AMVIC Alberta Motor Vehicle Industry Council

IMPACT

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Advertised Price Compliance Inspection and Enforcement Project complete

The three outstanding Administrative Penalties have now been finalized in the 2023 Advertised Price Compliance Inspection and Enforcement Project. The project saw 44 franchise new vehicle sales businesses inspected for compliance specific to all-in pricing and advertised prices. An Administrative Penalty is a monetary penalty paid to the Government of Alberta for failing to comply with legislation and can be up to $100,000.

The three outstanding Administrative Penalties were appealed to an Appeal Board established by the Minister of Service Alberta and Red Tape Reduction. One of the appeals was dismissed by the Appeal Board, as it was not initiated within the 30-day time limit prescribed in the *Consumer Protection Act*. These three final Administrative Penalties total **$39,000**, making the total dollar value of Administrative Penalties issued in relation to this project **$287,000**. The Nov. 7, 2023 special edition of Impact outlines the project and is available at amvic.org. The remaining three Administrative Penalties and related documents are listed and linked in the table below:

Business name	Dollar amount of Administrative Penalty
Precision Hyundai (Precision Motors Ltd.) • Administrative Penalty • Appeal decision	Initial amount: $6,000 Final amount after appeal: **$16,000**
Sherwood Park Volkswagen (SPV Motors GP Inc.) • Administrative Penalty • Appeal decision	Initial amount: $9,000 Final amount after appeal: **$9,000**
Lexus of Royal Oak (Triple R Auto Ltd.) • Administrative Penalty • Appeal decision	**$14,000**

AMVIC is in the process of conducting followup inspections of the businesses inspected during the Advertised Price Compliance Inspection and Enforcement Project. These are full inspections looking at all areas of regulatory compliance, not just the all-in advertised pricing and advertised price areas. Go to the advertising toolkit on amvic.org for advertising information, examples and links to legislation.

Vehicle sales levy and single sales licence fee changes in effect

On **April 1, 2024**, changes were made to AMVIC's vehicle sales levy, single sales business licensing fee and rules around the Compensation Fund.

The vehicle sales levy increased to $10 (from $6.25) and the single sales business licence fee increased to $250 (from $175). This includes sales, leasing and consignment licence classes only. There were also improvements made to AMVIC's Compensation Fund.

Please ensure you've updated all templates, bills of sale, advertisements, online calculators and any other documentation or publications to reflect the AMVIC vehicle sales levy change to $10.

To learn more about the recent AMVIC funding changes, visit amvic.org/newsroom/ and check out the industry bulletin posted April 3, 2024.

If you have any questions regarding these changes, or would like more information, please contact AMVIC at licensing@amvic.org.

Educating industry: a legislation review

One of AMVIC's priorities is to help automotive businesses understand the legislative requirements and assist them in being compliant with the *Consumer Protection Act*, *Traffic Safety Act* and associated regulations.

So when a business contacted AMVIC, requesting a training session and review of the legislation for their leaders, AMVIC jumped at the opportunity. On March 19, 2024, AMVIC sent a team of three of their inspectors to deliver a presentation to the business and answer any questions about the legislation applicable to automotive businesses.

The presentation provided a review of the legislation and covered related topics including advertising, common issues and enforcement.

Overall, the session was well received with more than 65 of the business' leaders in attendance, both in person and virtually. The attendees had the chance to ask questions throughout the presentation or privately afterwards, and there were a few inquiries that came up about Mechanical Fitness Assessments (MFAs), bills of sale and advertising. AMVIC information packages were also handed out to the attendees.

If you think your business would benefit from a legislation review and you'd like a presentation for your staff, please send a request to AMVIC by email at media@amvic.org.

Stay tuned for the digital copy of the presentation which will be available soon on AMVIC's website, and visit amvic.org for more information and resources.

Q4 Administrative review enforcement actions: Jan. 1, 2024 – March 31, 2024

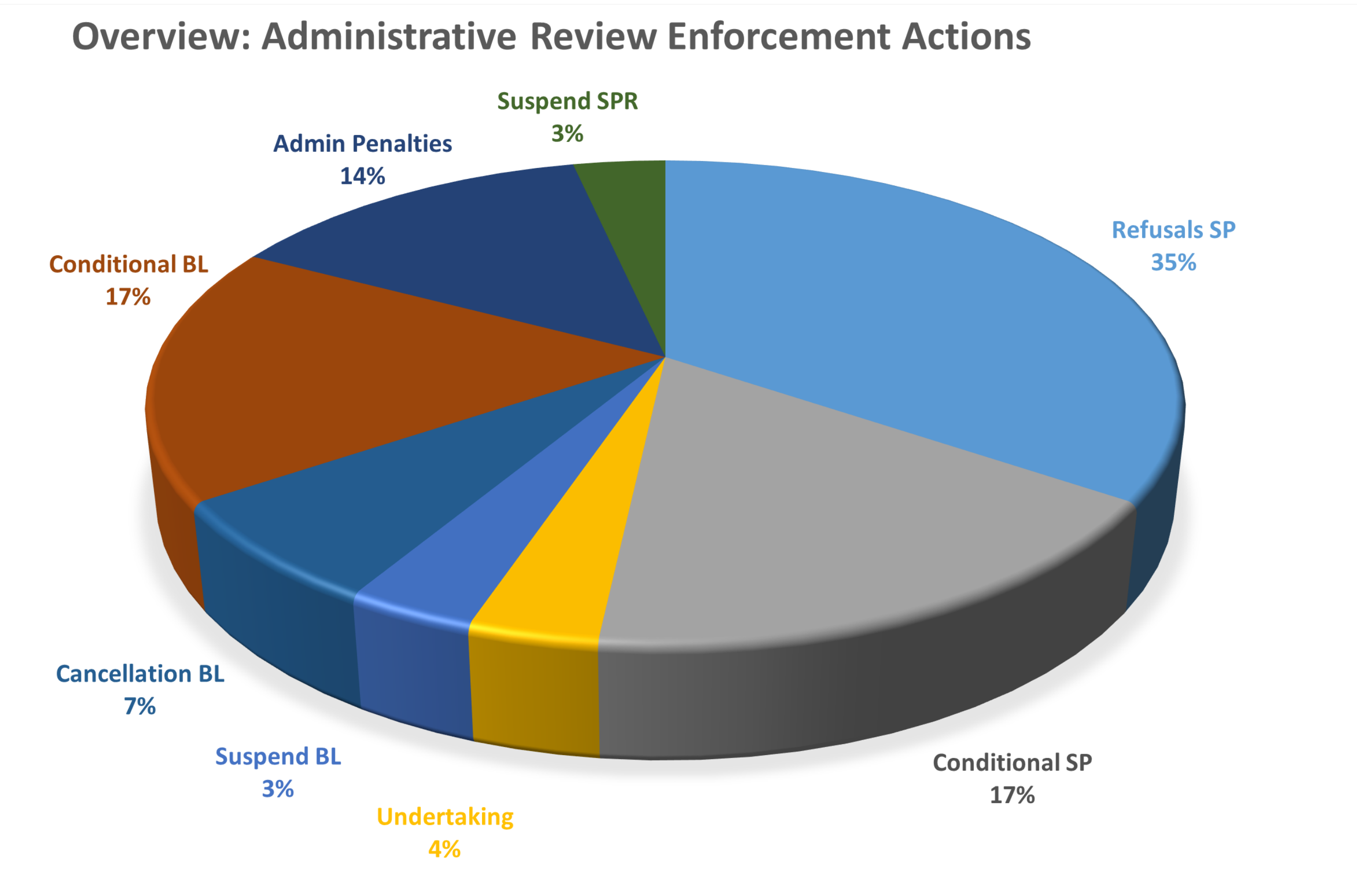
As the regulator of Alberta's automotive industry, AMVIC makes public, on its website (as per the *Consumer Protection Act* (CPA) Section 157.1 (1) and (3)), information that is related to breaches of legislation.

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, or
- Undertaking.

The chart below highlights the administrative enforcement actions for Q4 of 2023 – 2024:



Legend

BL = Business licence

SP = Salesperson

A reminder from the Alberta Insurance Council: motor vehicle contracts of insurance must be underwritten by a licensed insurance company

The Alberta Insurance Council (AIC) wants to remind automobile dealerships licensed as insurance agents that any products considered insurance that are commonly sold alongside the sale of motor vehicles, must be underwritten by a licensed insurance company in Alberta.

Examples of these products include:

1) Motor vehicle dealership loyalty programs with a membership fee that provide a dealership discount to consumers on a future replacement motor vehicle should an event occur that results in damage or total loss of the original motor vehicle;

2) Motor vehicle protection products that cover damage, theft, deductible reimbursement or vehicle rental. These products are often associated with non-manufacturer tire and rim warranties, glass protection, dent repair, theft deterrent etching, rust proofing and paint protection, catalytic converter theft and key fob replacement.

The AIC will commence audits of automobile dealerships with restricted licences to ensure adherence to the *Insurance Act*. Offering motor vehicle contracts of insurance, such as the above, that are not underwritten by licensed insurers can result in administrative penalties, and suspensions and revocations of the restricted licence.

As per Section 510(2) of the *Insurance Act* automobile dealerships with restricted licenses are also liable to the insured for the motor vehicle contract of insurance.

It is the responsibility of automobile dealerships to ensure that motor vehicle contracts of insurance are underwritten by licensed Alberta insurers. Dealerships can visit https://tinyurl.com/fpr8ax86 to determine if the entity underwriting the motor vehicle contracts of insurance is licensed in Alberta

Manufacturer warranties and roadside service and motor vehicle service plans that solely provide routine service of a motor vehicle are not considered insurance. The exception is warranties where coverage includes any risk, peril, damage, or loss beyond those inherent deficiencies in the workmanship or materials arising from the production of the motor vehicle. Those qualify as motor vehicle contracts of insurance.

The period to renew your automobile dealership with restricted licence is May 1 – June 30, 2024.

Visit abcouncil.ab.ca to renew your licence or email licensing@abcouncil.ca with questions.

Q1 levies are due by July 31, 2024

Every automotive business that sells or leases vehicles in Alberta is required to remit a $10 levy per vehicle sold or leased, to AMVIC. We're 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 2024**.

How to remit the levy payment

Levy payments are due quarterly and you can remit payments through your [AMVIC Online]() account.

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

Services such as licence renewals, registration, courses and levy payments by credit card 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 2023 – 2024 annual report that will be available to the public later this summer. The annual report features an overview of AMVIC's communication and education efforts, top inspection concerns and enforcement actions in 2023 – 2024.

AMVIC by the numbers

2023 - 2024*

53	26	34	11
Charges laid against 32 businesses and individuals	Administrative Penalties	Director's Orders	Undertakings**

****Statistics are for the 2023 – 2024 fiscal year (April 1, 2023 – March 31, 2024).***
****Includes one Undertaking issued in the 2022 – 2023 fiscal year.***

AMVIC
Alberta Motor Vehicle Industry Council

Head office
Suite 303, 9945 - 50 St, Edmonton, AB T6A 0L4
P. 780.466.1140 | F. 780.462.0633 | TF. 1.877.979.8100
Mon.- Fri. 8 a.m.- 4:30 p.m.

Investigations office
Suite 205, 10655, Southport Rd SW, Calgary, AB T2W 4Y1
The Calgary office is not open to the public.