

IMPACT

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Vehicle sales levy and single sales licence fee increases coming April 1, 2024

Changes are coming to AMVIC's vehicle sales levy, single sales business licensing fee, along with improvements to the Compensation Fund.

The vehicle sales levy will increase from \$6.25 to \$10 and the annual single sales business licence fee will increase from \$175 to \$250. Other licence class fees are not affected. The fee increases and changes to the Compensation Fund will take effect on April 1, 2024.

AMVIC's revenue comes from the vehicle sales levy, licence fees, registration fees and course fees. The authority to collect money is through Section 136(8) of the *Consumer Protection Act*. The vehicle sales levy has not increased in 13 years and the single sales business licence fee has not increased in 19 years.

The increased funding will help expand AMVIC's capacity in numerous areas, including:

- education and communication initiatives directed at consumers and industry;
- resources to educate and inspect 7,800 automotive businesses; and
- ability to process and investigate more than 2,700 consumer complaints per year.

The levy increase is also a reminder that all-in advertised pricing is the law. The AMVIC vehicle sales levy must be included in the advertised price of a vehicle.

AMVIC administers a Compensation Fund which compensates consumers in the event they suffer a financial loss as a result of dealing with an AMVIC-licensed business that is no longer operating. Since 2012, 175 consumers have received more than \$1.6 million in compensation.

Compensation Fund improvements include:

- increasing the maximum payout per claim from \$25,000 to \$30,000;
- removing the \$300,000 cap which allows more timely responses to claims;
- creating a dedicated revenue stream; and
- boosting the fund size to \$5 million from \$4 million.

Over the coming months, AMVIC will be communicating regularly with industry and consumers through bulletins, the Impact newsletter, social media, and on amvic.org to ensure that industry members and consumers are made aware and are reminded of the changes.

If you have any questions regarding these changes, or would like additional information, please [contact AMVIC at licensing@amvic.org](mailto:licensing@amvic.org).

Forced financing

Forced financing is becoming more and more prevalent in the automotive industry. AMVIC is aware of this practice as the result of multiple consumer complaints received. Remember, under Section 68 of the *Consumer Protection Act* (CPA), the consumer has the right to pay off any non-mortgage loan in full any time without penalty.

Section 6(3) of the CPA states, "It is an unfair practice for a supplier (a) to enter into a consumer transaction if the supplier knows or ought to know that the consumer is unable to receive any reasonable benefit from the goods or services; (b) to enter into a consumer transaction if the supplier knows or ought to know that there is no reasonable probability that the consumer is able to pay the full price for the goods or services; (c) to include in a consumer transaction terms or conditions that are harsh, oppressive or excessively one-sided."

This includes accurate advertising. An advertisement must clearly state if the price is a finance-only price and not a cash price.

Always be clear on all details of the advertisement to ensure that you are not in violation of the all-in advertised pricing laws stated in the Automotive Business Regulation Section 11(2)(l). Advertisements will be deemed non-compliant if there is a price difference based on the type of payment and there is no mention of that in the advertisement.

If it is your policy to finance all vehicle transactions, the onus falls on the business to make sure that the consumer is aware of all requirements as listed in the [Cost of Credit Disclosure Regulation](#) before entering into a financing contract. In addition to this, a disclosure statement regarding the credit agreement must be provided on or attached to the bill of sale.

Visit AMVIC's [advertising toolkit](#) for examples of advertisements and other resources, including AMVIC's [additional advertising laws checklist](#) that features Automotive Business Regulation (ABR) legislation.



Document accuracy importance

Accurate documents increase transparency and build trust with consumers. Documents such as a bill of sale, Mechanical Fitness Assessment (MFA) or trade-in value estimates are critical to ensure the correct information is being recorded, or in case a dispute arises. Ensuring accuracy on your documents will protect the consumer, your salespeople and your business.

Automotive businesses are required to create and maintain complete and accurate financial records (*Consumer Protection Act*, Section 132(1) and [Automotive Business Regulation](#) (ABR) Section 9). All fees and charges, the total cost of the vehicle, any deposits or down payments and any remaining balance are examples of information that must be included.

The bill of sale must match the information provided in financing applications. The bill of sale must also accurately reflect the nature of the transaction.

Specific items that must be included are listed in the ABR, Sections 31.2(1) and (2). A bill of sale checklist is available on [amvic.org](#) to help your business address the requirements.

For a used vehicle bill of sale, the trade-in allowance must be incorporated into the cost of the purchase. This means that the total price of the trade-in vehicle must be clearly stated on the bill of sale. Inflating the vehicle price, adding fees or other products to account for negative equity is an unfair practice.

Automotive businesses must provide consumers with a completed MFA before entering into a sales agreement for any used vehicle. AMVIC inspectors have noted that businesses are not providing accurate MFAs, sometimes dating and signing their MFAs after the sale has been completed. AMVIC enforces the use of the [MFA](#).

AMVIC developed an ABR [plain language explainer document](#) to provide industry with clear information. This document outlines legal responsibilities regarding bill of sale information, vehicle history information and accurate MFA requirements.



AMVIC translated consumer guides now available in 10 different languages

Alberta is a popular choice amongst immigrants. According to the Government of Alberta [website](#), Alberta's population increased significantly (by 50,061) in the second quarter of 2023. Of this increase, international migration was the biggest driver of Alberta's growth and as such, many of Alberta's new residents may not speak English as a first language.

AMVIC recently translated its top three consumer guides into nine additional languages. If you have consumers who would benefit from information in any of the languages listed below, they are easily available on [amvic.org](#).

The "[Buying new](#)", "[Buying used](#)" and "[Service and repair](#)" consumer guides are now available as downloadable and printable documents in:

Punjabi; Tagalog; Vietnamese; Chinese; Ukrainian; French; Spanish; Arabic, and Hindi.

These guides include a checklist that helps protect the consumer against unfair practices, and include a bill of sale checklist, a vehicle history checklist, and a service and repair estimate checklist. These translated consumer guides are available at [amvic.org](#), were handed out at tradeshow and are available at the AMVIC offices.

Q2 Administrative review enforcement actions: July 1, 2023 - Sept. 30, 2023

The Administrative Penalty assessed to North Edmonton Kia of \$75,000 is the largest Administrative Penalty levied on a supplier in AMVIC's history.

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.

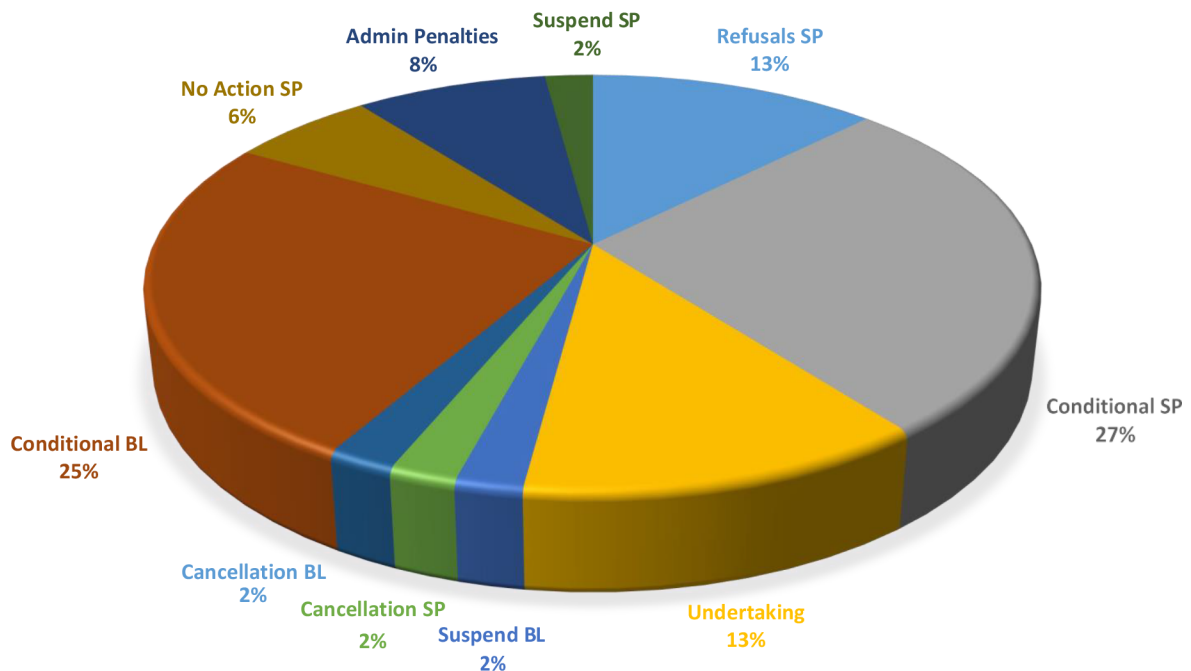
A record of Undertakings, Director's Orders, court orders, Administrative Penalties and any other prescribed document or information (collectively known as administrative enforcement) is available on amvic.org.

Administrative review outcomes may include:

- No further action
- Conditions added to licence or licence cancellation or suspension
- Administrative Penalty
- Director's Order
- Undertaking

The chart below highlights the administrative enforcement actions for Q2 of 2023 – 2024:

Overview: Administrative Review Enforcement Actions



Legend

BL = Business licence
SP = Salesperson

Consumer connections at three tradeshows in 2023

Compliance, education and communication all work together to create well-informed consumers and a level playing field for automotive businesses. AMVIC takes a multifaceted approach in providing resources to help consumers understand their rights, protections and responsibilities prior to entering into an automotive transaction.

One of the most effective ways of interacting with consumers is face to face at trade shows. AMVIC recently connected with consumers in Calgary, Red Deer and Edmonton as a way to reach out to vulnerable consumers such as new immigrants and first-time vehicle buyers.

AMVIC showcased [three translated consumer guides](#) on the topics of buying new, buying used as well as service and repair.

The consumer guides, now available in English, Punjabi, Tagalog, Vietnamese, Chinese, Ukrainian, Spanish, French, Hindi and Arabic were very popular with the attendees at the two Career Fair tradeshows and the Canadian Immigrant Fair that AMVIC attended.



Did you know?

AMVIC has an advertising toolkit available for industry that has advertising examples, free advertising lessons, advertising checklists and various versions of the AMVIC logo for use in advertisements.

Go to amvic.org/business/advertising/ to check it out.

Fraud alert

Please note AMVIC was made aware of recent phishing activity targeting industry members, attempting to get individuals to click on a link within an email that goes to a fraudulent website mimicking AMVIC’s online portal. Licensees and registrants should always only access AMVIC’s online portal through the amvic.org website.

AMVIC’s systems including the online portal and amvic.org remained secure during this phishing attempt.

An industry bulletin was sent out immediately, as well as website messaging warning industry members of this attempt.

Remember: AMVIC will never ask for a social insurance number (SIN).

Credit card information is only required at the end of an application or renewal process through a secured banking landing page.

At this time, our understanding is the fraudulent website is no longer in operation, however if you have any questions, please contact AMVIC.



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