

IMPACT

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Summer sales: advertising with stock numbers

AMVIC inspectors have become aware of automotive businesses who are advertising specific vehicles without including vehicle stock numbers, meaning they are advertising vehicles that are not on the sales floor and are actually “order-in only” vehicles. In addition to this, the automotive businesses are incorrectly advertising a specific price for the vehicle.

When placing an advertisement for a specific vehicle available for sale from your inventory, ensure you comply with Sections 11(2)(l) and 11(2)(m) of the Automotive Business Regulation (ABR).

ABR Section 11(2)(l) outlines all-in pricing. When an AMVIC-licensed seller advertises the price of a vehicle it must include all fees and charges the seller intends to charge. The only fee that can be added to the advertised price is GST and any costs associated with financing (if applicable).

ABR Section 11(2)(m) states the advertisement must include the stock number of the specific vehicle that is advertised as being available for sale at the time the advertisement is placed. This means if a specific vehicle is being advertised, it must have a clearly stated and unique stock number.

Having the ability to order a vehicle does not mean the vehicle is in your possession and is available to the consumer. If you wish to place a general advertisement noting that consumers can order a type of vehicle, stock number and price don't have to be included in the advertisement.

Refer to the advertisement example provided for correct advertising with a stock number. More examples of compliant advertisements can be found in AMVIC's advertising toolkit on amvic.org.

Click ad example:

Looking for your next dream car?

We have pre-owned 2023 XYZ Hatchbacks available!



2023 XYZ Hatchback
Stock #: 99995555-001

[Click here](#) for more details

Glimmer Auto



Ad re-directs to page on website for more details about the car:

Re-direct link should be a specific page unique to the car advertised and not just re-direct to the general home page when clicked:

www.glimmerauto.com/inventory/2023/stock99995555001

\$39,999.99
all-in price, excludes GST



Model: XYZ Hatchback
Year: 2023
Price: \$39,999.99 (total all-in price, excludes GST)
Stock #: 99995555-001
Trim: SXM - hatchback
Colour: Grass Green

Disclosure: this vehicle was previously used as a rental vehicle from May 2023 to June 2023.

Call to book a test drive: 587-999-9999
Ask about our financing options.





Salesperson registration age requirement

AMVIC has updated its [Licensing Policy](#) to include the minimum age requirement of the applicant. All applicants must be 18 years or older to apply for a salesperson registration with AMVIC. Proof of age must be included in the online application in the form of photo identification such as a driver's licence, passport or a government-issued ID card. The updated policy is available on [amvic.org](#).

AMVIC also requires background checks on all applicants, as per the statutory authority to collect a background check provided for in Section 126 (1)(b) of the *Consumer Protection Act*, RSA 2000 Chapter F-2:

"126 (1) A person who wishes to be licensed or to have a licence renewed under this Act must submit to the Director;

(b) any additional information that is requested by the Director, including a criminal record check or authorization to obtain a criminal record check."

[Provincial automotive salesperson authorization](#) must be done through AMVIC Online by the business. Click on "LOGIN" at the top right corner, click on the "Licensee Portal" button and then log in to your account.

Salespeople must successfully complete their application within 30 days, including successfully passing the course, before their registration can be issued. A salesperson must be authorized to act on behalf of a business and be "linked" to a licensed automotive business.

An unregistered salesperson can be charged with an offence under the *Consumer Protection Act*. The business can be charged for allowing an unregistered salesperson to conduct transactions.

Visit [amvic.org](#) for salesperson resources.

Salesperson resources

2023 has seen a steady increase of new salespeople becoming registered with AMVIC. To date, the second quarter of 2023 has 10,765 registered salespeople which is an increase of almost 400 compared to the second quarter of 2022.

As a registered salesperson in Alberta, AMVIC encourages you to stay up to date about best practices within the automotive industry. AMVIC has numerous free resources available on [amvic.org](#), offering effective ways for you to remain informed and provide excellent customer service. Some of these resources include:

- **The AMVIC advertising toolkit**
The [advertising toolkit](#) is a great tool that is readily available on [amvic.org](#), which includes the advertising 101 module from both the Salesperson Registration Course and the Service and Repair Course. You have access to this module even after you have completed the course. The toolkit also includes social media advertising examples and the AMVIC logo.
- **Monthly industry bulletins**
Besides our quarterly publication of Impact, AMVIC publishes an industry bulletin every month. These publications are geared towards the automotive industry and often have useful advice, links to relevant legislation and industry news. You can sign up to receive these publications by going to [amvic.org](#) and clicking on the "subscribe" button.
- **Business forms**
Current forms such as the Mechanical Fitness Assessment or an optional deposit agreement are available on [amvic.org](#) as a downloadable and printable PDF.
- **AMVIC Online**
[AMVIC Online](#) is a self-serve portal where you are able to manage your salesperson registration, renew your registration and update your personal information, including your place of employment.

Read more about how AMVIC promotes education and information exchange between industry, government and consumers on [amvic.org](#).



New AMVIC enforcement section in Impact

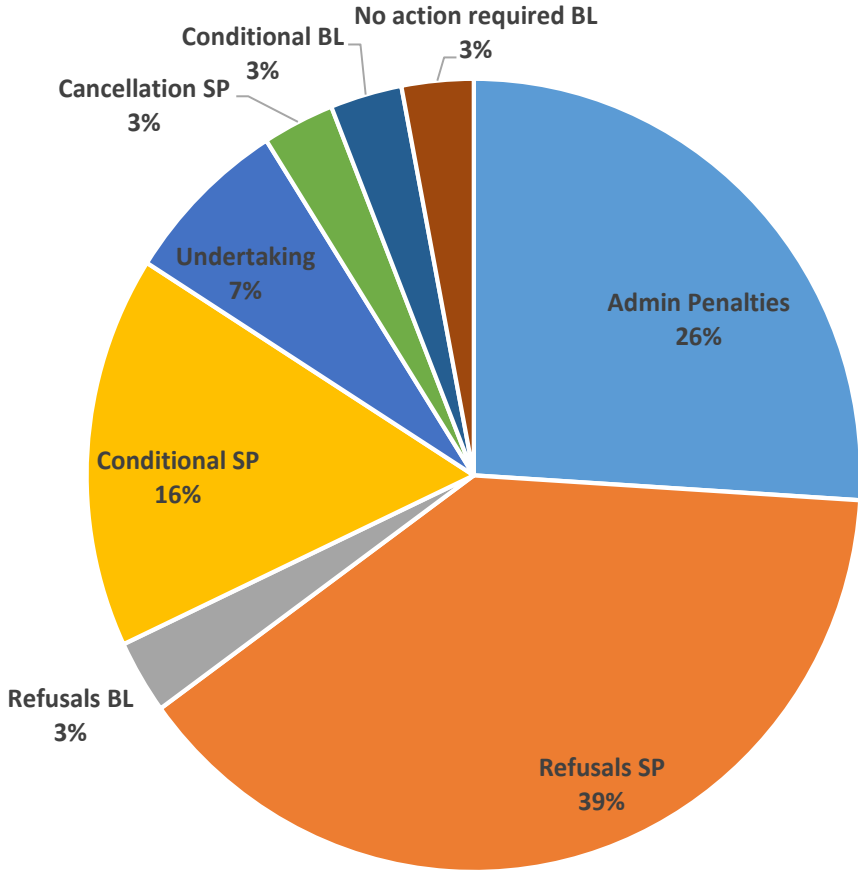
AMVIC is adding an administrative enforcement section to Impact, which is published on amvic.org and distributed to industry members throughout Alberta, on a quarterly basis. The purpose of this addition to Impact is to highlight the importance of adherence to legislation.

As the regulator of Alberta’s automotive industry, AMVIC makes public, on its website (as per the *Consumer Protection Act* (CPA) Section 157.1 (1) and (3)), information that is related to breaches of legislation. A record of Undertakings, Director’s Orders, court orders, Administrative Penalties and any other prescribed document or information (collectively known as administrative enforcement) is available on amvic.org.

As a licensed business, there is an onus to adhere to Alberta’s consumer protection laws. Should a breach of the legislation occur, AMVIC follows a progressive enforcement model that could include a form of administrative enforcement, up to and including a licence cancellation. The Director of Fair Trading (as delegated) produces a quarterly report to the AMVIC Board of Directors, which summarizes the enforcement activities for that quarter. The chart below illustrates activities for Q4 2022 – 2023.

Visit amvic.org for more helpful compliance resources for your business to avoid enforcement actions.

Q4 administrative review enforcement actions 2022 - 2023



► Pie chart legend:
BL = Business licence
SP = Salesperson



Advertised Price Compliance Inspection and Enforcement Project

As previously highlighted in Impact Vol. 1, 2023, AMVIC conducted a major inspection project focused primarily on all-in pricing compliance. The project, called the Advertised Price Compliance Inspection and Enforcement Project, inspected a total of 44 franchise dealers between Jan. 24 and Feb. 10, 2023.

Businesses included in this project are in Calgary, Edmonton, Sherwood Park, Stony Plain, Spruce Grove, Wetaskiwin, Nisku, Leduc and Red Deer. In all cases, the businesses had been previously inspected and informed of specific areas of regulatory non-compliance.

The updated project results are:

- Six businesses were found to be fully compliant, with no vehicles sold over the advertised price.
- Thirteen businesses were issued warning letters.
- One business was served with a Director's Order.
- Twenty-four businesses were recommended for administrative reviews.

The project will be complete by the fall 2023, however at this point the current total value of the proposed and final Administrative Penalties is \$280,500. This is subject to change until all the files have been concluded.

From Jan. 1, 2021 to March 1, 2023, AMVIC issued 20 publications that mention advertising or all-in pricing. In addition to these publications, the AMVIC advertising toolkit on amvic.org contains guides, examples, advertising 101 learning modules, the AMVIC logo, and links to the relevant laws and regulations.

As a licensed member of Alberta's automotive industry, businesses will have received these publications, and are expected to review those bulletins and newsletters to check all business practices are in compliance. This information is publicly available on amvic.org.

Many enforcement actions are publicly posted on amvic.org in accordance with:

Consumer Protection Act Section 175.1(1): "The Director must maintain a public record of the undertakings, Director's Orders, court orders and injunctions and any other prescribed document and information"; and

Consumer Protection Act Section 157.1(3): "The Director must maintain a public record of administrative penalties and may prescribe the form of the public record and the documents and information that must or may be included in it."

All-in pricing is the law in Alberta. This means when an AMVIC-licensed business advertises the price of a vehicle it must include ALL fees and charges the seller intends to charge. The only fee that can be added to the advertised price is GST and any costs associated with financing (if applicable). Adding administrative or documentation fees on top of an all-in advertised price is illegal.

Selling a vehicle over the advertised price, misrepresenting fees or failing to properly disclose additional fees are in contravention of the *Consumer Protection Act*.



Q2 levies due by July 31, 2023

Every automotive business that sells or leases vehicles in Alberta is required to remit a \$6.25 levy per vehicle sold or leased, to AMVIC. We are reminding businesses licensed for retail sales and leasing that levy payments are due quarterly.

Levy payments that accumulated from April 1 to June 30, are due in July 2023.

How to remit the levy payment.

Levy payments are due quarterly and payments can be remitted through your [AMVIC Online account](#).

AMVIC receives its authority to collect a levy from Section 136(8) of the *Consumer Protection Act* (CPA).

Services such as licence renewals, registration, courses and levy payments by credit card or Interac debit are all available on your AMVIC Online business profile.

For more information such as levy remittance on consignment, fleet sales, recreational vehicles and more, visit amvic.org.



Did you know?

Keep an eye out for the AMVIC 2022 – 2023 annual report that will be available to the public later this summer. Annual report statistics include the total businesses licensed and salespeople registered (three-year comparison), top inspection concerns and enforcement actions in 2022 – 2023.

AMVIC by the numbers

2022 - 2023



***Statistics are from the 2022 – 2023 fiscal year (April 1, 2022 – March 31, 2023).**



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