

Wholesale Transactions and Licensing FAQs

Wholesaler Licensing

1. Do dealers now require a wholesaler licence? In most cases, yes.

As of April 1, 2018, independent wholesalers, as well as dealerships that sell to a wholesaler or to another dealer, must get a wholesaler licence. There is no additional cost for a wholesaler licence when it is obtained with an active dealer licence. Dealers who wholesale vehicles must identify their wholesaler representative(s).

2. Is there a separate wholesaler representative licence? No.

Dealers must identify their wholesaler representative(s) for evaluation/vetting by the VSA, but there is no licence requirement.

3. When will a wholesaler licence be required? No later than at dealer licence renewal.

The licensing of independent wholesalers has been ongoing and they are listed on the VSA website. The licensing of dealers that sell wholesale is now underway. If your dealership needs to be licensed as a wholesaler, you will be required to obtain a wholesaler licence as a condition of your next licence renewal.

4. Is training required for wholesaler representatives? Yes.

If a designated wholesaler representative is a licensed salesperson, they must complete supplemental training on recent wholesaler legislation. If a wholesaler representative is not a licensed salesperson, they must complete the full wholesaler training course.

Auction FAQs

1. Are there disclosure standards for online and in-person wholesale auctions (dealer auctions)? Yes.

An auction must get a written disclosure statement from the eligible seller about the eligible vehicle and pass it along to the eligible bidder to maintain the exemption from the *Motor Dealer Act* (MDA). The statement must make the standard declarations required in Section 23 of the MDA Regulation and, if the vehicle is not intended for transportation, include a statement that the vehicle is not suitable for transportation.

2. Is an As-Is statement permitted at an in-person or in an online wholesale auction? Yes and no.

A blanket *As-Is* statement is not permitted. There is an obligation to make the [Motor Dealer Act Regulation disclosures](#). There is a requirement that the motor vehicle comply with the safety standards of the *Motor Vehicle Act* at the time of sale. There is also an obligation to advise if the vehicle is being sold for purposes other than transportation. *As-Is* does not convey any of these. An *As-Is* statement limited to stating there is no warranty over specific components of the vehicle such as the air conditioning, condition of the interior, etc., is acceptable.

Wholesale Transaction FAQs

1. Can vehicle information be withheld during a sale based on privacy concerns? No.

The condition and prior history of a motor vehicle is not protected from disclosure under the *Personal Information Protection Act*. Associating vehicle information with an individual would be a privacy concern, but personal information can be removed from any documentation.

2. Can the required declarations about wholesaled vehicles be withheld? No.

One purpose of licensing wholesalers, including licensing dealers as wholesalers, is to make accurate information available for all vehicles in the retail supply chain. Misleading a wholesaler about a vehicle that will eventually be sold to a retail buyer does not support consumer protection. If the withholding of required information is [reported](#), the VSA will investigate. If the allegations are proven, the licence of the wholesaler would be reviewed.

3. Can a wholesaler sell through a wholesale auction? Yes.

Licensed wholesalers are defined as an authorized seller in the legislation. The wholesale auction is responsible for ensuring the licensed wholesaler provides the required declarations for the buyer.

4. Can a wholesaler sell through a public auction? Yes.

A public auction must be registered as a motor dealer. If the seller is a wholesaler, the auction is responsible to the consumer for all the duties that go along with being a licensed dealer.

5. Can a wholesaler sell through a licensed dealer on consignment? Yes.

If the seller is a wholesaler, the dealer is responsible to the consumer for all the duties that go along with being a licensed dealer.

