



Dealerships Creating Liability With Unreported Ownership Changes

Motor Dealer Licences Are Not Transferable

The Licensing Department has reported a recent trend of dealerships not contacting the VSA prior to ownership changes. Licensing staff are committed to making a change in ownership as seamless as possible. However, if the VSA is not notified and the change of ownership is not properly documented, the dealership may be operating without a licence once the change is made.

Why? Because the business or a portion of the business can be sold, but the Motor Dealer Act stipulates that the Motor Dealer Licence is not transferable to the new owners. An unlicensed dealership will not have the protection of the Motor Dealer Customer Compensation Fund and will be in violation of the Motor Dealer Act.

Depending on the type of ownership and the nature of the change, documenting a change may range from submitting a simple change of ownership (Form 3) to a new motor dealer application. Criminal record checks and other due diligence may be required. For this reason, the Motor Dealer Act requires notice to the VSA.

Kim Murphy, Licensing Officer, states, "If we are notified, we'll work hard to avoid any disruption to your business during an ownership change. But, we cannot change the law so that your business is licensed when it is legally not. Please avoid the liability, call us before you make any changes."

2012 VSA Annual Report Available Online

The 2012 VSA Annual Report is now available. New this year:

- Certification course evaluation data and Ombudsperson review statistics.
- Also, in a departure from past reports, the audited financial statements are being provided as a stand-alone link and document.

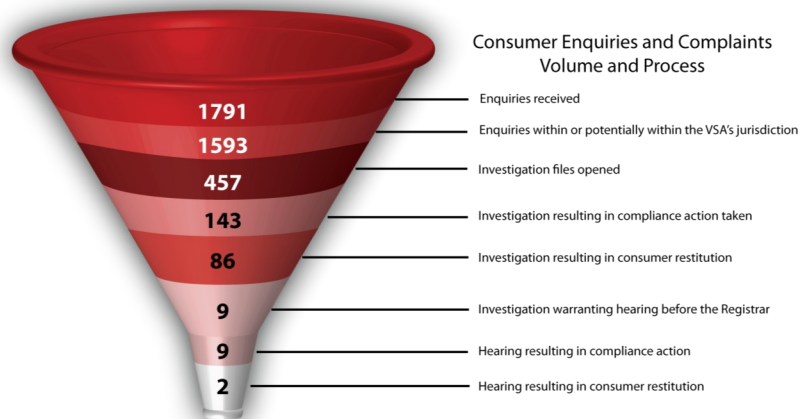
[VSA 2012 Annual Report](#)

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[2011-2012 Audited Financial Statements](#)

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Breakdown of Consumer Services Enquiries 2011-2012



Source: 2012 VSA Annual Report