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Motor
Vehicle Sales Authority
of British Columbia

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Illegal predators abound in auto imports from the U.S.

(BURNABY, B.C. - 20 November, 2007) - The Registrar of Motor Dealers in B.C., Ken Smith, has warned consumers who attempt to import vehicles from the United States by using unlicensed agents behaving as dealers - possibly people with a very questionable background - that they are participating in illegal behaviour.

"Canadians are certainly entitled to purchase vehicles outside of this country, and bring them here, as long as they comply with all federal and provincial import, taxation and licensing guidelines, but any unlicensed third party who earns income from facilitating the process is breaking the law," Smith said.

The Motor Vehicle Sales Authority of B.C. (VSA) is delegated by government to administer the Motor Dealer Act and related regulations, as well as other statutes concerning the retail sale of motor vehicles, with a mandate to serve both consumers and industry. Motor vehicle dealers and all salespeople must be licensed and standards of practice are clearly defined.

"When there is a rapid change in currency values it can take some time before it works its way through the system," Smith said. "It is a very difficult period for Canadian dealers who have issues both with the manufacturers they represent and also the rapid devaluation of their used vehicle inventories."

The Registrar added that he is confident that the industry will adjust quickly and noted that many B.C. dealers are legally importing large volumes of used vehicles from the U.S. to Canada and offering them for sale at beneficial pricing.

"Many smart consumers have also made excellent purchases in the U.S, and successfully and properly imported them to Canada, but others have discovered that their new vehicle fails to comply with Canadian standards, that new car warranties don't apply and other problems."

Smith urged anyone considering importing a vehicle from the U.S. to visit the special Transport Canada web site for the federal Registrar of Import Vehicles and carefully follow instructions (http://www.riv.ca/english/html/how_to_import.html). Buyers of new cars should determine in advance all warranty issues and those proposing to import a used vehicle should conduct a professional vehicle history search such as that offered by the Canadian company, CarProof (www.carproof.com).

"Our principal concern is that the most unsavoury people in the B.C. car business, many with criminal records, have seized upon this currency anomaly for profit," Smith said. "The simple test for consumers is to ask anyone selling either vehicles or agent services, to produce their VSA license. If they don't have one, they are breaking the law."

By failing to purchase from a licensed dealer, a B.C. consumer is also putting at risk the protections offered by the Motor Dealer Act, the Business Practices and Consumer Protection Act and the Motor Dealer Customer Compensation Fund.

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FOR MORE INFORMATION, PLEASE CONTACT:

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