



Vehicle Auctions in BC – Part One

Auction Types and Licensing

A motor dealer is defined as any individual or business that advertises, offers for sale, or sells motor vehicles to consumers for personal or family use. This includes leasing and consignment sales.

An auction selling to consumers may be exempt from registering as a motor dealer if they are selling only motor vehicles on behalf of licensed motor dealers and the auction has no property interest in the motor vehicle. There must be no other vehicle sales to the public.

In contrast, an auction that sells any of its own motor vehicles to consumers, or a motor vehicle belonging to anyone who is not a licensed motor dealer, must be licensed as a motor dealer. This includes selling for individuals, companies, partnerships, government entities, estates, receivers, and trustees.

Requirements of a public auction licensed as a motor dealer

When a public auction is licensed as a motor dealer must meet all the requirements of a licensed dealer, including:

- Complying with the disclosure requirements of the *Motor Dealer Act*
- Making disclosures in a manner that is compliant with the *Business Practices and Consumer Protection Act*
- Selling vehicles that are compliant with the *Motor Vehicle Act* and their regulations, including the safety requirements, or selling and declaring them as “not suitable for transportation”
- Having sufficient licensed sales staff
- Ensuring that individuals who “in any way participate in the soliciting, negotiating or arranging for the sale of a motor vehicle to a person” are licensed as salespersons.

The other auction types

1. **An exempt public auction** that only sells vehicles to the public that belong to licensed motor dealers. *A licensed motor dealer consigning a vehicle to this auction remains responsible for the declarations and condition of the vehicle being sold.*
2. **A wholesale or business-to-business auction** that does not sell to the public and therefore does not need to be licensed as a motor dealer. Despite not being licensed as a motor dealer, any person selling a vehicle “for use” or permitting it to be driven must still comply with the *Motor Vehicle Act* and regulations.

Some auction companies, such as ADESA, operate both a licensed public auction and an exempt wholesale auction.

Note: Recent amendments to the *Motor Dealer Act* permit the Registrar to set conditions that wholesale auctions must meet in order to maintain their exemption. These conditions have not been finalized, but they will include minimum disclosures and compliance with the *Motor Vehicle Act*.