

Wholesaler Requirements

On April 1, 2018 key features of the *Motor Dealer Amendment Act* came into force, which included introducing a wholesaler licensing category. Now that wholesale requirements have been in effect in BC for over two years, here's a quick refresher of the key provisions that apply in a wholesale transaction- especially declaration and disclosure requirements.

Key Wholesale Transaction Requirements

Conducting a wholesale transaction? Here are a few key points to remember:

- A blanket *As is-Where is* statement is not permitted in a wholesale transaction. For example, do not state: "The motor vehicle sold under this contract is being sold "as-is" and is not represented as being in roadworthy condition, mechanically sound or maintained at any guaranteed level of quality." Instead, including a declaration over a specific component of the vehicle is acceptable. For example, you can state: "There is no warranty over the air conditioning system of this vehicle." Or, you can state the vehicle is "not suitable for transportation".



It is important to remember that *As is-Where is* does not put a buyer on proper notice that a vehicle may be *unsuitable for transportation*. It is a material fact if a vehicle is unsafe and that condition must be disclosed accurately.

- As a condition of every VSA-issued wholesale licence, the licensee must not dispose of a used motor vehicle to a buyer unless the licensee and the buyer have signed a written agreement of purchase and sale.

The Signed Agreement

When preparing your purchase agreement, be sure it contains the following prescribed information:

- a) the name, contact information and wholesaler licence number of the licensee who disposed of the motor vehicle;
- b) if the buyer acquiring the motor vehicle is located in a jurisdiction other than BC, the registration number, licence number or other evidence, if any, of the buyer's authority to act as a motor dealer or wholesaler in the other jurisdiction;
- c) the information described in [section 21 \(1\) \(a\) to \(l\) and \(2\) \(a\) to \(d\)](#) of the *Motor Dealer Act Regulation* and, for that purpose, a reference to a motor dealer must be read as a reference to a wholesaler;
- d) if the motor vehicle is not suitable for transportation, a statement that the motor vehicle is sold for parts only or purposes other than transportation;
- e) the disclosures described in [section 23](#) [material facts] of the *Motor Dealer Act Regulation*, stated to the best of the licensee's knowledge and belief;
- f) the reading on the motor vehicle's odometer taken before and after the licensee's exchange or repair, if any, of that motor vehicle's odometer or a part of that motor vehicle that is directly related to the odometer.



Note that the above incorporates the long-standing consumer-declaration requirements found in the [Motor Dealer Regulation Act](#).

A licensee must provide the buyer with a copy of the signed purchase agreement. A sample of a wholesale agreement can be found on [our website](#). Please [click here](#) for additional information on Wholesale Transactions.

Key Wholesale Auction Requirements

The *Motor Dealer Act* (MDA) provides a licensing exemption for wholesale auctions. However, in 2018 amendments to the MDA added conditions that must be met in order for a wholesale auction to maintain their licensing exemption.

An important requirement to remember for wholesale auctions is that the person holding the auction must make the written statement about the motor vehicle from the eligible seller available to all bidders. The written statement must:

- a) make the disclosures referred to in [section 23](#) of the *Motor Dealer Act Regulation* [material facts], and
- b) if the motor vehicle is not intended for transportation, contain a statement that the motor vehicle is not suitable for transportation and is sold for parts only or purposes other than transportation.

For more on Wholesale Auction Requirements [click here](#).

Remember to follow wholesale requirements to ensure you comply with the MDA. If you have any questions or need further information regarding this content, please contact the VSA Industry Standards team at industry_standards@mvsabc.com

For any other inquiries, please contact us [here](#).

Reminder: The VSA office is open **by appointment only**. We encourage you to contact us by email or by phone if you have any questions.

Many of our services are available online- visit VehicleSalesAuthority.com for more information.