



Bulletin

Motor Vehicle Sales Authority of British Columbia



Issue #2 - 2012

Legal Opinion

HST on Trade-ins

19 March, 2012

The VSA recently required a legal opinion on how the HST is applied to trade-in vehicles. The opinion clarified how the HST must be applied differently on a vehicle with a lien/loan versus a leased vehicle. The opinion addresses the issue of negative equity and touches on how the HST is applied with an HST/GST registrant. The opinion also explains how these rules will apply when B.C. reverts back to a PST and GST regime. This opinion should be read in conjunction with any transitional rules that will apply when the HST ends and the PST and GST regime returns.

[View the legal opinion here.](#)

Curber found in contempt of court and fined

As the result of continuing VSA legal action, the BC Supreme Court found curber, William Patchett, in [contempt of court](#). A fine of \$10,000, payable to the Registrar, was ordered against Mr. Patchett if he fails to abide by the new court order to *cease and desist* selling vehicles as an unlicensed dealer. He is required to tow vehicles from his home. This decision comes as the result of a substantial amount of work on the part of the Vehicle Sales Authority, in partnership with the City of Surrey. Previously, the Provincial Court had found Mr. Patchett guilty on three charges of curbing, but waived the fine on two of those charges. He continued to curb and the VSA obtained an [injunction from the BC Supreme Court](#). Mr. Patchett continued to curb, requiring the VSA to apply to the BC Supreme Court to find him in contempt of court.

This case shows that the amount of time and resources required to 'curb' the illegal activity of one unlicensed vehicle dealer can be considerable. This is in part because the current legislation limits the enforcement tools that the VSA has at its disposal to contend with curbers. Nevertheless, the VSA is committed to continue the reduction of illegal vehicle sales by using partnerships with industry professionals, municipalities and other key stakeholders. By advising consumers *only* to purchase from licensed professionals, and by advising dealers *not* to supply inventory to known curbers, we can have a significant impact on curbing in British Columbia.

[See the injunction from the BC Supreme Court here.](#)
[Read the contempt of court order here.](#)

New Registrar Appointed



Christman - VSA Registrar

The VSA Board is pleased to announce that Deputy Registrar Ian Christman has been appointed Registrar. Mr. Christman's appointment is in line with duties and responsibilities recently put in place which draw a distinction between the roles of the Registrar and those of the President.

Mr. Christman has been Deputy Registrar since February of 2008. He has a rich legal and regulatory background, and a thorough working knowledge of the motor vehicle sales industry in British Columbia. In his time at the VSA, he has also established himself as a go-to source for legal advice for Registrars and industry professionals across Canada.

As Registrar, Mr. Christman is committed to the VSA mission of *continuing to build a successful vehicle sales marketplace in British Columbia through education and compliance*. He fully supports the vision of the VSA - *a professional motor vehicle sales industry serving responsible consumers*.

If you have questions about how you can help to reduce the prevalence of curbers, contact us at communications@mysabc.com.

www.vehiclesalesauthority.com