicle contract only in accordance with this section.

(2) No dealer shall require or accept a deposit that is greater than 2% of the purchase price of the vehicle.

(3) If a consumer does not enter into a vehicle contract for the vehicle for which the deposit mentioned in subsection (1) was given, no dealer shall retain a deposit given by the consumer unless the deposit was used to defray an actual expense to acquire a vehicle that was not in the possession of the dealer at the time the deposit was taken.

(4) On or before the payment of a deposit by the consumer, the terms and conditions of the deposit taken by the dealer must be provided to the consumer in writing and must include conditions for the return of the deposit.

(5) Any deposit that is returned to the consumer must be in the same form as it was provided.

(6) A consumer is entitled to the return of the full deposit if the dealer fails to comply with this section.

“Vehicle contract requirements

5-25(1) On the sale or lease of a vehicle, the dealer must complete a form of vehicle contract that meets the requirements of this section and that has been filed with the director pursuant to section 5-13.

- (2) Each vehicle contract must contain, at a minimum:
 - (a) the names and addresses of the purchaser or lessee and the dealer;
 - (b) the date of the contract;
 - (c) the make, model and year of the vehicle and any specific model identifier;
 - (d) the VIN;
 - (e) particulars of extra equipment or accessories to be provided;
 - (f) the odometer reading;
 - (g) 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;
 - (h) the selling price, or if sold at an auction, the final bid price;
 - (i) the actual amount of the down payment or deposit, if any;
 - (j) details of trade-in or exchange, if any, including the amount of any outstanding security relating to the trade-in or exchange;
 - (k) additional warranties, if any;
 - (l) if the dealer financed the purchase or lease, a statement to that effect; and
 - (m) the name of the salesperson.
- (3) If a vehicle is sold by a dealer at an auction, the auctioneer must provide the winning bidder with the name and address of the dealer.
- (4) In addition to the requirements of subsection (2), a vehicle contract that is for the lease of a vehicle must contain, at a minimum:
 - (a) the amount due at lease signing or delivery;
 - (b) the monthly payment and the date in each month that the monthly payment is due;
 - (c) any other charges that the lessee is to pay;
 - (d) the amount of total payments that will be made over the term of the lease;
 - (e) the portion of the total payments mentioned in clause (d) that constitutes finance charges;
 - (f) a calculation of how the monthly payment is determined;
 - (g) a statement of the rights and obligations of the lessee in the event of early termination of the lease;
 - (h) the amount to be paid by the lessee in the event of early termination of the lease;

- (i) an explanation of what constitutes normal wear and tear, including details regarding any obligations the lessee may have for payment for excessive wear and tear;
 - (j) the amount to be paid by the lessee for excessive mileage;
 - (k) the lessee's responsibilities respecting maintenance of the vehicle;
 - (l) the lessee's responsibility to maintain insurance, including insurance against a stolen or destroyed vehicle, and details of the payee of the insurance proceeds;
 - (m) the lessee's option to purchase at the end of the lease; and
 - (n) the lessee's option to purchase before the end of the lease, if any.
- (5) The dealer shall ensure that there is a separate vehicle contract for each vehicle that the dealer sells or leases.
- (6) If two or more persons jointly purchase or lease a vehicle, they must all be shown as owners or lessees on the vehicle contract.
- (7) For each vehicle contract mentioned in subsection (1) entered into by the dealer, the dealer shall ensure that:
- (a) the contract is signed by the parties; and
 - (b) the purchaser or lessee receives a copy of the contract immediately after signing it.
- (8) The director may require that a standard form of vehicle contract containing the elements mentioned in subsections (1) and (2) be used by any or all dealers.
- (9) Nothing contained in a vehicle contract mentioned in this section prevents a consumer in an action on the contract from raising a representation made by the dealer or a salesperson.

“Consignment contracts

5-26(1) In this section and in section 5-27, ‘**consignment contract**’ means a contract between a dealer and a consignor for the sale by the dealer of a vehicle owned by the consignor that is in a form that:

- (a) meets the requirements of section 5-27; and
 - (b) has been filed with the director pursuant to section 5-13.
- (2) Subsection (1) and section 5-27 do not apply if the consignor is a dealer.

“Form of consignment contract

5-27(1) If a consignment is negotiated between a dealer and a consignor, the dealer must prepare a consignment contract and provide the consignor with a copy of the consignment contract at the time of signing by the consignor.

- (2) The consignment contract must contain, at a minimum:
- (a) the names and addresses of the consignor and the dealer;
 - (b) the commencement date and the termination date of the consignment;
 - (c) a complete description of the vehicle being consigned, including the year, make, model, VIN and odometer reading;

- (d) confirmation from the consignor that the consignor owns the vehicle and has the right to sell the vehicle;
- (e) confirmation from the consignor that the consignor will not take any action that affects his or her authority to sell the vehicle until it is sold pursuant to the consignment agreement or the consignment agreement is otherwise terminated;
- (f) confirmation that any outstanding liens will be discharged at the time of sale;
- (g) the minimum price the consignor will accept for the sale of the vehicle;
- (h) a description of all fees or charges payable by the consignor to the dealer in connection with the consignment contract;
- (i) a description of any warranty or guarantee assignable by the consignor;
- (j) a statement of the responsibilities of both the consignor and the dealer with respect to insurance coverage on the vehicle during the period of the consignment; and
- (k) a statement allowing for or restricting the use of the vehicle during the period of the consignment.

“Responsibilities of dealer

5-28 If a consigned vehicle is sold:

- (a) the dealer must notify the consignor of the sale of the consigned vehicle no later than one business day after the sale of the consigned vehicle; and
- (b) disbursement of the sale proceeds must take place within 30 days after the sale of the consigned vehicle unless the consignor specifically waives this right, in writing, after the sale.

“Warranty

5-29(1) In this section, **‘power train’** means the engine, transmission, drive shafts, differential and the components required to deliver torque to the drive wheels of a vehicle.

(2) For any sale or lease of a used vehicle by a dealer, if the vehicle has been driven a distance less than 200 000 kilometres, the dealer must provide a minimum warranty on the power train for 30 days or 1 000 kilometres, whichever occurs first.

(3) Subject to subsection (4), for the purposes of subsection (2), if any component of the power train fails during the warranty period, it is deemed to be a breach of substantial character within the meaning of clause 28(1)(b) of the Act.

(4) The dealer may require the consumer to pay a maximum of \$200 towards the cost of repair of the vehicle or recovery pursuant to clause 28(1)(b) of the Act.

(5) The warranty provided by subsection (2) does not diminish any other warranty provided by the Act, the dealer, the manufacturer or any other party.

- (6) The warranty provided by subsection (2) does not apply if:
- (a) it can be demonstrated that, during the minimum warranty period, the vehicle was used or misused in a manner that was not reasonably intended when it was sold; or
 - (b) the problem with the component that resulted in the failure was disclosed in writing to the consumer before or at the time the consumer signed the vehicle contract and the consumer acknowledged the disclosure in writing.

“Transitional

5-30(1) In this section, ‘**former Act**’ means *The Motor Dealers Act* as that Act existed before the coming into force of section 120 of the Act.

(2) A licensee who was licensed pursuant to the former Act is not required to submit an annual return pursuant to section 5-5 until the first anniversary date of the issuance of the licensee’s licence that occurs at least six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(3) A licensee who was licensed pursuant to the former Act is not required to submit a vehicle contract for filing pursuant to section 5-12 until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(4) A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-14 with respect to its premises until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(5) A licensee who was licensed pursuant to the former Act is required to provide to the director an updated criminal record check at the time the licensee is required to file an annual return pursuant to subsection (2).

(6) A licensee who was licensed pursuant to the former Act is not required to meet the requirements set out in section 5-19 with respect to the keeping of records until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force.

(7) A licensee who was licensed pursuant to the former Act is not required to meet the requirements of section 5-15 with respect to financial security until the date that is six months after the day on which section 5 of *The Consumer Protection and Business Practices Amendment Regulations, 2015* comes into force”.

Coming into force

7(1) Subject to subsections (2) and (3), these regulations come into force on the day on which these regulations are filed with the Registrar of Regulations.

(2) Subject to subsection (3), subsection 3(1) and sections 4 to 6 come into force on the day on which section 120 of *The Consumer Protection and Business Practices Act* comes into force.

(3) If section 120 of *The Consumer Protection and Business Practices Act* comes into force before the day on which these regulations are filed with the Registrar of Regulations, subsection 3(1) and sections 4 to 6 come into force on the day on which these regulations are filed with the Registrar of Regulations.