

USED CAR DEALERS ASSOCIATION OF ONTARIO
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UCDA WRITES THE PRIME MINISTER

As most members have no doubt heard, the federal government is proposing far reaching tax reforms, aimed at what the Prime Minister has called the improper use of “loopholes” by wealthy Canadians who have incorporated their businesses, to avoid paying their fair share of taxes.

He obviously has no clue how hard most small business people work for their success and that most are not “wealthy”.

Of our nearly 5,000 members, more than 3,300 operate as a corporation. The majority of these are small businesses and many struggle to make ends meet. Many also create employment in their local communities.

Those that are successful have earned that success and don't deserve to be made the scape goat for the Prime Minister's perceived “tax evasion” by business owners.

Last month, UCDA Executive Director Warren Barnard, sent a letter to Prime Minister Trudeau, on behalf of our members outlining some of the concerns we have about the proposals. The letter also asks that he extend the consultation time period, which was limited to just 75 days and is set to end this week.

Members who are concerned about the government's tax proposals are encouraged to write the Prime Minister or their local Member of Parliament.

You can find your local MP by entering your postal code at: <https://lop.parl.ca/ParlInfo/Compilations/HouseOfCommons/MemberByPostalCode.aspx?Menu=HOC>.



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September 28, 2017

The Right Honourable Justin Trudeau
 Prime Minister of Canada
 Office of the Prime Minister
 80 Wellington Street
 Ottawa, Ontario
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Dear Prime Minister,

I am writing to you today regarding proposed changes to Canada's tax system announced on July 18, 2017.

The Used Car Dealers Association of Ontario, represents almost 5,000 registered motor vehicle dealers in the province of Ontario. More than 3,300 of the Association's members operate as incorporated companies, most of which meet the definition of a “small business”.

Many of our members have expressed serious concerns about the proposals being made by your government.

These concerns include:

- The most significant negative impact will be felt by small business owners, most of whom fall squarely within your government's definition of “the middle class”, not the top 1% or 2% of income earners.
- The families of middle class, small business owners will be far more seriously affected than truly wealthy families.
- The implications of the proposed changes will be retroactive and therefore could not have been planned for.
- The proposals could lead to what amounts to double or even triple taxation.
- Small business owners are already subject to a significant burden in complying with a myriad of regulatory requirements at all levels of government and will have this burden further enlarged.
- The increased burden on small businesses will seriously hinder growth, stymie hiring and have the opposite effect from that which is intended.



Individually, We Struggle To Be Heard.
 Collectively, We Cannot Be Ignored!

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- Rather than increasing tax revenue, the resulting decrease in new and possibly existing employment will mitigate strongly against any increase in tax revenue received by the government.

The public consultation period imposed by your government was set at just 75 days. This is grossly inadequate for the type of overarching changes that are likely to take place. The substantial overhaul of the nation's tax system deserves more than two and a half months of discussion. The unintended consequences of moving too fast could be extremely detrimental to our economy and our global competitiveness. Tax reform of this scope requires years, not weeks or months, of in-depth consultation, research and study.

I urge you to extend the consultation period for the proposed changes to at least the end of this year and after that to engage in an adequate period of research to study the implications of the proposed tax reforms on business, employment, economic growth, tax revenue, Canada's place in a competitive global economy and more.

This is not something that should be rushed into.

Yours truly,

Warren N. Barnard, LL.B.
 Executive Director
 UCDA

UCDA Members Provide Charitable Support

The UCDA is pleased to support **Camp Quality - Northwestern Ontario**, a one-week camp experience offered free to children living with cancer, and their siblings.

The volunteer-run camp, located 45 minutes north of Thunder Bay on beautiful Loon Lake, provides each camper with a counsellor/companion who ensures not only that their camp experience is fun, inspiring and challenging, but also that their unique medical needs are met.

This one-to-one connection is unique to Camp Quality and, over time, as a child returns to camp each summer, can develop into a long-lasting friendship where the companion becomes a key support person not only for the camper as they grow, but for the whole family as they navigate the child's cancer journey together.

On behalf of our members, the UCDA donated enough to send 3 children to camp this summer. If you would like to learn more about Camp Quality, visit www.campquality.org.

The UCDA is also pleased to support Candlelighters who asked us to pass on their gratitude to members of the UCDA.

"Our sincere thanks to the dealer members of the Used Car Dealers Association of Ontario, who are generously supporting Candlelighters Youth Survivor Initiative. Candlelighters is a not-for-profit organization that provides programs and services for children, and their families, coping with childhood cancer.

With 65 newly diagnosed children every year in the National Capital and surrounding region and 125 kids on active treatment at any given time, Candlelighters provides tangible support that addresses the unique needs that accompany a childhood cancer diagnosis and the impact it has on families. Fortunately, 80% of kids survive their initial diagnosis, survivorship is not without its challenges and with the generous donation from UCDA of Ontario, Candlelighters will continue to provide valuable service to those in need. We can't do it without you. Thank you for caring!" Visit www.candlelighters.net for more information.

Proposed Minimum Wage Hike

Public hearings on Bill 148 took place over the summer, when most people were more concerned with cottages and vacations than the radical changes to Ontario's labour laws that the government plans to institute beginning in January.

Bill 148 proposes major changes to the rules that

govern the employer/employee relationship for all businesses, including every UCDA member with one or more employees.

Without performing an economic impact study or engaging in any advance consultation with business, the Ontario government is planning to move forward with a \$14 per hour minimum wage by January 1, 2018, increasing to \$15 per hour by January 1, 2019.

Some of the other major changes proposed by the government include:

- Increasing minimum vacation time from two to three weeks for employees who have been employed by the same employer for at least five years.
- Requiring all businesses to provide up to 10 days of personal emergency leave, of which a minimum of two days would have to be paid.
- Increasing fines for businesses and hiring 175 new employment standards officers to enforce the new rules.

The 32 per cent increase in the minimum wage will hurt small businesses, including UCDA members, who are already dealing with current and proposed increased Employment Insurance premiums, Canada Pension Plan expansion, cap and trade taxes on fuel, and skyrocketing hydro rates.

Tell the Premier, Minister of Labour and your MPP how these changes would affect your dealership by calling their offices, or putting your thoughts in an email. Here's how:

- Premier Kathleen Wynne: 416-325-1941; kwynne.mpp@liberal.ola.org or premier@ontario.ca
- Minister of Labour Kevin Flynn: 416-326-7600; kflynn.mpp@liberal.ola.org or kevin.flynn@ontario.ca
- Your local MPP. If you're not sure who that is, MPP contact information can be found at:

http://www.ontla.on.ca/web/members/members_current.do?locale=en&ord=Riding&dir=ASC&list_type=all_mpps

Ask other dealers to do the same.

"As is" Sales

We had a dealer ask if he might be responsible for a head gasket that failed on a vehicle the day after it was sold "as is".

There are two reasons why the likely answer is "Yes"!

First, a head gasket that fails the next day was likely in that condition BEFORE the sale and "as is" sales do not relieve dealers of responsibility for pre-existing problems that should have been known.

Second, and most importantly, the dealer in this case sold the vehicle with a safety certificate. Ontario law forbids the sale of an "as is" car with a safety. If it's certified, it's NOT an "as is" sale.

When selling a vehicle "as is", dealers SHOULD:

- explain fully to the customer that the vehicle is not roadworthy and that the purchaser is responsible for all costs to make it roadworthy
- have the customer read and initial the required "as is" clause (on UCDA Bills of Sale and in OMVIC's Standards of Business Practice)
- deliver the vehicle to the customer or the customer's mechanic, or ensure that the customer tows the vehicle away

When selling a vehicle "as is", dealers SHOULD NEVER:

- just write "as is" on the bill of sale
- let the customer drive an "as is" vehicle away
- provide a Safety Standards Certificate for an "as is" vehicle
- sell an extended warranty on an "as is" vehicle

Dealers can't let customers drive "as is" vehicles off the lot or provide a safety or warranty. "As is" vehicles are by definition not "roadworthy" vehicles.

Canadian Labour Compliance Agency

Members are subject to random calls from companies intent on offering training for the myriad of government compliance regulations that small business, dealers in particular, are subject to.

One of these companies is Canadian Labour Compliance Agency. Sounds like a government department, doesn't it? It's not. It's a private company that offers on-line WHMIS and other workplace training ... for a fee.

The UCDA has twice been contacted by this company, which has aggressively tried to push its on-line training, the innuendo being that the training is mandatory under federal and provincial labour laws. The training offered by this company is not mandatory and on-line training is often available at no charge through government websites.

This company also uses the names "e-Workplace Training" and "e-WHMIS". The Better Business Bureau's website for these joint names gives the company an "F" grade and says there have been 173 complaints filed against the company. <https://tinyurl.com/y8e8ptn4>. Click on the Reviews & Complaints tab to read some reviews about the company.

Compliance Quiz

Here's this month's compliance quiz ... the answers are on page 4. Good Luck!

1. What powers does OMVIC have when they contact a dealer about a complaint?
 - (a) OMVIC can require the dealer or salespeople to take educational courses.
 - (b) OMVIC can refer the matter to the discipline process.
 - (c) OMVIC can require the dealer pay a sum of money or provide a refund as determined by OMVIC staff.
 - (d) OMVIC can attempt to mediate or resolve the complaint.
 - (e) OMVIC can issue a written warning that if the registrant continues with the activity that led to the complaint, action may be taken.

Is it:
a, b and c? or a, b, d & e? or all of the above?

2. What is the purpose of an OMVIC inspection?
 - (a) To find out all they can about a dealer's internal operations to share with other dealers.
 - (b) To ensure the dealer and salespeople are in compliance with the Act and regulations.
 - (c) To gather information as the result of a complaint.
 - (d) To ensure the Registrant remains entitled to registration.
 - (e) To confirm the dealer is in compliance with municipal codes and by-laws regarding fence heights and setbacks.

Is it: a & e? or b, c & d?
or all of the above? or none of the above?

3. A dealer is required to declare water damage if a vehicle has been immersed to a depth of the (bottom) of the steering wheel.

True False

4. Although a dealer does not have to declare if two or more adjacent panels on a used vehicle have been painted, they do have to declare if they have been replaced.

True False

5. A consumer has 5 years from the date of loss to make a claim to the Compensation Fund.

True False

Anti-Spam Updates

As reported in the June Frontline, the much feared private right of action slated to come into effect on July 1st, and which could have seen consumers suing dealers for breaches of Canada's 2014 anti-spam law ("CASL"), has been "temporarily suspended".

We cannot, and should not, assume this means the measure is gone for good, so review your practices and remember the essential rules:

As of July 1st, the three year transitional period of implied consent ended. Now you must ensure your messages reach only recipients:

- Who are exempt from the Act;
- Who have given express consent;
- or
- Who have done business with you in the last 24 months or who have made a related enquiry in the last 6 months.

For more information a dealer-focused Preparedness Guide has been designed http://www.ucda.org/dealerinfo/pdf_files/antispampreparednessguide.pdf

This document is used with the kind permission of SCI MarketView, NortonRose and Canadian Auto Dealer. There is more information on all of this available from SCI at <http://scimarketview.ca/casl-compliance-toolkit/> or call 888.919.8084.

The CRTC, who is tasked with enforcing CASL, also has a useful website with more information at <http://www.crtc.gc.ca/eng/casl-lcap.htm>

Quiz Answers

1. **a, b, d, e.** The MVDA gives the registrar the power to do any of these things, but neither the registrar nor OMVIC staff have the ability to order a dealer to pay money to anyone or to cancel a contract and refund the purchase price to a purchaser.
2. **b, c, d.** OMVIC inspections are designed to ensure compliance with the MVDA, to follow up on complaints and to ensure that the dealer's registration should continue. Inspections do not look at specific municipal requirements for carrying on business and inspectors are not entitled to share information with other dealers or anyone other than the registrar and OMVIC staff.
3. **False.** The MVDA requires water damage to the level of the interior floorboards to be disclosed.
4. **True.** Replacement of two or more adjacent panels (not including bumpers) must be disclosed.
5. **False.** The MVDA gives consumers only two years from the date of loss to file a complaint with the Compensation Fund.

Our 3-Part, Carbonless Appraisal Forms are now available in a 50-Form pad!

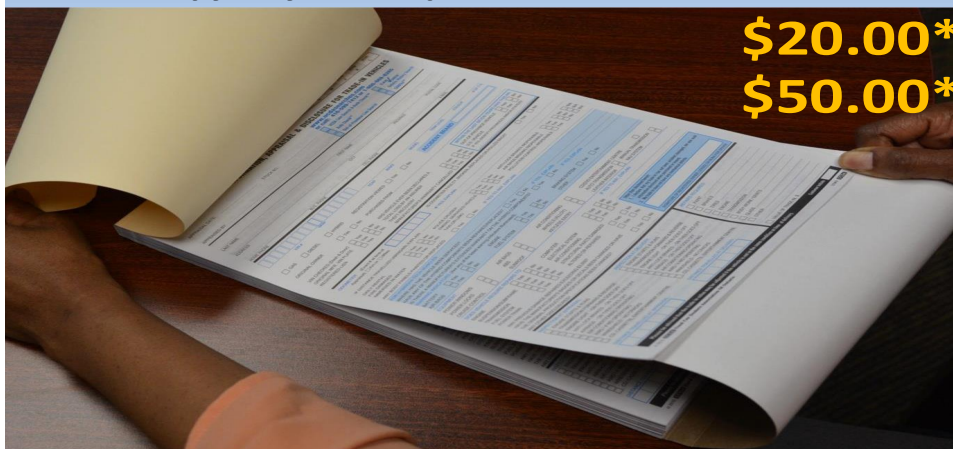


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