

THE GOOD ... THE BAD ... & THE UGLY ... SHARED COVID-19 STORIES FROM THE ROAD

As Ontario and the industry gradually re-opened, the UCDA started sending our on-road member ambassadors back on the road to visit members.

Visits to members started in Eastern Ontario and then in some rural areas of the Province where COVID-19 was not wide-spread. Gradually, as the Province has gone to Stages 2 and 3 of the recovery, members are being visited in the larger cities as well.

Our ambassadors have shared a few stories of the PPE measures being taken by some members they have visited. Some have come up with very laudable and creative ways of safely operating during the COVID-19 pandemic.

Here are a few:

At one dealership there was a table set up with a sign that asked visitors to use the hand sanitizer and to wait to be served. At the side of this barricaded area, there was a salesperson who asked what he could do for me. He went and found the person I was looking for and I was able to enter.

On the seats in the waiting area, there was signage that said the seats were sanitized for your safety. On that sign, it said flip over the sign once you get off the chair. The backside of the sign said the seat needed to be sanitized. I thought that was a great idea!!

Another dealership had a similar barricade at the front entrance, along with a promotional cardboard tower that said it was a sanitization station. A bottle of sanitizer fit inside a box in the tower. There were masks on a table

as well as gloves for customers to use. At this dealership the staff wore masks and they also had desks with plexi-glass barriers between sales staff and consumers.

Unfortunately, not all members visited were taking the same precautions.

Another dealer had no sanitizer and no one was wearing a mask. The door was wide open, possibly to bring in fresh air, but anyone could walk in unannounced. Our rep was told that most customer visits take place outside and staff don't wear masks so that customers feel at ease with staff who "look well".

At one store, our rep, who was wearing a mask, was greeted by someone who wasn't and seemed unsure how to react. He went to get a manager who said that there was no need for masks. No one wore them there. There was no sign of sanitizer or any PPE.

Many municipalities now have mandatory mask wearing by-laws in force for publicly accessible indoor areas. That includes dealerships. Public health authorities, various levels of government, OMVIC and the UCDA have all issued guidelines and recommendations to help businesses, and in particular dealers, operate safely during the pandemic.

We urge members to review PPE protocols and think out of the box where necessary to ensure that all that can be done is being done to prevent the transmission of COVID-19 to your staff and to customers and other visitors.

Dealer Quiz

1. The Used Car Dealers Association of Ontario started in 1984 with just a handful of members. Today the UCDA's membership is almost:
 - a) 500
 - b) 1500
 - c) 5000
 - d) 6000

2. The Motor Vehicle Dealers Compensation Fund exists for the benefit of consumers and may offer compensation on proven claims up to:
 - a) \$10,000
 - b) \$45,000
 - c) \$20,000
 - d) none of the above

3. The UCDA offers a mediation service to consumers who have complaints about vehicles they have bought from Ontario dealers, some of the conditions of this service are:
 - a) it's free
 - b) it's available even if the dealer is not a UCDA member
 - c) it's informal and usually done by telephone or email
 - d) all of the above

4. A trade-in can be used to save tax when buying from a dealer.
 - a) True
 - b) False

5. No retail dealer (general class dealer) can operate from a residence, the location must be commercially zoned.
 - a) True
 - b) False

LIEN SEARCHES

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Extended Warranty Update

We have added two new warranty providers to our list.

In addition to those already listed, the new additions have satisfied the UCDA that their warranties are fully insured by a licensed Ontario insurer:

Veritas Global Protection Services, Inc. 1-888-222-3020
 Central Administrative Service Corporation, Inc. 1-888-222-3020

Each of the companies listed below have provided the UCDA with a copy of its insurance agreement, along with a written undertaking by the insurer to notify the UCDA in the event that the coverage is cancelled or changes are made.

The UCDA asks the recognized warranty companies to have insurers provide annual updates to us, confirming that insurance remains in place.

Verified Insured Warranty Companies

After receiving updates from insurers, here is the current alphabetical list of warranty companies that have met our requirements for insurance recognition:

Assurant Vehicle Protection Services (formerly Coast to Coast)	1-800-387-0119
Canada General Warranty Inc.	1-866-320-8975
Central Administrative Service Corporation, Inc.	1-888-222-3020
Cornerstone United Warranty (XtraRide and AutoXtra)	1-800-774-9992
Coverage One Warranty	1-866-988-1642
D.I.S.C.C. Enterprises Ltd	1-800-663-1303
First Canadian Protection	1-800-381-2580
Global Warranty	1-800-265-1519
Lubrico Warranty	1-800-668-3331
Nationwide Auto Warranty	1-888-674-8549
People's Choice Warranty Ltd.	1-888-284-2356
Specialty Administrative Services, LLC	1-888-668-4360
Sym-Tech i-Select Plus	1-800-363-5796
Veritas Global Protection Services, Inc.	1-888-222-3020

The UCDA does not endorse any specific warranty company or product, but strongly recommends that members only offer warranties that are insured by a licensed Ontario insurer.

Exporting Concerns

Few issues attract more calls from dealers than sales where the buyer wants to buy a vehicle and pay no tax because they plan to "export" the vehicle out of Canada.

Because of this, we have written in the pages of Front Line repeatedly warning members against the practice of exempting "export buyers" from paying HST. There are several good reasons to avoid this:

1. You are underwriting the buyer's exemption; if he or she is entitled to recover tax let them ask the HST office for it back;
2. You can't give delivery to the buyer in Canada. Delivering it to a "shipper" is not good enough. You need solid and correct paperwork, which few dealers are getting.
3. In many cases "export buyers" are actually curbsiders in the business of exporting vehicles overseas.

Often, the "Export Buyer" will offer a bill of lading. Well, a bill of lading is not something a shipper in Mississauga can give you. It is only issued when the vehicle is loaded on a ship in Halifax, Montreal or Vancouver.

Also, we have heard of Canada Revenue Agency auditors asking dealers for proof from Nigeria, Dubai, Kazakhstan or wherever the vehicle went, that the vehicle arrived and was "registered" there, what form such proof would take ... WHO KNOWS?

Our advice, charge HST on every sale no matter who or where the buyer is.

If you decide to proceed and not collect HST, be sure to handle the export yourself and use a trusted shipper who is working for you and who will help ensure you are in compliance. You must follow the export rules to the letter.

The rules being cited by the CRA can be found at:
<https://tinyurl.com/t7foz>

OMVIC Mystery Shoppers on the Road Again

OMVIC has announced they will conduct mystery shop visits at dealerships in Durham Region to monitor all-in-price advertising compliance in the coming weeks.

OMVIC says they are doing this 'secret shopper' initiative because of ongoing all-in price advertising violations by some dealers whose actions have resulted in consumer harm. Non-compliance is also unfair to those dealers that follow the law.

Reminder: Only HST and licensing fees can be added to the price and the ad must prominently indicate they are not included.

New U.S. Duties on Non-American made vehicles

Despite the implementation of the Canada-United States-Mexico free trade agreement on July 1, the United States Government has imposed duties on the import of many non-American made vehicles, on the grounds of national security.

Dutiable Entry Foreign-made vehicles imported into the U.S., whether new or used, either for personal use or for sale, are now generally dutiable. Many, but not all, Canadian-made vehicles are exempt from these duties. Mexican-made vehicles are generally subject to these rates.

Autos are subject to a duty of between 2.5% and 2.8% of the declared price paid for the vehicle. Trucks, including pick-ups, many of which are made in Mexico, are subject to a duty of 25% of the declared purchase price. Vehicles made in Mexico have a VIN beginning with a "3". If the manufacturer's label shows the letters "TRU" as the vehicle type, it is considered to be a truck.

For more information contact U.S. Customs and Border Protection (CBP) at 202-325-8000. CBP does not have a toll free number for use outside of the U.S.

Answers

1. **The answer is c).** There are nearly 5,000 active UCDA members!
2. **The answer is b).** The maximum claim that a consumer can make to the compensation fund is \$45,000, if the consumer meets certain criteria set out in the *Motor Vehicle Dealers Act*.
3. **The answer is d),** all of the above. The UCDA has been offering fast and free mediation services to help consumers and dealers resolve disputes since 1992.
4. **True.** When a consumer trades a vehicle in against the purchase of a vehicle from a dealer, the taxable amount of the purchase is reduced by the value of the trade-in. In other words, the HST is calculated based on the difference between the purchase price and the assigned value of the vehicle being traded in.
5. **True.** Retail dealers, called General Dealers in the *Motor Vehicle Dealers Act*, may not operate from a residence. They must operate from a commercial property, acceptable to their local municipality for the sale of motor vehicles to the public.

Wholesale dealers, who are permitted to do business only with other dealers, do not need a commercial premises from which to operate, though they must store their books and records at a commercial location to allow for inspection by OMVIC.

NAPA's Third Quarter Promotion Is "The Golden Ticket"

Have you been participating in the NAPA promotions? It's simple to do. You just need to be a UCDA member and be registered for the program free of charge. Purchase from your local NAPA store, and if you reach the minimum qualifying amount, you're automatically entered into the draw.

We would like to congratulate the previous 2020 winners:

- Q1 Winner 401 AutoRV Canada - Visa Gift Card
- Q2 Winners Mark Wilson's Better Used Cars and Precision Tune Brooklin - each win an iPad with AutoServe1



YOUR CHANCE TO FIND

THE GOLDEN TICKET!

Draw details

Win 1 of 9 prizes randomly placed in bags!

- 1 Golden ticket - \$500 Prepaid Visa Card
- 2 Silver tickets - \$100 Prepaid Visa Cards
- 6 Bronze tickets - \$50 Prepaid Visa Cards

1 Cotton Canvas bag (22"x11"x9") for each location that qualifies.

Criteria

Net purchases of over \$10,000 in Q3
Qualifying period from July 1st to September 30th

DRAW IN OCTOBER 2020