



Questions and Answers about Damage Declarations

What do I need to declare?

Under the *Motor Dealer Act Regulation*, you are required to declare damages if the cumulative total is over \$2,000. This is in addition to prior vehicle usage, odometer readings and previous registration information.

What does cumulative damage mean?

Cumulative means the total cost of all repairs of damage to the vehicle. For example, if a used vehicle had a damage repair of \$500 and another of \$1,700, the total cost of \$2,200 needs to be declared.

Do I need to declare all forms of damage?

Yes. The BC Court of Appeals said that *damage is not limited to accident damage*. Vandalism, theft and windshield claims are also included.

Where do I need to make the declarations?

Declarations need to be made on the APV9T and on the purchase/sale agreement. The APV9T is a transfer document and includes only the *Motor Dealer Act (MDA)* declarations. All disclosures and declarations should be included on the contract or purchase agreement.

I'm not sure if the vehicle had any past repairs, what should I do?

You should obtain a vehicle claims history report from a reliable source to confirm or uncover past damage. CarProof contains ICBC information and may include accident repair estimates. Service records also provide additional information and should be utilized.

If a vehicle history report shows an estimate of damage over \$2,000, but not the actual cost of repairs, do I have to declare it?

Yes. You have evidence that the vehicle had damage over \$2,000 and was likely repaired. Under the *Motor Dealer Act Regulation*, you are obligated to check for the extent of the damage.

A vehicle history report shows no details. Do I have an obligation to find out more?

Yes. You need to get additional reports or do further research or inspections to identify the nature of the no details report.

A new vehicle was damaged during transport. What are my obligations?

Dealers are obligated to declare any damage to new vehicles that occurred prior to their sale if the damage amounts to more than 20% of the asking price.

What risk am I taking by not declaring damages?

Failure to make accurate declarations may be seen as a deceptive act under the *BPCPA* and a violation of the *MDA*.

What is the purpose of damage declarations?

The BC Court of Appeal said, *Declarations provide the prospective purchaser with information about damage to a vehicle and alerts them to the possibility of hidden existing damage which would affect the value of the vehicle so they may investigate that fact*.

What is the best practice in regard to damages?

The VSA recommends that dealers disclose any damage sustained by a vehicle and provide all available details. Dealers should also ensure that the accuracy of those declarations are to the best of their knowledge and belief exercising due diligence. Completing a vehicle inspection is a recommended best practice.