



# Licensing Policy

Version 8  
Jan. 8, 2024  
Licensing

# Licensing Policy

## 1. Table of contents

<b>1. Table of contents .....</b>	<b>1</b>
<b>2. Introduction .....</b>	<b>2</b>
2.1 Policy statement .....	2
2.2 Purpose .....	2
2.3 Definitions.....	2
<b>3. Policy.....</b>	<b>3</b>
3.1 Duties and responsibilities.....	3
3.1.1 Authority of the Registrar .....	3
3.1.2 Manager of licensing.....	3
3.1.3 Licensing supervisor .....	3
3.1.4 Licensing advisor .....	4
3.2 Application of the policy .....	4
3.2.1 Automotive business licensing and renewal.....	4
3.2.2 Salesperson registration and renewal .....	7
3.2.3 General licensing and registration requirements .....	8
<b>4. Administration.....</b>	<b>10</b>
4.1 Related documents and legislation.....	10
4.2 Procedures .....	10
4.3 Forms .....	10
4.4 Amendment history .....	10
4.5 Scheduled review date.....	11

## 2. Introduction

### 2.1 Policy statement

The Alberta Motor Vehicle Industry Council (AMVIC) is responsible for maintaining a mandatory licensing program for automotive businesses and a registration program for automotive salespeople in accordance with the *Consumer Protection Act* (CPA), the Designation of Trades and Business Regulation, the Automotive Business Regulation (ABR), the Cost of Credit Disclosure Regulation (COCDR), the *Labour Mobility Act* and the *Fair Registration Practices Act*. For the purposes of this Licensing Policy, all acts and regulations mentioned in the policy statement will be collectively referred to as the “legislation”.

### 2.2 Purpose

The purpose of this Licensing Policy is to document the policies that support the licensing of automotive businesses and the registration of salespeople. It is intended to assist AMVIC ensure a fair and consistent process for decision making that meets the requirements of the legislation.

### 2.3 Definitions

In this policy:

- i. “administrative action” refers to the broad cross section of administrative tools available to AMVIC under the relevant legislation.
- ii. “authorized spokesperson” means an individual authorized by an automotive business to act on their behalf in all matters relating to their business account with AMVIC.
- iii. “automotive business” means a business conducting the activities of buying or selling vehicles whether as a retailer or wholesaler, including the selling of vehicles on consignment, leasing vehicles when the term of the lease is for more than 120 days, negotiating or conducting on a consumer’s behalf an agreement in which the consumer buys, sells or leases a vehicle, recycling or dismantling vehicles, or installing parts or equipment in repairing or servicing vehicles.
- iv. “Corporate Registry” is the Alberta Corporate Registry.
- v. “export” means selling vehicles to businesses outside the province of Alberta.
- vi. A “levy” is a transaction fee that is charged and remitted to AMVIC on each vehicle sold, leased or consigned by an automotive business.
- vii. “off-site sales event” refers to an automotive business holding a sales event at a temporary location.
- viii. “on-site sales event” refers to a special sale conducted at a licenced premises and involves an AMVIC licenced marketing company.
- ix. “Registrar” means the Director of Fair Trading (as delegated).

# Licensing Policy

- x. “salesperson” means a person who is authorized by an automotive sales licensee, automotive leasing licensee or automotive consignment licensee to solicit, negotiate or conclude on the licensee’s behalf an agreement to buy, sell, lease, exchange or consign a vehicle.

## 3. Policy

### 3.1 Duties and responsibilities

#### 3.1.1 Authority of the Registrar

The legal authority to licence automotive businesses and register salespeople is granted to the Director of Fair Trading (as delegated) in the CPA. The position at AMVIC that is designated the Director of Fair Trading (as delegated) is the Registrar. The CPA gives the Registrar the authority to delegate any of the powers, duties or functions under the CPA or the regulations to any person and may authorize the person to further delegate the authority. Those acting with the Registrar’s delegated authority are under the same obligations as the Registrar when exercising that authority.

This policy does not bind the Registrar or otherwise hinder or limit the authority and discretion of the Registrar when making decisions about licensing or registration. The principles of natural justice allow the Registrar to consider the unique facts and context of each licence or registration application or renewal when making a decision.

#### 3.1.2 Manager of licensing

The manager of licensing has overall responsibility for the process of licensing automotive businesses and salespeople. The role of the manager is to:

- Oversee a licensing advisor and supervisor’s review of an application, renewal or changes and assist where required;
- Consult with all departments as necessary where required to obtain further input on an application, renewal or change; and
- Where required, make recommendations to the Registrar regarding an application, renewal or change.

#### 3.1.3 Licensing supervisor

The role of the licensing supervisor is to:

- Be the primary point of contact for questions and concerns regarding licensing for automotive business and registration for salespeople;
- Provide advice and assistance to licensing advisors regarding the review of new applications, renewals or changes to files; and

## Licensing Policy

- Facilitate and nurture a positive work environment.

### 3.1.4 Licensing advisor

The role of licensing advisors is to be the primary point of contact regarding licensing for automotive businesses and registration for salespeople.

## 3.2 Application of the policy

### 3.2.1 Automotive business licensing and renewal

#### Business licence requirements

- a. An AMVIC business licence is required for the following classes of businesses:
  - Automotive sales licence class activities, including:
    - Retailer (new and/or used);
    - Wholesaler (includes exporting vehicles); and
    - Agent or broker.
  - Automotive leasing licence class;
  - Automotive consignment licence class;
  - Automotive repair licence class activities, including:
    - Garage;
    - Service station;
    - Autobody;
    - Specialty service;
    - Mobile; and
    - Recycling and dismantling.
- b. All applicants must be at least 18 years of age.
- c. All applications, renewals, remittance of sales levies where applicable, and payment of fees must be submitted through AMVIC Online.
- d. All applications and renewals must be complete, and include requested information and documentation as indicated by AMVIC, including but not limited to:
  - A business plan;
  - Bank account verification; and
  - A business principle's package for each director.
- e. All information and documentation requested must be submitted within the timeframe indicated by AMVIC. An application or renewal request for a business licence may be refused if the requested information and documentation is not provided to AMVIC within the timeframe communicated by AMVIC.

## Licensing Policy

- f. The term of a business licence is one year and must be renewed annually while the business is still in operation.
- g. Where required, automotive businesses must have municipal approval to operate from their business location and comply with all applicable municipal bylaws.
- h. When applicable, automotive businesses must have the required certified journeyperson on staff and provide AMVIC with proof of certification.
- i. If a person carries on business as an automotive business at more than one location in Alberta, each location is required to be licensed.
- j. Businesses that are required to remit sales levies must report and submit their levies to AMVIC on a quarterly basis.

### Corporate Registry

- a. All automotive business tradenames (or doing business as) must be registered with Corporate Registry to the sole proprietor, partnership or incorporated company applying for an AMVIC business licence.
- b. An applicant that is a company incorporated somewhere other than Alberta must be registered as an extra-provincial company with Corporate Registry.
- c. An automotive business must inform AMVIC of their business name(s) and operate under the name(s) specified on their AMVIC business licence.

### Security requirements

- a. The nature of wholesale and consignment sales transactions create a high risk environment for potential financial harm to consumers. In order to mitigate this risk, consignment and wholesale businesses are required to furnish security.
- b. To mitigate potential financial harm to consumers, the Registrar may make any applicant or licensee subject to a condition requiring security, in an amount set by the Registrar.
- c. An applicant must provide AMVIC with a form of security (irrevocable standby letter of credit, surety bond, or cash). If the security is in the form of cash or an irrevocable standby letter of credit, a cash security agreement is required.
- d. Security requirements apply to the following business licences:
  - Wholesale business licence - \$50,000
  - Consignment business licence - \$300,000
- e. For businesses who held a consignment licence prior to Sept. 1, 2018, the business must incrementally increase their security by \$100,000 per year starting Sept. 1, 2018, until they have reached the required security of \$300,000.

## Licensing Policy

### **Cancellation of security**

- a. All forms of security will be held for a minimum of three years after the automotive business ceases to be licensed, ceases the designated activity which required the security, or is no longer required by the Registrar to furnish the security.
- b. In the case of an irrevocable standby letter of credit or cash security, after the minimum three year period for holding security has passed, an automotive business may withdraw the total amount of the security if:
  - they provide a request signed by at least two directors of the automotive business or in the event of a single director, that individual;
  - the automotive business has no outstanding balance with AMVIC; and
  - there are no ongoing AMVIC investigations or Compensation Fund claims against the automotive business.

### **Death of a business operator**

- a. If a business operator dies during the term of the licence, the licence is considered to be active and held by:
  - the business operator's executor;
  - the administrator of the business operator's estate; or
  - the business operator's next of kin where letters of administration have not been granted.
- b. When a business operator dies, the party holding the business licence must notify AMVIC before the end of the term of the licence. AMVIC will work with the business and provide the appropriate information regarding the AMVIC licensing requirements to aid in either the winding down of the business, the individual continuing to operate the business beyond the term of the licence, or the sale of the business.

### **Licence not transferrable**

- a. An automotive business licence cannot be transferred to any other individual, partnership or corporation. When a business changes ownership, the new owner is required to submit a new application for an automotive business licence.
- b. A new automotive business licence application must be submitted where:
  - a business is transferred to a new legal entity (a new individual, partnership or corporation); or
  - the legal entity that owns the business does not change but there has been a change in ownership (Director of the entity which results in a change to the controlling interest in the automotive business).

## Licensing Policy

### Change in information

- a. An automotive business must notify AMVIC, online or on a form specified by AMVIC, within 15 days of:
  - a change in the address of the business's location;
  - a change in the partners of the business if the licence is issued to a partnership;
  - a change in the officers or directors of the corporation if the licence is issued to a corporation;
  - ceasing to carry on designated activity(s) for which the licence was issued;
  - closure of the licenced business;
  - employment or termination of registered salespeople;
  - a change in the name of the business;
  - a change in ownership of the business;
  - any change in contact information;;
  - any change of the authorized spokesperson; and
  - any addition of a designated activity.

### On and off-site sale events

- a. AMVIC ensures compliance at on and off-site sale events to ensure a fair marketplace to protect the public interest. When engaging in an on or off-site sale event, automotive businesses must:
  - hold an issued AMVIC business licence;
  - advise AMVIC of any on or off-site sale event three weeks prior to attending or starting an on or off-site sale event and complete the required AMVIC on or off-site sale event request form;
  - have municipal approval, a lease agreement or other documentation AMVIC deems sufficient to permit the business to operate at the off-site sale location; and
  - ensure all individuals soliciting, negotiating, or concluding on the businesses behalf an agreement to buy, sell, lease, exchange, or consign a vehicle hold an issued salesperson registration and are authorized to act on behalf of the business.

### 3.2.2 Salesperson registration and renewal

#### Salesperson registration requirements

- a. The online application process for an AMVIC salesperson registration may take up to 30 days.
- b. Any individual who deals with consumers directly as part of the sales process must be registered for automotive sales before acting on behalf of the business operator.
- c. All applicants must be at least 18 years of age.



## Licensing Policy

- d. All applications and renewals must be submitted through AMVIC Online, must be completed in full and must be accompanied by any required fee.
- e. An applicant must successfully complete the Salesperson Registration Course and must provide proof of employment with a licensed automotive sales business.
- f. All applications and renewals must include all requested information and documentation as indicated by AMVIC.
- g. All information and documentation requested must be submitted within the timeframe indicated by AMVIC. An application or renewal request for a salesperson registration may be refused if the requested information and documentation is not provided to AMVIC within the timeframe communicated by AMVIC.
- h. The term of a salesperson registration is one year and must be renewed annually while still employed as a salesperson.
- i. A registered salesperson may only work at the automotive business location named on their salesperson registration certificate. If an individual works as a salesperson for more than one automotive business location in Alberta they must hold a registration certificate for each business location.
- j. If a salesperson does not hold a registration for a period of more than three years, they must successfully retake the Salesperson Registration Course and reapply to be issued a new salesperson registration.

### **Change in information**

- a. If a registered salesperson changes automotive business location or gets a new employer, the salesperson must notify AMVIC of the change before acting on behalf of the new employer or business location.
- b. If a registered salesperson leaves the automotive industry they must notify AMVIC.
- c. Registered salespeople are required to provide AMVIC updates to any changes in their personal or contact information.

### **3.2.3 General licensing and registration requirements**

#### **Background check**

- a. As part of licensing an automotive business or registering a salesperson, AMVIC must assess whether an applicant would pose a risk. Individuals, including all directors of a business, must provide AMVIC a recent criminal record check with their application and provide AMVIC authorization to perform any other searches or background checks as deemed necessary. The cost associated with obtaining a criminal record check will be the responsibility of the individual.

## Licensing Policy

- b. Individuals who live or have lived outside of Canada will be required to obtain a criminal record check from the jurisdictions in which they have resided. The cost associated with obtaining the criminal record check from outside of Canada will be the responsibility of the individual.
- c. Individuals who have a criminal record may or may not pose a risk to the public or integrity of the automotive industry. Where AMVIC assesses that an individual poses some risk, AMVIC must decide:
  - whether that risk should or should not preclude the individual from being licensed or registered; and
  - if that risk does not preclude the individual from being licensed or registered, should certain conditions be placed on the business licence or salesperson registration in order to mitigate any potential risk.
- d. If an applicant has:
  - a criminal record;
  - a conviction for an offence;
  - been disciplined by another licensing body;
  - charges and conditions that are still before the courts; or
  - any outstanding warrants,it must be determined whether the applicant meets the threshold to be granted a business licence or salesperson registration.
- e. All individuals must declare any change to their criminal record or offence history when applying to renew their business licence or salesperson registration.

### **Administrative action**

The following applies to both business licences and salesperson registrations:

- a. The CPA and the ABR provide AMVIC the authority to take administrative action on automotive business licences and salesperson registrations. Administrative actions can be assessed for contraventions of the legislation. The CPA also empowers AMVIC to take administrative action in regards to any individual applying for a business licence or salesperson registration, when in the opinion of the Registrar, it is in the public interest to do so.
- b. AMVIC's policies with respect to administrative actions are found in the Administrative Actions Policy.

### **Industry standards**

- a. The CPA and the ABR provide AMVIC the authority to conduct regular inspections of all licenced automotive businesses. Automotive businesses must create and maintain complete and accurate financial records and other records and documents as described in the legislation.

## Licensing Policy

- b. All licenced automotive businesses must comply with the legislative requirements for advertising as stated in the CPA, ABR and Cost of Credit Disclosure Regulation.
- c. AMVIC's policies with respect to industry standards are found in the Industry Standards Policy.

## 4. Administration

### 4.1 Related documents and legislation

*Consumer Protection Act*

*Fair Registration Practices Act*

*Labour Mobility Act*

Automotive Business Regulation

Cost of Credit Disclosure Regulation

Designation of Trades and Businesses Regulation

AMVIC Administrative Actions Policy

AMVIC Education Policy

AMVIC Industry Standards Policy

AMVIC Mandate and Roles Document

### 4.2 Procedures

### 4.3 Forms

Automotive business on/off-site sale request form

### 4.4 Amendment history

Version	Date	Summary of update
1.	Jan. 27, 2015	Original – approved.
2.	May 10, 2016	Provision of background checks outside Canada (B.3.1.13, B.3.1.15, B4.1.2(e), B.7.1.4(b)(iv), E.3.1.4 – reviewed and approved.
3.	June 21, 2016	Retake CPA course after three years (E.3.1.9) – reviewed and approved.
3.1	Feb. 8, 2018	Administrative Change: <i>Fair Trading Act</i> to <i>Consumer Protection Act</i> (motion 18-026).

## Licensing Policy

4.	March 13, 2018	Changes to security requirements for wholesale businesses (C.2.1.13) and consignment businesses (D.2.1.12) and corresponding terminology updated as required – reviewed and approved (motions 18-057 and 18-058). Policy document formally updated March 27, 2019.
5.	April 21, 2020	Complete update of policy and move to new format.
6.	May 8, 2023	Updates to duties and responsibilities. Approved by CEO, Malcolm Knox.
7.	May 29, 2023	Updates to business and salesperson requirements. Approved by CEO, Malcolm Knox.
8.	Jan. 8, 2024	Updates to background check requirements and addition of related legislation. Reviewed and approved by AMVIC CEO, Malcolm Knox.

### 4.5 Scheduled review date

May 2026