AMVIC Alberta Motor Vehicle Industry Council

IMPACT

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Reminder: 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, as well as the rules around the Compensation Fund. The vehicle sales levy will increase to $10 (from $6.25) and the single sales business licence fee will increase to $250 (from $175). This includes the single sales, leasing and consignment licence classes. Other licence class fees are not affected. A number of improvements are coming to AMVIC's Compensation Fund. 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
- capacity to process and investigate more than 2,700 consumer complaints per year.

The vehicle sales levy increase is 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 maintains and 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.

Please ensure any and all templates, your bill of sale, advertisements, online calculators and any other documentation or publications are updated to reflect the AMVIC vehicle sales levy change to $10 by April 1, 2024. AMVIC will be reminding industry and consumers of this change via amvic.org, social media and bulletins. If you have any questions regarding these changes, or would like additional information, please contact AMVIC at licensing@amvic.org.

Fraud Prevention Month: document accuracy

Accurate documents, including a compliant bill of sale, increase transparency and build trust with consumers.

Ensuring that the correct information is being recorded on bills of sale and financing applications provided to financial institutions will protect the consumer, your salespeople and business.

Automotive businesses have an obligation to create and maintain complete and accurate financial records (*Consumer Protection Act*), Section 132(1), Automotive Business Regulation (ABR) Section 9). This includes, but is not limited to, a bill of sale. The bill of sale must accurately reflect the nature of the transaction and there are specific items that must be included, as listed in the ABR Sections 31.2(1) and (2). A commonly missed item on bills of sale is the consumer identification number. Ensure your salespeople confirm consumer identity by checking and recording the consumer identification information on a vehicle bill of sale. A bill of sale checklist is available on amvic.org to help your business address the requirements.

During an inspection, automotive business documents are reviewed. Documents examined could include, but are not limited to: advertisements, Mechanical Fitness Assessments, bills of sale, consignment agreements, repair invoices, banking records, vehicle inventory, payroll records and GST remittances.

AMVIC has once again joined the Competition Bureau (CB), the Royal Canadian Mounted Police (RCMP), and the Canadian Anti-Fraud Centre (CAFC) Fraud Prevention Month campaign, educating consumers and industry on how to recognize, reject and report fraud. This year, the CB is acknowledging two decades of collective effort against fraud, with the overarching theme of "20 years of fighting fraud: from then to now."

Join the conversation online: follow AMVIC and #FPM2024 on X and Facebook or visit amvic.org for more information.

Plan your off-site sales event

Is your business holding an off-site sales event? Don't forget to let AMVIC know and double check your advertising to ensure it's compliant.

Submit your form

At least three weeks before the event takes place, advise AMVIC about your event by submitting an on/off-site sales request form, available on amvic.org.

Remember, even if you are using a promotional, third party company, you must give their staff authorization to act on behalf of your business and they must be registered salespeople.

All salespeople must be actively registered with an issued status for the entire duration of the sales event.

Make sure to include municipal approval, a lease agreement or other documentation AMVIC deems sufficient to permit the business to operate the off-site sales event with your form. For more information, see Section 3.2.1 of AMVIC's Licensing Policy.

Check your advertising

Off-site sales event advertising and vehicle advertising must still adhere to all applicable legislation. Use AMVIC's advertising tool kit on amvic.org to check if your advertisements are compliant.

As with all automotive business advertisements, off-site sales advertisements must include the AMVIC logo or the words "AMVIC-licensed business" or "AMVIC licensee" to comply with the Automotive Business Regulation (ABR), Section 11(1)(b).

Your advertisement must not make comparisons or claims of superiority unless the claims can be substantiated. The advertisement must also not use false, misleading or deceptive statements (ABR, Section 11(2)). For example, do not say the off-site sales event is the "biggest and best" in Alberta as there is no way for a business to prove that.

Remember, if your online advertisement offers credit, states the interest rate or payment amount, make sure those advertisements comply with the Cost of Credit Disclosure Regulation. If you are advertising used vehicles, ensure you include the required vehicle history information.

Q3 Administrative review enforcement actions: Oct. 1, 2023 - Dec. 31, 2023

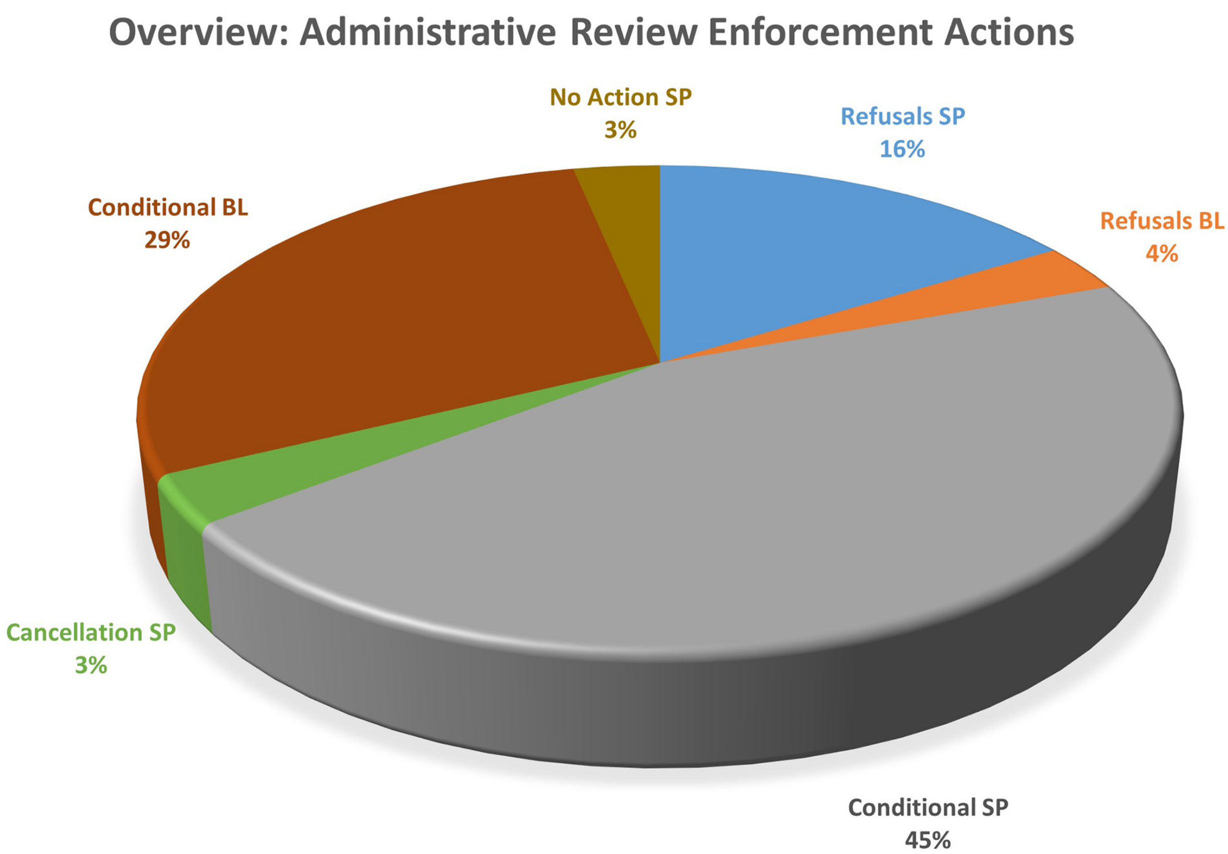
As the regulator of Alberta's automotive industry, AMVIC makes public, on its website (as per the *Consumer Protection Act* (CPA) Section 157.1 (1) and (3)), information that is related to breaches of legislation.

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 Q3 of 2023 – 2024:



Legend

BL = Business licence
SP = Salesperson

Alberta Insurance Council issues penalties totaling $85,000 against automotive business

On Nov. 29, 2023, the Alberta Insurance Council (AIC) issued a decision against Penhold Car Farmers (1951010 Alberta Ltd.) with respect to 17 unpaid equipment warranties.

The automotive business collected premium payments but did not submit the premiums to the insurer, despite repeated requests to do so. In accordance with the Insurance Agents and Adjusters Regulation, the AIC may impose a civil penalty of up to $5,000 per demonstrated offence; choosing to issue the full penalty for each of the 17 offences, totalling $85,000 levied against the automotive business.

The decision on page seven states "This was intentional conduct, and is fraud, deceit, dishonesty, untrustworthiness, and/or misrepresentation as contemplated pursuant to s. 480(1)(a) of the Act." The AMVIC automotive business licence for 1951010 Alberta Ltd., operating as Car Farmers, was cancelled by the Registrar in September 2022.

The AIC serves to fulfill the mission of protecting Albertans through the licensing and regulation of insurance agents, brokers, and independent adjusters. For more information go to abcouncil.ab.ca.

Did you know?

Did you know the Government of Alberta has changed the property damage collision reporting threshold to $5,000? This change does not impact reporting requirements for collisions that result in injuries and fatalities, which will continue to be reported to law enforcement regardless of the estimated cost of property damage reports. For more information go to https://www.alberta.ca/automobile-collisions-insurance.

AMVIC by the numbers

2023 - 2024

35	22	28	10
Charges laid against 18 businesses/ individuals	Administrative Penalties	Director's Orders	Undertakings

***Statistics are from Q1, Q2 and Q3 of the 2023 – 2024 fiscal year (April 1, 2023 – Dec. 31, 2023).**

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