



MANITOBA
PUBLIC INSURANCE



Salesperson's Permit Handbook

All new application forms, required documentation, renewal applications and notices of change can be submitted by e-mail to: ysi-dealerinfo@mpi.mb.ca, in person to any Manitoba Public Insurance Service Centre, or by mail to the following address:

Manitoba Public Insurance

Vehicle Safety

J.W. Zacharias Physical Damage Research Centre
Box 45064, Regent Postal Outlet Winnipeg MB R2C 5C7
Information Line: (204) 985-0920
Fax: (204) 954-5319
Toll-free: 1-866-323-0542

For fees: The fee for a Salespersons Permit is \$35 and valid for one year. If paying in person, please bring your completed application and pay by cash, cheque, or credit/debit to Vehicle Safety or any MPI Service Centre. For credit card payment, please complete a Credit Card Authorization form and mail or submit in person along with your application. If paying over the phone, please email the completed application and required documents to VSI-Dealerinfo@mpi.mb.ca; you will be contacted within five days for payment.

Application and renewal forms are available from the Vehicle Safety Partner's website at: <https://mpipartners.ca/VehicleSafety/index.html> and are also available in-person from the above address as well as from any Manitoba Public Insurance Service Centre:

Winnipeg

Cityplace Service Centre
234 Donald St. (Cityplace)
P. O. Box 6300
Winnipeg MB R3C 4A4
Information Line: (204) 985-7000
Toll-Free: 1-800-665-2410
(all locations)

Portage la Prairie

Portage la Prairie Service Centre
2007 Saskatchewan Ave. W.
Portage la Prairie MB R1N 3J9

Thompson

Thompson Service Centre
53 Commercial Place
Box 760
Thompson MB R8N 1N5

Steinbach

Steinbach Service Centre
91 North Front Drive
Steinbach MB R5G 1X2

Dauphin

Dauphin Service Centre
217 Industrial Road
Dauphin MB R7N 2V5

Winkler

Winkler Service Centre
355 Boundary Trail
Box 760
Winkler MB R6W 0L7

Beausejour

848 Park Ave.
Box 100A
Beausejour MB R0E 0C0

Brandon

Brandon Service Centre
731-1st Street
Brandon MB R7A 6C3

Arborg

Arborg Service Centre
323 Sunset Blvd.
Arborg MB R0C 0A0

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Salesperson's Permit Handbook

The Drivers and Vehicles Act

The Drivers and Vehicles Act (DVA) states that all salespersons in Manitoba that buy and sell motor vehicles or trailers¹, or negotiate the buying and selling of motor vehicles or trailers, for a dealer must have a valid Salesperson's Permit. The Act contains rules and regulations for dealers and salespersons including application requirements for dealers and salespersons.

The Registrar of Motor Vehicles is responsible for the administration and enforcement of licensing and operating standards for dealers and salespersons as defined in the DVA.

Manitoba Public Insurance Vehicle Safety Department

The Vehicle Safety department of Manitoba Public Insurance manages the Dealer, Salesperson, and Recycler Permit programs under delegated authority by the Registrar of Motor Vehicles.

Dealer

A dealer is defined as a person who carries on the business, or holds themselves out as carrying on the business, of buying and selling motor vehicles or trailers, as principal or agent.

Dealer's Permit

Anyone carrying on a business as a dealer must hold a Dealer's Permit issued by the registrar that permits the individual, partnership, or corporation to sell any type of vehicle that can be registered under the DVA.

A Dealer's Permit is valid for up to five years.

Definition of Salesperson

The DVA defines a salesperson as "a person employed or otherwise engaged by a dealer to buy and sell motor vehicles or trailers or to negotiate agreements to buy and sell motor vehicles or trailers on the dealer's behalf."

¹ A trailer that has a gross vehicle weight of 910 kilograms or less is not included in the definition of trailer, for the purpose of requiring a Salesperson Permit.

Salesperson's Permit

Everyone employed by a dealer, or acting on behalf of a dealer, to buy, sell or negotiate the buying or selling of motor vehicles or trailers must hold a Salesperson's Permit issued by the registrar.

A dealer cannot allow a person to act as a salesperson for them unless the person has a valid Salesperson's Permit in their possession that includes the name of that dealer.

A Salesperson's Permit is valid for up to one year.

Applying for a Salesperson's Permit

Requirements

Applicants for a Salesperson's Permit in Manitoba must:

- Submit a completed Application for Salesperson's Permit;
- Satisfactorily complete a Salesperson's Permit written knowledge test, subject to a \$25.00 administration charge.

Applications for Salesperson's Permits must be accompanied by the prescribed permit charge (cheques or money orders should be made payable to Manitoba Public Insurance).

Written Knowledge Test

New applicants for a Salesperson's Permit must pass a written test intended to measure knowledge of prevailing legislation, dealer operating standards, and consumer protection guidelines. Test questions are randomly selected and are based on the information contained in this handbook.

The registrar, or designate, may authorize issuance of a Salesperson's Permit without satisfactorily completion of the knowledge test if the applicant can demonstrate proficiency in the subject material through other means deemed by the registrar, or designate, to be equivalent to the prescribed knowledge test.

In some cases, the registrar, or designate, may require that an existing permit holder pass a written knowledge test as a condition of renewal or reinstatement of a Salesperson's Permit.

To write the knowledge test, applicants must appear in person at any of the Manitoba Public Insurance Service Centres listed on the inside cover of this handbook.

Renewal of Salesperson's Permit

Application for the renewal of a Salesperson's Permit is mailed to the employing dealer before the permit expiry date.

To renew a Salesperson's Permit:

- The applicant and the dealer must complete and sign the Application for Salesperson's Permit;
- Submit along with the prescribed permit charge (cheques or money orders should be made payable to Manitoba Public Insurance.)

Salesperson's Obligations

Permit Holder Conditions

A salesperson must have their permit in their possession whenever they are involved in sales activities.

A salesperson cannot lend their permit or allow anyone else to use the permit for any purpose.

A salesperson must provide their permit to a peace officer, upon request.

Dealer's Name on Salesperson's Permit

The salesperson may only act as a salesperson for the dealer named on their permit. If a salesperson stops working for one dealer and is hired by another dealer, they may not work for the second dealer until the registrar has issued a new permit noting the new dealer's name.

Salesperson Must Provide Notice of Changes

A holder of a Salesperson's Permit must notify Manitoba Public Insurance, within seven days of any of the following changes:

- Provide notice, in writing, of any change in their name or home address;
- Provide notice, in writing, of a change in the permit holder's facsimile number or email address that has been provided to Manitoba Public Insurance by the salesperson for the purpose of receiving notices.

Upon notification of a change, Manitoba Public Insurance will issue a new permit to the salesperson, free of charge. If an applicant stops working as a salesperson, the permit must be returned to Manitoba Public Insurance and the permit will be cancelled.

Sale Agreements

A dealer, or someone acting on behalf of a dealer, must provide, sign and have the buyer sign, a written Sale Agreement for every vehicle sales transaction.

The Sale Agreement must include the following:

- The date of sale of the vehicle;
- The name and address of the buyer;
- The year, make, model and vehicle identification number of the vehicle sold;
- The odometer reading of the vehicle at the time of sale;
- The words "Dealer's Permit" followed by the number of the permit issued to the permit holder under the Act.

Transfer of Ownership Document

A dealer, or someone acting on behalf of a dealer, must provide a completed Transfer of Ownership Document (TOD) to every purchaser of a used vehicle when sold. The TOD must identify the dealer as owner of the vehicle or the name of the vehicle owner in cases where the vehicle is being sold on behalf of the vehicle owner. A TOD is not required when the vehicle is newly manufactured and accompanied by a New Vehicle Information Statement (NVIS).

Certificate of Inspection Must be Provided

Dealers are required to furnish all purchasers of used vehicles with a duly completed Certificate of Inspection (COI), unless exempted for reasons noted below. This includes the sale of previously leased vehicles or vehicles sold on consignment. A COI must be provided to all customers regardless of where they live, e.g. out of province, northern resident, etc.

A COI is not required when:

- The vehicle is transferred as inventory from one permit holder to another permit holder;
- The vehicle is transferred to the holder of a Recycler's Permit for the purpose of destroying the motor vehicle for scrap or dismantling it for parts;
- The vehicle can never be registered again because the status of the vehicle is "irreparable";
- The vehicle is a new motor vehicle as evidenced by a NVIS.

A used vehicle may be sold with a failed Certificate of Inspection but the purchaser must repair any defects identified on the COI and have the vehicle recertified as being roadworthy prior to registering the vehicle for road use.

Inspections, for the purpose of completing a COI, may only be performed at authorized inspection stations.

Manitoba Regulations [31/2019, Vehicle Equipment, Safety and Inspection Regulation](#) and [76/94, Periodic Mandatory Vehicle Inspection Regulation](#), outline the minimum performance standards and inspection requirements and processes. Copies of these regulations can be viewed online or be obtained by calling Vehicle Safety at 204-985-0920 or toll-free at 1-866-323-0542, or by emailing: vsi-stationinfo@mpi.mb.ca

Dealer Number Plates

Dealer number plates are used for motor vehicles and trailers owned by or in the custody or control of a dealer and can only be issued to a dealer that holds a valid Dealer's Permit. Vehicles with these plates are considered registered and carry basic compulsory insurance for the type of vehicle on which the plate is displayed.

A dealer's number plate may only be used on a vehicle that is:

- Kept for sale by a dealer;
- Used in the promotion of sales by a dealer, in their personal capacity, or by an employee or agent with the consent of the dealer;
- In the custody and control of a dealer for the purpose of testing or servicing it, or to move it from one place to another in connection with servicing or testing.

A vehicle with a dealer number plate may be used for personal purposes but may not be used to carry goods or people for any form of payment. A vehicle with dealer number plates can be used by a customer, with the consent of the dealer or a salesperson acting in conjunction with their employment by the dealer.

Interim Registration Permits

The purpose of an Interim Registration Permit is to allow an owner or lessee of a newly acquired vehicle to operate the vehicle immediately. Interim Registration Permits are sold to Dealer's Permit holders at Manitoba Public Insurance Service Centres. These registrations are valid only for vehicles bought or leased from a dealer and only for the seven days following the date of vehicle purchase or lease.

A dealer may issue an Interim Registration Permit to someone who is 18 years or older, who buys or leases a vehicle from them, and to whom they have issued a passed COI showing the vehicle is roadworthy.

Each interim registration must include:

- Expiry date;
- Signature of dealer or authorized agent;
- Any other information required by the registrar.

The dealer must keep a record of all Interim Registration Permits issued and produce copies, upon request.

A motor vehicle with a valid Interim Registration Permit may be driven if:

- The driver has with them a bill of sale or invoice showing the date of purchase;
- A valid, fully completed Interim Registration Sticker is displayed on the vehicle windshield or carried by the driver if the vehicle does not have a windshield.

Although Manitoba considers the Interim Registration Permit valid anywhere in Canada and the U.S.A., vehicles being driven outside Manitoba remain subject to the laws of the other jurisdiction.

For information related to Interim Registration Permits, contact the Vehicle Safety department at 204-985-0920 or toll-free at 1-866-323-0542, or by email to:

vsi-dealerinfo@mpi.mb.ca

Enforcement and Penalties

Dealer Inspectors and Vehicle Safety Officers

Dealer Inspectors and Vehicle Safety Officers are employees of Manitoba Public Insurance and act on behalf of the registrar. They are responsible for:

- Licencing dealers, salespersons and recyclers;
- Monitoring bond files and processing bond claims;
- Mediating disputes between vehicle purchasers and dealers;
- Liaising with dealers, salespersons and recyclers;
- Inspecting dealers' and recyclers' premises and records to ensure full compliance with the DVA.

Dealer Inspectors and Vehicle Safety Officers are peace officers under the DVA.

Dealer Inspectors and Vehicle Safety Officers make regular dealership visits to conduct Audits. The purpose of the audit is to educate permit holders and ensure that the rules and regulations outlined in the DVA are being followed (see Dealer Permit Flagging Point System below). Full co-operation from the permit holder is required, including providing access to all records. When original records are required to be removed from the dealer's premises, the inspector or officer will provide a receipt for the documents to the dealer.

Dealer Inspectors may also investigate suspicious transactions or business activity. In their role as mediator, a Dealer Inspector may be contacted by both consumers and dealers and may be asked to help resolve certain matters related to the buying or selling of a motor vehicle or trailer. Inspectors may also refer matters to government departments or law enforcement agencies, when necessary.

Dealer Permit Flagging Point System

A Vehicle Safety Officer may assess Flagging Points at the time of a Dealer Permit audit, or the Vehicle Safety Head Office may issue points as warranted, such as customer complaint or random findings. The use of the points system during an audit or investigation is an objective means to assign values to various infractions in a consistent manner that is documented for future reference. This serves two purposes: clear communication to the Dealer of the areas in need of improvement, and as a record to monitor the Dealer for accountability.

There are two levels of violations, based upon severity and relative risk - Nominal and Critical.

A Nominal Violation (minor infraction) is where non-compliance relates to mismanagement and/or weak operational controls. These are indicative of breakdowns in the dealership's management oversight.

A Critical Violation (major infraction) is where non-compliance is so severe as to require immediate corrective action for a Dealer regardless of their overall management oversight. These are more akin to deliberate actions attempting to violate the directives contained in the applicable Dealer Permit Handbook and related regulations.

Points in a specific category (a through p) will be assigned only once during an audit or investigation, but VSO comments will indicate if multiple instances were detected. A Dealer review is generated by:

- three (3) or more nominal categories have violations
- two (2) or more critical categories have violations
- any combination of violations totaling 20 or more points

A dealer review may result in:

- a recommendation to suspend
- imposing a probationary period with conditions
- pursuing prosecution (offences outlined in *The Drivers and Vehicles Act* may result in a fine of up to \$5,000)

In all cases of a dealer permit review, the permit holder will be provided written notification of violations found, corrective actions required, and any further sanctions imposed. The communication will be documented in the Dealer's file for continuity.

Any audit that finds violations in the critical category will result in a letter from the Manager – Vehicle Safety to the permitholder. The letter will identify the deficiency and will be placed in the permitholder's file.

A record of all points assessed and deleted will be kept in the permit holder's file. Points will be withdrawn on their one-year anniversary dates, providing the same infraction category is not repeated within that one-year period. Cumulative point assessments are therefore based upon a twelve-month sliding window as required.

FLAGGING POINT SCHEDULE		Nominal Violations	Critical Violations
a)	Carry on business without displaying a permit	2	
b)	Fail to notify the Registrar of the start or termination of a salesperson within seven days	2	
c)	Fail to notify the Registrar within seven days of the change of business location, fax number, email address, directors if incorporate, members if a partnership, change in status if incorporated	2	
d)	Carry on business from more than one location without displaying a sign as required	2	

e)	Fail to maintain adequate sales records for two years	5	
f)	Attach dealer's plate to salvageable motor vehicle other than as permitted	5	
g)	As dealer, advertised without including the dealer's registered business name and the dealer permit number	5	
h)	Fail to issue bill of sale with required components as set out in ss 30(2) MR 40/2006)	5	
i)	Carry on business from a secondary location without displaying a permit copy	5	
j)	Fail to provide a NVIS or completed COI as required		10
k)	Fail to furnish information to the Registrar without delay regarding complaints received		10
l)	As a dealer, did make a false, misleading, or deceptive statement in an advertisement or similar material		10
m)	Carry on business in a name or at a location other than permitted		10
n)	Fail to provide a TOD to the purchaser, in the name of the vehicle's owner		10
o)	As a dealer, allow a salesperson to act without a permit		10
p)	Fail to comply with a Notice to Repair		20

Consumer Complaints

When Manitoba Public Insurance receives a complaint from a consumer about the safe operating condition of a vehicle purchased from a dealer, an investigation is commenced to determine the validity of the complaint. As part of the investigation, a Dealer Inspector may require the dealer or salesperson to provide information about the vehicle condition at the time of sale or information about the sales transaction itself. The dealer or salesperson must provide the requested information. In some cases, arrangements will be made for inspection of the vehicle-by-Vehicle Safety Officers.

If the consumer complaint is deemed to be valid, attempts will be made to settle the dispute through early dealer notification.

Failure to resolve the dispute at this level may result in a Notice to Repair being issued to a dealer under the DVA. The Notice to Repair sets out the required repairs that must be completed by the dealer to bring the vehicle to the condition as specified on the Certificate of Inspection at the time of sale.

Failure to comply with the Notice to Repair within the specified timeframe will result in further disciplinary action including, Notice to Appear for Show Cause, suspension or cancellation of the Dealer's Permit or referral to the courts. Matters may also be referred to government departments or law enforcement agencies for further action.

A Dealer's Permit, or Salesperson's Permit, may be suspended or cancelled if it is determined there has been a violation of any provisions of the DVA or its Regulations, or any other legislation.

Refusal to Issue, Renew, or Suspend or Cancel a Salesperson's Permit

Manitoba Public Insurance may refuse to issue a Salesperson's Permit if there is reason to believe that the applicant will not carry on business as a salesperson according to the law and with integrity and honesty.

Once a Salesperson's Permit has been issued, Manitoba Public Insurance may refuse to renew, or suspend or cancel a permit if past conduct of the salesperson affords reasonable grounds to believe that they will not carry on business as a salesperson according to the law and with integrity and honesty, or if the holder of the Salesperson's Permit is in breach of any term or condition of the permit. The registrar can also add terms and conditions to a permit.

In the event that Manitoba Public Insurance intends to refuse to issue, renew, or suspend or cancel a Salesperson's Permit, the applicant or permit holder will be provided with written notice of the intended action including the reason(s) for that action.

Right to Show Cause Hearing

Upon receiving written notice of the intention to refuse to issue, renew, or suspend or cancel a Salesperson's Permit, the applicant or permit holder may request a hearing, in writing. This request must be filed within 15 days after the notice of the intended action is given.

Thereafter, the applicant or permit holder will be notified of the date, time and place of the scheduled hearing. The applicant or permit holder will be provided with a copy of the decision as a result of the hearing.

Appeal to Licence Suspension Appeal Board

If the applicant or permit holder is not satisfied with the decision of Manitoba Public Insurance, the decision may be appealed to the Licence Suspension Appeal Board.

Provisional Suspension

Manitoba Public Insurance may decide that for the immediate protection of the interests of the public, it is necessary to provisionally suspend a permit. The applicant or permit holder will be notified, in writing, of this decision and the notice will include the reason for the suspension. A provisional suspension is effective upon receipt of the Notice of Provisional Suspension and cannot be appealed to the Licence Suspension Appeal Board.

Upon receiving written notice of the provisional suspension, the permit holder may request a hearing, in writing. This request must be filed within 15 days after receipt of the notice.

Thereafter, the applicant or permit holder will be notified of the date, time and place of the scheduled hearing. The applicant or permit holder will be provided with a copy of the decision as a result of the hearing. The decision from the hearing can be appealed to the Licence Suspension Appeal Board.

Claims Against a Dealer's Security

In the event that a loss is suffered by any person as a result of dishonest conduct, or a criminal or otherwise unlawful act by a dealer, or any director, officer, employee, or salesperson of the dealer, a claim may be made against the \$25,000 bond or security deposit submitted by the dealer at time of application for a permit.

Fines

Conviction of a violation under the DVA can lead to fines of up to \$5,000.

Return of Permit

A permit holder whose permit is suspended or cancelled must return their permit without delay.

Other Consumer Protection Legislation

The Business Practices Act

The Business Practices Act applies to buyer transactions including the retail sale or lease of goods or services that are mainly for the buyer's personal, family or household use. It also allows the government to seek remedies for victimized buyers and to investigate and prosecute offending businesses. Buyers may also take legal action for relief from an unfair business practice.

Unfair Business Practices

Both the dealer and the salesperson may be liable for any unfair business practice committed by the dealer's salesperson.

The Act states that it is an unfair business practice for a dealer or salesperson to:

- Do or say anything or to fail to do or say anything if, as a result, a buyer might reasonably be deceived or misled;
- Make a false claim;
- Take advantage of a buyer if the dealer or salesperson knows, or can reasonably be expected to know, that a buyer is not in a position to protect their own interests.

Examples of Unfair Business Practices

Any of the following representations or acts is considered to be an unfair business practice under *The Business Practices Act*:

1. A statement that misleads the buyer.

Example: A dealer tells a buyer that the warranty for a vehicle includes all costs of repair when it does not include the cost of labour.

2. A representation that takes unfair advantage of a buyer.

Example: A salesperson convinces a person who does not read or speak English well that they must have an extended warranty contract in order to finance a vehicle.

3. A representation that the goods have performance characteristics, accessories, etc. that they do not have.

Example: A salesperson tells a buyer that a vehicle has sufficient towing capacity to tow the buyer's trailer when it does not.

4. A representation that the goods are of a particular standard, quality, style or model when they are not.

Examples: A dealer sells a vehicle as a 1993 model when it is a 1992 model or says that the vehicle will last for years when used for a certain purpose.

5. A representation that the goods are new or unused when they are not.

Example: A salesperson describes a vehicle as new when it has been used as a demonstrator.

6. A false representation as to the extent to which the goods have been used.

Example: A salesperson tells a customer that a vehicle was driven by a single driver who only drove between work and home when in fact, the vehicle was a fleet vehicle.

7. A false representation as to the history or usage of the goods.

Example: A vehicle is described as a dealer's demonstrator when it was actually used as a driving instruction vehicle.

8. A false representation that a service, part or the repair of the goods is necessary or desirable.

Example: A dealer tells a customer that the transmission gears on a vehicle need to be replaced when only the bands need adjustment or that a vehicle is in urgent need of repair when it is not.

9. A representation that a price benefit or advantage exists when it does not.

Example: A dealer says, or advertises, that a vehicle normally sells for \$12,000 but "today only" is being sold at \$8,000 providing the customer with a \$4,000 savings when the normal selling price is \$8,000.

10. A representation that an individual has authority to negotiate the final terms of a consumer transaction when they do not.

Example: A salesperson and a buyer close a deal, but the manager turns it down because the salesperson did not have the final authority to close the deal. A manager or dealer cannot deny a deal negotiated by a salesperson that acted as if they had the authority to close it.

11. The use of exaggeration, innuendo or ambiguity as to a material fact, or the failure to disclose a material fact.

Example: A dealer who says that a vehicle is in excellent condition and was traded in by the original owner, when in fact, it has been in a serious accident and has had many owners or was purchased at an auction and the true history is unknown.

12. Where the supplier gives a consumer an estimate and then demands a price that is materially higher than the estimate unless the supplier has obtained the consumer's express consent to that higher price prior to providing the goods.

Example: When a vehicle is ordered and upon delivery the buyer is told that the price is higher than originally quoted because there is more equipment on it than originally requested.

13. Where the price of a part of a consumer transaction is given in an advertisement, display or representation without giving reasonable prominence to the total price.

Example: An advertisement for a new vehicle shows a monthly rate, with the total price at a fixed term of five years in fine print.

For further information about *The Business Practices Act*, contact:

Consumer Protection Office
302-258 Portage Avenue
Winnipeg, MB R3C 0B6
Telephone: 204-945-3800
Toll-free at 1-800-782-0067
Email: consumers@gov.mb.ca
Website: <https://www.gov.mb.ca/cp/cpo/>

The Consumer Protection Act

Under *The Consumer Protection Act* (CPA) consumers can have an investigation and mediation of complaints, including those related to the purchase of a motor vehicle. The CPA includes rules about credit agreements, disclosure of credit terms and the responsibility on the part of the seller to the buyer for all duties, liabilities, obligations and warranties applicable to a sale under the CPA or by contract.

The CPA defines the role of the Consumer Protection Office (CPO). The CPO hears, mediates and investigates consumer-related complaints. When the CPO receives a complaint, it considers the rights and responsibilities of each party. *Not all matters are covered by legislation*. In those situations, the CPO may offer an opportunity to resolve the problem through a voluntary process of dispute resolution/mediation.

Motor Vehicle Advertising and Information Disclosure Requirements

The Regulation refers to the term 'all-in pricing'. That means:

All-in pricing is when the advertised total amount a consumer has to pay for a car includes all charges, fees, levies and taxes.

Examples of fees that must be included: documentation or administration fees, tire taxes, and inspection fees, charges of pre-installed products or services such as etching, nitrogen, and warranty.

- GST and RST do not need to be included in the price, however if they are excluded the ad must clearly indicate they are not included.
- Further, it is important to note that prices cannot be calculated on the inclusion of any special deduction or circumstance, such as a minimum down payment or a consumer's choice to enter a credit sale.
- These pricing requirements apply to all forms of advertising, such as print, Internet, radio, and direct mail - even the prices on cars.
- If for fixed credit, you are advertising an interest rate or payment amount, dealers must indicate:
 - The cash price
 - The term of the loan
 - The annual percentage rate (APR)
 - The cost of credit (if it involves a non-interest finance charge)

Other provisions are included in the Motor Vehicle Advertising and Information Disclosure Regulation

In addition to all-pricing, the Act and Regulation include other provisions that require dealers to:

- Not engage in false advertising or provide false information about a vehicle;
- Only advertise vehicles if they are in a dealer's inventory;
- Ensure that an advertisement about a used late-model vehicle indicates that it is a used vehicle;
- Not set out payment information in an advertisement more prominently than the total price;
- Indicate the number of vehicles available at a specified price if the number of vehicles is limited;
- Use photographs in advertisements that are reasonable representations of the actual vehicle for sale;
- Indicate the time applicable to limited time offers; and
- Indicate in an advertisement that a vehicle was used declared salvage or used as a short-term rental or emergency vehicle if that is true of the vehicle.

Cost of Credit Disclosure Requirements

The cost of credit disclosure requirements under the CPA came into force in Manitoba on April 1, 2007.

The cost of credit disclosure requirements applies to a wide range of consumer credit; including, loans, lines of credit, credit card transactions, payday loans, high-cost credit agreements, mortgages, rent-to-own contracts, and vehicle leases.

The legislation:

- States what information must be disclosed in consumer credit agreements and in advertisements;
- Provides a formula to calculate the cost of borrowing and the Annual Percentage Rate (APR); requires prominence to APR and the total cost of credit in disclosure statements and in advertising; The APR includes foregone cash incentives, mandatory administrative fees, credit insurance, brokerage fees and any other payments that are payable by consumers who are financing their vehicles but not payable by consumers who are paying cash for their vehicles.
- Calculates cost of credit using the concepts of "value received" and "value given" by the borrower; the value given is the total amount paid by the borrower; including principal, interest and all other charges plus the value of anything else given as payment (e.g. trade-in).

- The value received is the value that a borrower receives (e.g. the proceeds of the loan or mortgage, the cash value of the item and the value of any optional services). Value given less value received by the borrower is equal to the total cost of credit. Total cost of credit is expressed in dollars and cents and the APR is expressed as a annual percentage rate;
- Gives borrowers the right to cancel certain optional services, such as extended warranty or insurance.
- Requires that when advertising a payment amount, the advertisement must also state the cash price of the vehicle, the term, the APR and the cost of borrowing.
- Requires that when advertising multiple vehicles with different payment amounts, a representative transaction may be used to disclose the cash price, term, APR and cost of credit for the advertised vehicles.

Warranties

In every retail sale of goods or services and every retail hire-purchase of goods or services, the seller is liable under the CPA for the performance of all obligations and warranties under the contract and/or under the Act to service or repair goods. This includes an extended warranty contract sold on behalf of another party whether or not the dealer receives remuneration for selling the contract. For example, if a warranty company becomes insolvent, the dealer is liable for the obligations under the warranty contract.

For further information about *The Consumer Protection Act*, contact:

Consumer Protection Office
302-258 Portage Avenue
Winnipeg, MB R3C 0B6
Telephone: 204-945-3800
Toll-free at 1-800-782-0067
Email: consumers@gov.mb.ca
Website: <https://www.gov.mb.ca/cp/cpo/>

Salespersons are responsible for keeping themselves informed about any changes or amendments to the laws governing their industry.

Visit the Manitoba Public Insurance website at: www.mpi.mb.ca