

September 30, 2015

## **OMVIC Transaction Fee Increases from \$5 to \$10 October 1<sup>st</sup>**

All new and used vehicle retail sales and leases signed on or after October 1<sup>st</sup>, are subject to a \$10 Transaction Fee. The fee does not apply on wholesale transactions.

Dealers must remit the total fees owing to OMVIC when they renew their dealer registration. OMVIC renewal forms specify the period for which fees must be remitted.

For most dealers, this will be a significant amount to remit all at once ... twice as large as what dealers have been used to remitting. The UCDA recommends that Transaction Fee monies be kept separate from operating funds so that members are not caught short at renewal time.

We also suggest that members show the Transaction Fee as a separate line item on bills of sale and lease agreements. The fee is subject to HST, so it must be shown above the HST line. Dealers may not charge more than the \$10 fee.

If a customer asks what the fee is for, you could explain that OMVIC is a consumer protection organization that licences and regulates all dealers in Ontario. Tell them that the fee helps to pay for consumer protection and that 100% of the fee goes to OMVIC. None is kept by the dealer.