

USED CAR DEALERS ASSOCIATION OF ONTARIO

230 NORSEMAN STREET, TORONTO, ONTARIO M8Z 2R4

TEL: (416) 231-2600 or 1-800-268-2598 • INTERNET: [www.ucda.org](http://www.ucda.org)



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## THIS JUST IN ON THE MTO DIGITAL SAFETY PROJECT

We have just heard from the MTO about some updates for the timing on current MVIS facilities that **only perform light duty/passenger vehicle safety inspections**.

Information on light-duty / passenger safety MVIS stations and onboarding to DriveON will be released on **August 19, 2024**.

Onboarding is expected to follow with roll out on **September 3, 2024**.

Reminder - light duty/passenger vehicle inspections facilities will be eligible for one complimentary inspection tablet when onboarding is open to them.

Further information regarding the process on how to enrol in the DriveON program will be communicated by the DriveON vendor, Parsons Inc. Additional information can also be found on the DriveON portal at [www.driveonportal.com](http://www.driveonportal.com).

If you have any questions about the new DriveON program, please contact the Vehicle Inspection Centre Assistance Line toll free at 1-833-420-2110 or by email at [VIC@driveonportal.com](mailto:VIC@driveonportal.com).

The UCDA will continue to provide up to date information to members as we receive it.

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## Members Asked For Garage Registers

### Members got them!

Do you like keeping a printed Garage Register? You are not alone, many of our members prefer that to keeping them electronically.

The UCDA offers printed Garage Register books, just like the ones MTO used to print, and authorized by the MTO, to members for \$16 each, including shipping.

If you'd like one (or more) please contact Margi at [m.muru@ucda.org](mailto:m.muru@ucda.org) or by calling 1-800-268-2598.

For those comfortable keeping such records electronically, a free option is offered by the MTO: Garage Register - Issued Pursuant to the Highway Traffic Act - Forms - Central Forms Repository (CFR) (beta) ([gov.on.ca](http://gov.on.ca))

## DIGITAL DEALER REGISTRATION UPDATE

The UCDA was provided some additional information from the Digital Dealer Registration (DDR) led by the Ministry of Public and Business Service Delivery (MPBSD), in partnership with the Ministry of Transportation (MTO). We would like to share those details with UCDA Members:



**To:** Used Car Dealers Association of Ontario (UCDA)  
**Date:** Monday July 29, 2024  
**Subject:** Digital Dealership Registration (DDR) Initiative Update

This letter is an update on the Digital Dealership Registration (DDR) initiative led by the Ministry of Public and Business Service Delivery (MPBSD), in partnership with the Ministry of Transportation (MTO).

Our government is committed to adopting digital practices and technologies to deliver simpler, faster, better services to the people and businesses of Ontario. DDR enables vehicle dealers to complete vehicle registrations online and aims to reduce the need for dealers to visit ServiceOntario centres, improving margins and reducing time spent by Ontarians and Ontario businesses on vehicle related administration.

On July 28, 2024, MPBSD completed an update to DDR that expands services that dealerships have anticipated. Effective July 29, 2024, dealerships can complete the following transactions online:

- Complete registration transactions (vehicle and licence plate permits) for **new and used light commercial vehicles with registered gross weight (RGW) less than 3000kg..**
  - Note: To prepare for the launch of light commercial vehicle registrations <3000kg in DDR, dealerships should visit the stock management dashboard online to order commercial plates and personal use only (PUO) decals for their locations.
- Access new training videos for the following topics:
  - Navigating the DDR application
  - Completing new vehicle registrations in DDR
  - Completing used vehicle registrations in DDR
- New and improved Guideline 2 resources now divided into 4 categories for easier referencing:
  - Guideline 2A: DDR Required Documentation
  - Guideline 2B: Using the DDR application: New Vehicle Registration
  - Guideline 2C: Using the DDR application: Used Vehicle Registration
  - Guideline 2D: Using the DDR application: Trade-ins.

For more information on the new features, please review the latest DDR Guidelines, specifically DDR Guideline #2A, 2B, 2C and Operations Manual from the "Documents and training" page, updated with the latest information. As mentioned above, updated video tutorials are now available for you to access in DDR.

## Indian Status Cards

A "Certificate of Indian Status" card, issued by the Federal Government of Canada, Indigenous Services Canada, is the only form of identification acceptable to exempt a Status Indian from taxes on a vehicle sale or lease.

The holder of such a card only has to pay 5% on the purchase of a motor vehicle from a dealer if delivered at the dealership and will pay no tax ie. 0% if the vehicle is delivered by the dealer to an Indian Reserve.

The provincial portion of the H.S.T., which is 8%, is automatically exempt at the point of sale. This applies regardless of where the Status Indian actually lives.

This is what the cards look like, there are 4 kinds you might encounter:

### Laminated Certificate of Indian Status



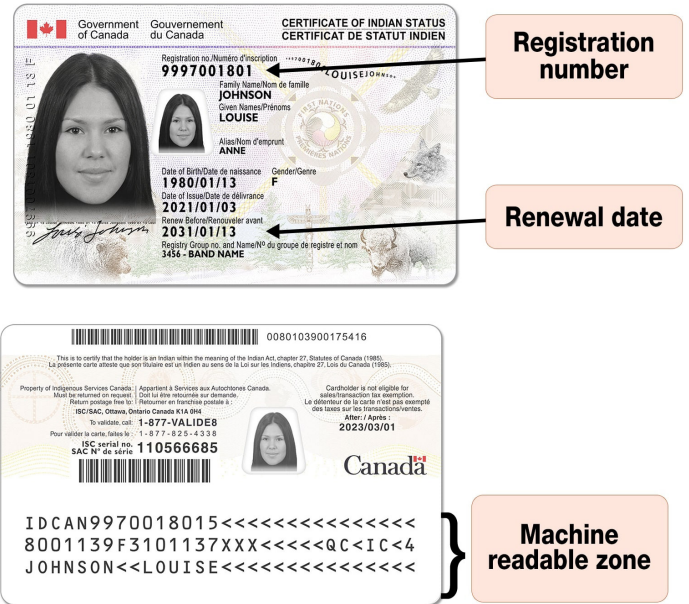
### Certificate of Indian Status "All-in-One"



## Certificate of Indian Status "Pilot Project"



## Secure Certificate of Indian Status



## Auto Theft Progress

### Update

While far from being solved, the auto theft problem seems to be easing for the first time in several years.

Media reports indicate auto theft is down 17% across Canada in the first 6 months of 2024, and the momentum is credited to ceaseless efforts throughout 2023 / 2024 by government and industry to tackle the crisis.

In Ontario, auto theft decreased by 14% while Quebec saw a 36% decline in stolen vehicles.

The Insurance Bureau of Canada paid around \$1.5 billion in claims in 2023, a record high. That year, vehicle thefts rose by 50% in Quebec and almost as much in Ontario.

Insurers have said the majority of vehicles are being stolen from Ontario and Quebec and exported through the Port of Montreal.

For detailed rules please visit <http://www.ucda.org/DealerInfo/StatusIndianFAQ.aspx> or give our Legal Department a call anytime.

Métis and other such Aboriginal ID, membership or association cards are not issued by the Government of Canada and do not exempt the holder from paying H.S.T. on the purchase of a motor vehicle.

Around 1.7 million containers moved through the port last year, including 70% of Canada's legal vehicle exports, according to port authorities.

The federal government estimates 90,000 cars are stolen each year in Canada and many of the thefts involve connections to organized crime.

These are early days yet, but any kind of positive news on this front is a rare and welcome development. We hope to see further action on several fronts over the coming months.

The UCDA will continue its actions in this area. For more information on that, please visit <https://tinyurl.com/4mssn34k>

See the full news article here: <https://tinyurl.com/tyxycyrh>

## Fraud in Auto Finance

Most of this article is based on information from a webinar put on by our Partner, National Bank, back in June.

Auto financing fraud is a growing concern, with fraud rates climbing and the tactics of con artists becoming increasingly sophisticated. The rise in fraud is not limited to the auto industry; it's a trend that's been observed across various sectors, including credit cards, deposit accounts, and telecommunications.

Higher fraud rates for auto financing have been noted in Western Canada, specifically in Vancouver and Calgary, as well as in Southern Ontario. The used car market specifically is experiencing higher rates of financial fraud, with some institutions reporting fraud rates of just over 1%.

Millennials, being credit active and more engaged online, are particularly vulnerable to fraud. Their high volume of credit activity and the sharing of personal information online make them prime targets.

To reduce the risk of fraud during vehicle sales, it is worthwhile for dealers to consider the following suggestions:

- Be consistent with your process.
- Verify the buyer's identity using their driver's license along with at least one other form of valid identification (preferably more).
- Confirm that the id is valid, not expired.
- Match the photo on the id to the individual.
- Driver's license should sound like metal when it's dropped on a desk.
- Train staff on how to carefully examine id ensuring it hasn't been altered.
- Watch for multiple fonts (Fraudulent identity will often have multiple)
- Verify employment income by contacting the employers directly.
- Approach transactions with new and out of town customers who demand immediate delivery with a heightened level of caution.

The battle against financing fraud requires awareness from both dealers and lending institutions. By understanding the trends, recognizing the red flags, and taking proactive steps for prevention, dealers can decrease the risks.

## Dealer Plates

We still get complaints from members from time to time about incorrect enforcement by police in some areas with respect to the proper use of dealer plates, but these complaints are much more rare than they once were.

### Personal Use

Personal use of dealer-owned "passenger-class" vehicles with dealer plates is absolutely legal but not on "commercial vehicles" (ie. cargo vans, ambulances etc.) where the cargo area is separate from the passenger compartment.

Dealer Plates may also be used on dealer-owned vehicles for all purposes related to the sale of the vehicle and this includes commercial vehicles.

### Documents Needed!

The dealer plate is not restricted to use by the owner of the dealership. It may be used by anyone that has the permission of the dealership; that would include staff and potential buyers who have the vehicle for testing purposes.

Three documents must be with the vehicle whenever a dealer plate is used ... not just when used for private purposes:

1. a true copy (meaning a clear copy of the front and back) of the permit for the dealer plate
2. the Insurance certificate (pink slip)
- \*3. a true copy of the vehicle permit.

\* If the vehicle has recently been purchased, a copy of the Bill of Sale may be accepted by the police.

Please call the UCDA if you would like a handy wallet card you can show the police if you are stopped and asked about your use of the Dealer Plate.

## Newer Developments

As of January 1, 2021:

- Dealer plates can be used on a light-duty commercial vehicle (ie. Pickup Trucks), that is part of a dealer's inventory of motor vehicles and that is "loaded with goods" of a private nature, for private use, provided the manufacturer's Gross Vehicle Weight Rating of the pickup truck does not exceed 3,400 kg (Reg 628). Pickup trucks displaying Dealer plates while being operated for private use may not tow another vehicle.

The MTO has also issued communications to the enforcement community to clarify that the current Dealer plate regulations support using a Dealer plate in the following situations:

- On a used motor vehicle being transported from auction with no vehicle registration permit, and
- While transporting a new unregistered motor vehicle where only the New Vehicle Information Statement (NVIS) is present.

As always, if you are charged in circumstances you do not believe to be fair or accurate just give us a call at 416-231-2600 or 1-800-268-2598. We have helpful documents you can show the crown prosecutor or the judge.

## Simplicity: KYCS Vehicle Locate Product

KYCS Locate offers a theft recovery solution for dealerships. The self-powered waterproof device is simple to install. Installation does not require installers to cut into the wiring of the vehicle. Since no wiring is disturbed during the installation, dealers and consumer don't have to worry about the manufacturer's warranty being voided. It can also be used to secure heavy equipment, RVs, powersports and trailers.

KYCS has no monthly subscription fee, offering consumers a cost-effective solution. KYCS Locate is virtually undetectable by thieves and the device lasts for 5 years. If a consumer's vehicle is stolen, KYCS Locate is switched into recovery mode, which means that the vehicle can be monitored and provide law enforcement the information they require. These features lead to a higher probability of the vehicle being recovered.

KYCS offers multiple F&I and inventory protection models tailored for dealerships. It includes geofencing capabilities, creating a virtual boundary around your lot.

If your dealership is interested in exploring KYCS Locate, please contact the UCDA or Jay Lyall [jlyall@kycs.ca](mailto:jlyall@kycs.ca)

[www.KYCS.ca](http://www.KYCS.ca)

# Selling a High Theft Rate Vehicle ... It May Be a Material Fact

It's no secret. There is an auto theft epidemic across the country and Ontario is at the center of it.

This news comes as no surprise to anyone who has recently looked at his or her auto insurance bill. Insurance companies have begun to introduce additional surcharges for some of the most stolen vehicles across the country.

CAA, for example, recently announced that it would be requiring a \$1,500 surcharge on a list of vehicles, see below, (2020 or newer):

- Chevrolet Suburban and Tahoe;
- GMC Yukon;
- Land Rover Defender;
- Range Rover (including Sport, Evoque, Velar);
- Lexus GX 460, RX 450, RX 350;
- Toyota 4Runner;
- Highlander (including Grand Highlander);
- Acura RDX;
- Dodge RAM 1500;
- Jeep Wrangler; or
- Any vehicle with MSRP of \$125,000 or higher (excluding electric vehicles).

CAA will reduce or eliminate this surcharge if owners take certain safety precautions with their vehicle:

- To have the entire surcharge removed, owners must install an aftermarket immobilizer
- Owners who install other aftermarket immobilizers, or cut-off systems such as engine wire kill switch, fuse box kill switch, remote or car battery kill switch, fuel cut-off or any two factor authentication system (needs a PIN to start), will be eligible for a removal of the charge upon providing proof of purchase and installation
- In order to reduce the surcharge to \$500, owners can use a steering wheel lock, a brake pedal lock, a wheel and tire lock, keyfob signal blocking (excluding Farady devices) or retractable bollards

CAA is not alone in its introduction of this surcharge. Insurers such as Economical/Definity, Chubb Insurance, and Aviva have introduced similar systems.

This insurance surcharge also has implications for dealers when they are selling vehicles. As UCDA members are well aware, dealers are required to disclose all material facts regarding a vehicle to their customers.

A material fact is any information that may affect the customer's decision to purchase or lease a vehicle. Whether a vehicle is a high-target for theft, that carries an insurance surcharge, is arguably a material fact requiring disclosure. Disclose this in writing on your bill of sale to avoid controversy in future.

While dealers may be required to disclose whether a vehicle is on the list of most stolen vehicles, dealers should not allow this to cost them sales. Instead, dealers and salespeople may want to use this conversation surrounding auto theft as an opportunity.

If your dealership works with an anti-theft device company or an insurance company that provides a discount for car owners who install anti-theft devices, this may be the perfect opportunity for the dealership to try to sell the customer on these products.

Dealers should keep in mind that while they can provide the customer the choice to purchase these products, they should not force customers to purchase an insurance policy or anti-theft device as part of the sale of a vehicle. That is tied selling and is illegal.

Consumers are not the only ones who can enjoy insurance savings for the use of anti-theft protection. Dealers who are on Baird MacGregor's UCDA Insurance program already enjoy a 5% discount on their insurance premium if they are set up with KYCS 'Locate Lot Protection & Vehicle Recovery Plan' or the Silent Sentinel Vehicle Anti-Theft Protection Plan—for a total savings of 10% if they use both products!

Members interested in applying for Baird MacGregor's UCDA Insurance program can inquire about the application process by calling the main telephone line at (416) 231-2600.

## UCDA Social Media

### Revving Our Online Presence: The Power of Social Media for Dealers in Ontario

Social media provides a space where dealers can engage with their community, and share insights.

The UCDA's embrace of social media is more than just keeping up with the times; it's about creating a community. Through platforms like Facebook, Instagram, Twitter and LinkedIn, we can share Dealer Alerts, important news stories and fun pieces.

For the UCDA, social media is also a means of advocacy and education. By highlighting the benefits of purchasing from a reputable dealer, the UCDA reinforces the value proposition of its members. The advocacy is not only to shine a light on the value to consumers but also so members can be kept up to date with proposed regulations, and other important changes in the industry.

You can find the UCDA on Facebook, Instagram, Twitter, and LinkedIn. Please follow to find more current information.

<https://www.facebook.com/UCDAOntario/>

<https://www.instagram.com/theucda/>

<https://twitter.com/UCDAOntario>

<https://www.linkedin.com/company/used-car-dealers-association-of-ontario/>