



# **VEHICLE SALES AUTHORITY ADVERTISING GUIDELINES**

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## Record of Updates

The table below outlines the updates to the Vehicle Sales Authority (VSA) Advertising Guidelines since the document was first published in November 2005. The “Date” column shows the month that the updated guidelines were published. The “Changes” column describes the changes from the previous version of the guidelines.

The most recently updated version of the Advertising Guidelines is available on the VSA website at <https://www.vsabc.ca/>

Date	Changes
November 2005	Original Document
July 2006 to June 2014	The change record for this period has been archived as part of the June 1, 2014 version of the Advertising Guidelines
May 2018	<p>General update and changes to reflect amendments contained in the <i>Motor Dealer Amendment Act, 2016</i> and amendments to the regulations. This includes the following changes:</p> <ul style="list-style-type: none"> <li>• Removed references to ‘VSA Directives’ throughout.</li> <li>• Removed the appendix containing excerpts of legislation and added links to legislation referenced in the guidelines in part 1.3.</li> <li>• Added advertising examples in part 2.</li> <li>• 1. Introduction <ul style="list-style-type: none"> <li>○ Revised and clarified the purpose of the Advertising Guidelines.</li> <li>○ Removed some details regarding compliance and enforcement and added a link to the VSA Compliance Policy and Procedures.</li> </ul> </li> <li>• 3. Deceptive or Misleading Advertising <ul style="list-style-type: none"> <li>○ Added new part 3.2 with guidelines on determining whether an advertisement is deceptive or misleading.</li> </ul> </li> </ul>

# 1. Introduction

## 1.1. Purpose of the Advertising Guidelines

The purpose of the Advertising Guidelines is to explain the VSA's approach to interpreting and enforcing provisions of the *Motor Dealer Act* and the *Business Practices and Consumer Protection Act* that apply to advertising of motor vehicles. These guidelines also provide information about other legislation that apply to vehicle advertising but is not directly administered by the VSA, as well as guidance and recommendations on best practices for those in the motor vehicle sales industry.

The Advertising Guidelines do not change the law and are not a substitute for legal advice that should be obtained independently by a dealer or salesperson. Wherever words or expressions used in these guidelines differ from the wording of the legislation, the wording in legislation will prevail.

## 1.2. Important terms

Definitions of important terms used in the Advertising Guidelines are provided in Part 13. Terms that are defined in Part 13 are shown in **bold** in the Guidelines.

The definition of the term **advertisement** as used in the Advertising Guidelines is provided in Part 13, as are the definitions for the following related terms:

- **Dealer advertisement**
- **National advertisement**
- **National and dealer advertisement**
- **Salesperson advertisement**

## 1.3. Legislation and other requirements

A dealer/salesperson must be familiar with legislation governing advertising as well as all other legislative requirements governing the industry.

The Advertising Guidelines are based on requirements found in the following legislation:

- the provincial [Motor Dealer Act](#) (MDA) and the [Motor Dealer Act Regulation](#) (MDA- Reg), the [Salesperson Licensing Regulation](#) (SL Reg) and the [Motor Dealer Consignment Sales Regulation](#) (CS Reg)

- the provincial [\*Business Practices and Consumer Protection Act\*](#) (BPCP Act) and the [\*Business Practices and Consumer Protection Regulation\*](#) (BPCP-Reg) and the [\*Disclosure of the Cost of Consumer Credit Regulation\*](#)
- the provincial [\*Financial Institutions Act\*](#) and the [\*Insurer Exemption Regulation\*](#)
- the federal [\*Competition Act\*](#) (CA).

## **1.4. Dealer/salesperson general obligations**

- 1.4.1. A dealer/salesperson, not the advertiser who published the **advertisement**, is responsible for the contents of the published **advertisement** and must ensure that it does not contravene the Advertising Guidelines. [BPCP Act - section 6(2)]
- 1.4.2. A dealer/salesperson may choose to simultaneously use one or more **advertisements** to advertise a single **vehicle** or multiple **vehicles**. The information provided about each unique **vehicle** and its **total price** must be the same in all current and active **advertisements** for the **vehicle**, and must be consistent with the information affixed to the advertised **vehicle**. [CA – section 74.05]
- 1.4.3. If an original **advertisement** contains incorrect information or **total price**, then the dealer/salesperson must immediately follow that **advertisement** with a “corrected **advertisement**” that clearly and prominently corrects the incorrect information or **total price** contained in the original **advertisement**. A copy of the “corrected **advertisement**” must also be posted in a **prominent** location at the dealer’s business premises and be clearly visible to any consumer.  
[BPCP Act – section 4(3)(a)(i) and (ii); BPCP-Reg – section 9; CA – section 74.05(1) and 2(b)]
- 1.4.4. A dealer/salesperson must not use the VSA or Motor Dealer Council (MDC) names or logos, or make any reference to being registered or licensed by the VSA or MDC in an **advertisement**
  - (a) except to comply with the identification requirement in Part 10 of these guidelines, or
  - (b) as provided in Part 1.6 of these guidelines. [MDA – section 3(2);
- 1.4.5. The VSA recommends that a dealer/salesperson place an expiry date on their advertisement so that consumers know when the advertised vehicle and its applicable total price expire. If an expiry date is included, the size of the font used to print the expiry date should be no less than 12 point.

### **1.5. Enforcement by the Registrar**

Compliance with the laws underlying the Advertising Guidelines will be enforced by the Registrar. Enforcement activities may be initiated as a result of routine monitoring of dealer/salesperson **advertisements**, VSA inspections of dealers, or a complaint received by the VSA.

Details of the compliance and enforcement process are contained in the VSA's [Compliance Policy and Procedures](#) available on the VSA website.

### **1.6. VSA Logo Official Marks**

The following are the registered Official Marks of the Motor Dealer Council of British Columbia, doing business as the Vehicle Sales Authority of British Columbia (the "VSA"), and may not be used or reproduced in whole or in part, in any colour or font and in any combination or individually:

- (a) by motor dealers or salespersons unless they have written approval from the Registrar and they comply with the terms and conditions set by the registrar, or
- (b) by any other person unless they receive prior written approval from the VSA.  
[MDA s. 4]

“Vehicle Sales Authority of British Columbia”

“Vehicle Sales Authority”

“VSA”



### **1.7. For more information**

A dealer/salesperson or any person who has questions or needs more information about the Advertising Guidelines, should contact the VSA:

- by e-mail at [consumer.services@vsabc.ca](mailto:consumer.services@vsabc.ca)
- by phone at 604-575-7255 or toll free at 1-877-294-9889
- by mail at Suite 280, 8029 199 Street, Langley, BC V2Y 0E2
- by contacting your Regional Compliance Officer. (If you do not know the contact information for your compliance officer, please call or email the VSA office.)



## 2. Ad Examples (Good versus Bad)

### Example A




Uncomplicated. *Unstoppable.*

**1** Price does not include freight and PDI. See section 4.1.1 and the definition of MSRP

**2** Stock number is not included. See section 9.5.1

**3** Doc fee not included in total price. See sections 3.1.1 and 4.1.8

**SALES EVENT** **\$6,999\***

**Jim's Motorsports**  
  
 1122 Main Street,  
 Carville

(604) 111-2222  
[www.JimsCars.com](http://www.JimsCars.com)

\*Freight, PDI, and documentation fees extra

## Example A




Uncomplicated. *Unstoppable.*

**1** Price includes freight and PDI.  
See section 4.1.1 and definition of MSRP

**2** Includes stock number.  
See section 10.5.1

**3** Additional documentation fee is disclosed.  
See section 4.1.1

**SALES EVENT** **\$7,499**<sup>1</sup>\*

Stock# 123654R  
\*Includes Freight & PDI

**Jim's Motorsports**  
1122 Main Street,  
Carville

(604) 111-2222  
www.JimsCars.com  
DL# 1234

**3**  
\*.\$195 documentation fee extra

## Example B



# Why *horse* around?



**Factory-  
Authorized  
Sale!**

## 2017 Colt WX6

*Best-in-class arm rests  
V6, Automatic, Air Conditioning*



**1** Stock numbers are not included. See section 9.5.1

**2** Price includes discounts that some consumers will not qualify for. See sections 4.1.3 (c) and 3.3.4 (a)

**1** 3 to choose from

MSRP	\$36,999	<b>2</b>
Discount	- \$7,000	

Only **\$29,999**

(604) 111-2222

**www.Jim's Cars.com**

Tax and license fees extra. Price net of all rebates. Offer expires 10/31/17

**Jim's Cars**



1122 Main Street,  
Carville

DL# 12345



## Example B



# Why *horse* around?



**Factory-Authorized Sale!**

## 2017 Colt WX6

*Best-in-class arm rests*  
*V6, Automatic, Air Conditioning*



Stk# 000222

**2** You may also qualify for:

- Loyalty \$ 1,500
- Student \$ 1,000
- Bulk Store \$ 1,500
- Member

See your dealer for details

**1** MSRP \$36,999

Manufacturer rebate - \$3,000

Only \$33,999\*

**(604) 111-2222**

**www.JimsCars.com**

\*Tax and license fees extra. Offer expires 10/31/17



**Jim's Cars**

1122 Main Street,  
Carville

DL# 12345

## Example C



CAN. TACKLE. ANYTHING.



Stock #1234RD

2018 MYSTIQUE BEAST RS

TELEMATICS GENIUS PRO  
INFOTAINMENT SYSTEM

HEATED WIPER BLADES  
ANTI-LOCK BRAKES

**1** **\$25,000** Cash price

OR

**1.9% APR FINANCING** **2** **60 MONTHS**  
Plus Taxes & Fees

**4**

WE PAY OFF YOUR TRADE, NO MATTER WHAT YOU OWE.



**2016 BEST LUXURY BRAND**

MYSTIQUE RETAINS ITS VALUE BETTER THAN ANY OTHER LUXURY BRAND IN CANADA.  
SEVEN YEARS IN A ROW.



**5**  
JIM'S CARS CARVILLE  
1122 MAIN STREET  
CARVILLE

604 111 2222  
jimscars.com

- 1** Only shows the lower of the cash price and finance price. See section 5.2.4.
- 2** Finance price is not included. See section 5.2.4 (b)
- 3** Advertised price does not include fees. See sections 4.1.1 and 4.1.8
- 4** Statement is ambiguous and exaggerated. See section 3.3.3 (d)
- 5** Does not include dealer number. See section 10.1.1

## Example C



CAN. TACKLE. ANYTHING.



Stock #1234RD

2018 MYSTIQUE BEAST RS

TELEMATICS GENIUS PRO  
INFOTAINMENT SYSTEM

HEATED WIPER BLADES  
ANTI-LOCK BRAKES

**\$25,000**

*Cash Purchase Price (includes a \$2,500 cash incentive)*

OR

**1.9% APR FINANCING for 60 MONTHS** OAC

*Based on Finance Price of \$27,500*

*Prices are plus tax and includes \$399 doc fee*

**WE PAY TOP DOLLAR FOR YOUR TRADE!**



**2016 BEST LUXURY BRAND**

MYSTIQUE RETAINS ITS VALUE BETTER THAN ANY OTHER LUXURY BRAND IN CANADA.  
SEVEN YEARS IN A ROW.



JIM'S CARS CARVILLE  
1122 MAIN STREET  
CARVILLE DL#: 12345

604 111 2222  
jimscars.com

- 1** Includes both cash price and credit price.  
See section 5.2.4
- 2** Total price includes doc fee.  
See sections 4.1.1 and 4.1.8
- 3** Statement is not ambiguous or exaggerated.  
See section 3.3.3 (d)
- 4** Includes dealer number.  
See section 10.1.1

## Example D





DL# 6598



**1** Discloses all required lease information including lease fee. See section 6.1

**AMAZING CARS • INCREDIBLE DEALS • UNBEATABLE PRICING**

**2018 Rustler LT**

**1**



**\$10,000**

Plus Tax

**1**

Lease for 0 down

**\$261.99**

Per month, for 36 months

APR 7.62%

Total obligation \$9,341.64. Residual \$2,000. OAC. Stock # H036987. Offer includes \$500 lease fee. Price and payment are plus tax.



## Example E





DL# 6598



**1** Discloses all required lease information where no lease fee is charged. See section 6.1

**AMAZING CARS • INCREDIBLE DEALS • UNBEATABLE PRICING**

**2018 Rustler LT**

**1**



**\$10,000**

Plus Tax

**1**

Lease for 0 down

**\$248.10**

Per month, for 36 months

APR 5%

Total obligation \$8,931.60. Residual \$2,000. OAC. Stock # H036987. Price and payment are plus tax.



### 3. Deceptive or Misleading Advertising

#### 3.1. Definition of deceptive or misleading advertising

Both the provincial *Business Practices and Consumer Protection Act* and the federal *Competition Act* contain provisions that prohibit a dealer from engaging in **deceptive or misleading advertising**.

Section 4(1) of the *Business Practices and Consumer Protection Act* provides a statutory definition for a “deceptive act or practice,” which applies generally to any dealer/salesperson activity in relation to consumers, including advertising. The “deceptive act or practice” is defined as “an oral, written, visual, descriptive or other representation by a supplier or the conduct of a supplier that has the capacity, tendency or effect of deceiving or misleading a consumer or guarantor.” It may occur before, during or after the consumer transaction. The act says that where a dealer/salesperson is accused of a deceptive act or practice, the dealer/salesperson will have to prove that they did not engage in a deceptive act or practice. [BPCP Act – section 5(2)]

In order to assist in compliance with advertising requirements, the VSA has established a specific definition for **deceptive or misleading advertising** based on the decision of the BC Supreme Court in *Director of Trade Practices v. Household Finance Corporation of Canada* [1976] 3 W.W.R. 731. The definition of **deceptive or misleading advertising** based on this decision is:

*Any use, in the oral, visual, written or electronic communication of material facts, of a representation that tends to lead a reasonable person into making an error of judgment.*

#### 3.2. Determining if advertising is deceptive or misleading

- 3.2.1. A consumer is entitled to believe and rely on what a motor dealer or salesperson says directly or in an advertisement. This means that the principle of ‘*caveat emptor*’ (let the buyer beware) does not apply to what a dealer or salesperson says to a consumer. Instead, the correct principle is ‘*caveat venditor*’ (let the seller beware) because it is the dealer or salesperson who is responsible for what they say or communicate to a consumer through an advertisement.

- 3.2.2. When reviewing an advertisement to determine whether it is deceptive or misleading, the VSA and the courts will consider its first general impression by
- (a) reading or viewing the advertisement once, and
  - (b) considering the words that are used, how they are used and the general layout of the advertisement.
- 3.2.3. Where the words or layout convey multiple different messages or confusing messages, the advertisement is misleading.
- 3.2.4. When reviewing an advertisement to determine whether it is deceptive or misleading, the standard used by the VSA and the courts is the perspective of a credulous and inexperienced consumer. A credulous consumer is one who is willing to believe what they read and what they are told without asking questions or inquiring further.

### **3.3. *Examples of deceptive or misleading advertising***

- 3.3.1. Without limiting section 4(1) of the *Business Practices and Consumer Protection Act*, one or more of the following constitutes a deceptive act or practice.
- 3.3.2. A representation by a dealer/salesperson that a dealer's goods or services:
- (a) have sponsorship, approval, performance characteristics, accessories, ingredients, quantities, components, uses or benefits that they do not have [BPCP Act – section 4(3)(a)(i)]
  - (b) are of a particular standard, quality, grade, style or model if they are not [BPCP Act – section 4(3)(a)(ii)]
  - (c) have a particular prior history or usage that they do not have, including a representation that they are new if they are not [BPCP Act – section 4(3)(a)(iii)]
  - (d) are available for a reason that differs from the fact [BPCP Act – section 4(3)(a)(iv)]
  - (e) are available if they are not available as represented [BPCP Act – section 4(3)(a)(v)]
  - (f) were available in accordance with a previous representation if they were not [BPCP Act – section 4(3)(a)(vi)]
  - (g) are available in quantities greater than is the fact [BPCP Act – section 4(3)(a)(vii)]
  - (h) will be supplied within a stated period if the supplier knows or ought to know that they will not. [BPCP Act – section 4(3)(a)(viii)]

3.3.3. A representation by a dealer/salesperson:

- (a) that the dealer/salesperson has a sponsorship, approval, status, affiliation or connection that the dealer does not have [BPCP Act – section 4(3)(b)(i)]
- (b) that the consumer transaction involves or does not involve rights, remedies or obligations that differ from the fact [BPCP Act – section 4(3)(b)(iv)]
- (c) about the authority of a representative, employee (salesperson) or agent to negotiate the final terms of a consumer transaction if the representation differs from the fact [BPCP Act – section 4(3)(b)(v)]
- (d) that uses exaggeration, innuendo or ambiguity about a material fact or that fails to state a material fact, if the effect is misleading. [BPCP Act – section 4(3)(b)(vi)]

3.3.4. A representation by a dealer/salesperson about the **total price** of goods or services if:

- (a) a person could reasonably conclude that a **price benefit or advantage** exists but it does not [BPCP Act – section 4(3)(c)(i)]
- (b) the price of a unit or instalment is given in the representation, and the **total price** of the products or services is not given at least the same **prominence**. [BPCP Act – section 4(3)(c)(ii)]

### **3.4. Use of fine print in advertisements**

3.4.1. Typically, the information included in fine print in an **advertisement** is included to protect the dealer/salesperson. When used in an **advertisement**, fine print must be readable and clearly distinguishable from its background in the final copy. The VSA recommends that the font size for fine print be at least 10 point in the published copy. [VSA best practices]

3.4.2. In an **advertisement**, fine print should only be used for the following:

- (a) declaring that a consumer is or may be required to pay PST, GST, Battery Levy, Tire Levy, or any other required taxes, which are extra to the **total price** [VSA best practices]
- (b) declaring the amount of any additional fees, such as a documentation fee, that are part of the **total price** [VSA best practices]
- (c) declaring that, to qualify for credit or a lease, a consumer may be required to purchase insurance, which is extra to the **total price** [BPCP Act – section 71 (1)]

- (d) declaring that a consumer may be offered additional services or products, the cost of which are negotiable [MDA-Reg – section 21(1)(l) and 21(2)(a)]
- (e) declaring **material facts**, unless prohibited by law. **Material facts** regarding a unique **vehicle** should clearly identify the **vehicle** to which they refer by using a number or letter beside the description or picture of the **vehicle** that matches the number or letter reference for the **material facts** in the fine print. (VSA best practices)

## 4. Advertising Vehicle Prices

### 4.1. Total price

- 4.1.1. Whenever the price of a **vehicle** is included in an **advertisement**, it must be the **total price** of that **vehicle**. This means that a consumer is entitled to rely on the advertised price as being the total price of the vehicle, including the advertised amount of any additional fees or charges (e.g. documentation fees) other than taxes.  
[BPCP Act – section 4(3)(c)(i) and (ii); MDA-Reg – section 26.1]
- 4.1.2. The **total price** of a **vehicle** must be **prominently** displayed in the **advertisement** and may not be included in the fine print unless it also appears **prominently** in the body of the **advertisement**. [BPCP Act – section 4(3)(c)(ii)]
- 4.1.3. The **total price** for a vehicle:
- (a) must be **prominently** and clearly displayed on the **vehicle** being offered for sale  
[MDA-Reg – section 26 and 27]
  - (b) must be the same **total price** in every type of current and active **advertisement** for that **vehicle**, including affixed to that specific **vehicle** [MDA-Reg – sections 26 and 27; BPCP Act – section 4(1); CA – section 74.05]
  - (c) must be available to all consumers with no qualifications to purchase except for financing. [BPCP Act – section 4(1)]
- 4.1.4. If an instalment is included in an **advertisement** it must be displayed as **prominently** as the **total price**. [BPCP Act – section 4(3)(c)(ii)]
- 4.1.5. If a dealer/salesperson advertises a “free gift or trip” or any other “free” giveaway as an incentive to purchase a **vehicle**, any costs for receiving the giveaway, including any fees or taxes, must be included in the **total price** of any **vehicle** associated with the incentive.  
[BPCP Act – section 4(3)(c)]
- 4.1.6. In a National advertisement, the total price is the MSRP.
- 4.1.7. In a **Dealer advertisement**, **National/dealer advertisement** and **Salesperson advertisement** the **total price** must meet the requirements in paragraphs 3.1.8 to 3.1.14  
[BPCP Act – section 1(1) definition of “supplier” and sections 4(1) and 4(3)]

- 4.1.8. The *Business Practices and Consumer Protection Act* defines **total price** as the total obligation or amount that is payable, given, undertaken or assumed by a consumer under a consumer transaction. If a **documentation fee** forms part of the price the dealer wants for the motor vehicle, the amount of the documentation fee must be included in the advertisement. [BPCP Act – section 1(1) definition of “total price” and section 4(1) and (3); MDA-Reg section 26, 26.1 and 27; VSA best practices]
- 4.1.9. A dealer/salesperson may advertise the **total price** of a new **vehicle** by listing in the **advertisement** the **Manufacturer Suggested Retail Price (MSRP)**, plus any dealer additions where applicable [see 4.1.8 for example], and then deducting from that price each legitimate **price benefit or advantage** to arrive at the **total price** for that **vehicle**. [BPCP Act - section 4(3)(c)(i)]
- 4.1.10. If an **advertisement** uses the **MSRP** and a **price benefit or advantage** as a reduction from the **MSRP** to arrive at the **total price** for a **vehicle**, the dealer/salesperson placing the **advertisement** must have sold a substantial number of similar **vehicles** at that **MSRP** prior to publishing the **advertisement**. [CA – sections 74.01 and 74.04]
- 4.1.11. The **total price** for a used **vehicle** is the total cost at which a dealer/salesperson is offering the **vehicle** to a consumer and includes any dealer additions where applicable [see 3.1.8 for example] and if any legitimate **price benefit or advantage** is included, then each **price benefit or advantage** must be listed and deducted to arrive at the **total price**. [MDA-Reg – section 27; BPCP Act – sections 4(1) and 4(3)(c)(i)]
- 4.1.12. A dealer/salesperson must not advertise a **price benefit or advantage** as a reduction from the **total price** unless the dealer/salesperson can demonstrate the legitimacy of the **price benefit or advantage**. [BPCP Act – section 4(3)(c)(i); *Hermanus v. Richport Ford Sales Ltd.*, 1993 CanLII 823 (B.C. Supreme Court)]
- 4.1.13. A dealer/salesperson may advertise the price of a new **vehicle** in relation to the **dealer cost** of the **vehicle**. For example, a price may be described as “below **dealer cost**,” “**dealer cost** plus \$200,” or “\$200 over factory invoice.” Describing the price of a **vehicle** in relation to **dealer cost** is not a substitute for the **total price**. The **total price**, as described above, must be included in all **advertisements** and affixed to the **vehicle** being advertised. [BPCP Act – sections 4(3)(a)(i), (ii) and (v), and 4(3)(c)(i)]

4.1.14. A dealer/salesperson must not:

- (a) show a guaranteed or minimum trade-in value as a deduction in the calculation of **total price** as the resulting **total price** is not applicable to all consumers  
[BPCP Act – sections 4(3)(a)(i), (ii) and (v), and 4(3)(c)(i)]
- (b) compare the **total prices** between **vehicles** unless the **vehicles** are exactly the same  
[BPCP Act – sections 4(3)(a)(i), (ii) and (v), and 4(3)(c)(i)]
- (c) compare the **total price** of used **vehicle** to the **MSRP** of a new **vehicle** or to the **MSRP** of the used **vehicle** when it was new  
[BPCP Act – sections 4(3)(a)(i), (ii) and (v), and 4(3)(c)(i)]
- (d) advertise a **vehicle** as a demo or any such similar description unless the **vehicle** was used by the manufacturer or dealer in the normal course of business and the **vehicle** was acquired new by the dealer from the manufacturer  
[BPCP Act – sections 4(3)(a)(i), (ii) and (iii); MDA-Reg – section 24]
- (e) claim or imply that no GST, PST or any other tax is payable. A dealer/salesperson may advertise they will pay the equivalent of the GST, PST or other tax and that the equivalent amount will be deducted from the original **total price** to arrive at a new **total price** on which GST, PST or other tax is payable.  
[BPCP Act – sections 4(3)(a)(i) and (v), 4(3)(b)(iv) and 4(3)(c)(i)]

## 5. Credit Advertising

### 5.1. *Advertising that credit is available*

- 5.1.1. An **advertisement** may indicate that a dealer is offering financing on the purchase of a **vehicle** by using phrases such as “financing available,” “on approved credit (OAC),” “credit available to qualified buyers,” “credit available at dealer’s or lender’s discretion” or “monthly payments can be arranged” or similar phrases, without providing any further details.

### 5.2. *Credit details that must be included in an advertisement*

- 5.2.1. Whenever a fixed credit agreement is advertised and information about the interest rate or the amount of any payment is provided, the following information must also be **prominently** and clearly displayed: [BPCP Act – sections 59(3) and 60(1) and (2)]
- (a) that the offer is for credit
  - (b) the **APR** (annual percentage rate)
  - (c) the term of the credit. Term means the period between the first advance and the end of the period during which payments are required under the credit agreement.
- 5.2.2. In addition to 4.2.1., if an **advertisement** offers credit on a specific **vehicle**, the **cash price** of that **vehicle** (see paragraph 5.2.4) must also be included and **prominently** and clearly displayed. [BPCP Act – section 60(3)(a)]
- 5.2.3. In addition to 4.2.1., if an **advertisement** offers credit on a specific **vehicle** for which any **non-interest finance charge** (e.g. a financial placement fee or similar payment) is payable, the following information must also be included and **prominently** and clearly displayed: [BPCP Act – section 60(3)(b)]
- (a) the **cash price** of the **vehicle** (see paragraph 5.2.4)
  - (b) the total cost of credit, including any financial placement fee or similar payment.
- 5.2.4. If the **cash price** of a **vehicle** included in an **advertisement** under paragraphs 4.2.2 and 4.2.3 is less than the price of that **vehicle** under the credit agreement being advertised, then the **advertisement** must either: [BPCP Act – section 4(1) and 4(3)(c)]
- (a) substitute the price of that vehicle under the credit agreement being advertised for the cash price, or



(b) include and clearly identify both the cash price and the price of that vehicle under the credit agreement being advertised.

5.2.5. Credit details that must be included in an **advertisement** may not be included in the fine print and must all be displayed with equal prominence. [BPCP Act – section 59(3)]

### **5.3. Advertising interest-free periods**

5.3.1. Where an **advertisement** about credit indicates that no interest is payable for a certain period of time, that **advertisement** must indicate and explain whether this period is an **interest-free period** or a **grace period**. [BPCP Act – section 62(2)]

5.3.2. In an **interest-free period**, a dealer is not entitled to any interest under any circumstances, even where the purchaser defaults on payments.  
[BPCP Act – section 57(1)]

5.3.3. In a **grace period**, a dealer may be entitled to interest if the purchaser doesn't meet the conditions of the agreement, for example, by defaulting on payments.  
[BPCP Act – sections 57(1) and 62(4)]

5.3.4. 4.3.4. If the period is a **grace period**, the **advertisement** must also include:

(a) the conditions that must be met for the interest accrued during the grace period to be forgiven

(b) the **APR** that will apply to the grace period if the conditions are not met.  
[BPCP Act – section 62(3)]

5.3.5. An **advertisement** that does not disclose the requirement for a **grace period** is deemed to represent that the transaction is unconditionally **interest-free** during the relevant period and the dealer is not entitled to any interest for this period under any circumstances, even where the purchaser defaults on payments. [BPCP Act – section 62(4)]

## 6. Lease Advertising

### 6.1. *Lease details that must be included in an advertisement*

- 6.1.1. Whenever the details of a lease are offered in an **advertisement**, the following information must be **prominently** and clearly displayed: [BPCP Act – sections 59(3)(b) and 63(3)]
- (a) that the consumer transaction is a lease [BPCP Act – section 63(3)(a)]
  - (b) the amount of any security deposit (even where it is refundable) and applicable conditions [BPCP Act – section 63(3)(c)]
  - (c) the type and amount of any other payments that must be made prior to, or at the beginning of the lease (including a financial placement fee or similar payment, freight, pre-delivery and inspection charges) [BPCP Act – section 63(3)(c)]
  - (d) the amount, timing and number of regular lease payments [BPCP Act – section 63(3)(d)]
  - (e) whether or not taxes are included [BPCP Act – section 63(3)(e)]
  - (f) the nature and amount of any payments, other than regular lease payments, that may be required under the lease including a buy-out amount [BPCP Act – section 63(3)(e)]
  - (g) the **APR (annual percentage rate)** of the lease [BPCP Act – section 63(3)(f)]
  - (h) the **cash price** of the **vehicle**. [BPCP Act – section 60(3)]
- 5.1.2. When displaying this information, the **APR** must be displayed at least as **prominently** as the other required information. [BPCP Act – section 59(3)(a) and (b)]

## 7. Advertising Fuel Economy for New Vehicles

### 7.1. *Advertising requirements for fuel consumption*

- 7.1.1. When a fuel consumption rate is used in an **advertisement**, it must be the rate indicated on the EnerGuide label for the advertised **vehicle**. [BPCP Act - section 4(3)(a)(i)]
- 7.1.2. **Advertisements** that include fuel economy claims for a specific **vehicle** may include the city, highway and overall fuel consumption rate for that **vehicle**. If a city or highway fuel consumption rate is included in an **advertisement**, then the overall consumption rate must also be included. [BPCP Act - section 4(3)(a)(i)]

## 8. Advertising Vehicle Warranties

### 8.1. *Warranties – general*

- 8.1.1. Since there are significant differences between the coverage offered by a “**manufacturer’s warranty**,” an “**extended warranty**,” an “**after market warranty**” and a “**dealer warranty**,” an **advertisement** must not lead consumers to believe that the advertised warranty extends the same coverage provided by the **manufacturer’s warranty**. [BPCP Act – sections 4(3)(a)(i) and 4(3)(b)(iv)]
- 8.1.2. A dealer/salesperson may only advertise a warranty that they are permitted to sell under section 75 of the *Financial Institutions Act* and section 4 of the Insurer Exemption Regulation. [BPCP Act – section 4(3)(a)(i), 4(3)(b)(i) and (v)]; CA – section 74.01(1)(c)(i) and (ii)]

## 9. Availability of Advertised Vehicles

### 9.1. *Vehicles in dealer inventory*

- 9.1.1. Any advertised **vehicle** must be in the **dealer inventory** at the time of the **advertisement** and must be available at the advertised price, except as provided in part 9.2.  
[BPCP Act – section 4(3)(a)(v), (vi) and (vii)]

### 9.2. *Vehicles not in dealer inventory*

- 9.2.1. 8.2.1. If the **advertisement** is for a new **vehicle** model that must be ordered from the manufacturer, then this limitation must be stated in the **advertisement**.  
[BPCP Act – section 4(3)(a)(iv), (v) and (viii)]

### 9.3. *Advertising vehicles as sold*

- 9.3.1. 8.3.1. A dealer/salesperson must not continue to advertise a **vehicle** after it has been sold as that **vehicle** is no longer available for sale to the public.  
[BPCP Act – sections 4(3)(a)(v) and 4(3)(b)(vi); CA – section 74.04(2)]
- 9.3.2. 8.3.2. If an advertised **vehicle** is sold while the **advertisement** is in effect, the dealer shall post that particular **advertisement** in a **prominent** and easily viewed location in their showroom or dealer location with a clear notation that the **advertised vehicle** has been sold. The **vehicle** itself, if still on the lot, must have a “Sold” sign clearly affixed to the sold **vehicle**. [BPCP Act – sections 4(3)(a)(iv), (v) and (vi); CA – section 74.04(2)]

### 9.4. *Consigned vehicles*

- 9.4.1. 8.4.1. If a dealer/salesperson is advertising a **consigned vehicle**, that dealer/salesperson must disclose that the **vehicle** is on **consignment** in that **advertisement**.  
[BPCP Act – sections 4(3)(a)(iii), (iv) and (v)]

### 9.5. *Requirement to include stock number or VIN*

- 9.5.1. If a specific **vehicle** is in the **dealer inventory**, offered for sale or advertised, it must be clearly identified by a unique **stock number** or **vehicle** identification number (VIN). The **stock number** or VIN must be affixed to the **vehicle** and included in any **advertisement** for that **vehicle**. [MDA-Reg – sections 26, 26.1 and 27; BPCP Act – sections 4(3)(a)(i) and (ii)]

- 9.5.2. The requirements in paragraph 9.5.1 do not apply where an **advertisement** is for a new **vehicle** that must be ordered from the manufacturer and the dealer/salesperson does not have a **stock number** or VIN. Such an **advertisement** must still meet the requirements of paragraph 9.6.2.

## **9.6. Illustrations or photographs**

- 9.6.1. If a photograph or illustration is used in an **advertisement** to depict a new or used **vehicle** that is in the **dealer's inventory**, the VSA recommends that a photograph or illustration of that specific **vehicle** be used. Alternatively, a dealer/salesperson may use a photograph or illustration of a **vehicle** that is the same as the advertised **vehicle**, including the same year, make, model and trim package of the advertised **vehicle**. If a dealer/salesperson uses such a photograph or illustration, the **advertisement** should say "Vehicle not exactly as shown" or other similar language to identify that the vehicle shown is not the actual vehicle offered for sale.  
[BPCP Act - sections 4(3)(a)(i), (ii) and (v), and 4(3)(b)(vi), VSA best practices]
- 9.6.2. If an **advertisement** is for a new **vehicle** that must be ordered from the manufacturer, the **advertisement** must clearly state that the **vehicle** must be ordered from the manufacturer. If the **advertisement** has a photograph or illustration of the **vehicle**, the **vehicle** shown must be the same as the advertised **vehicle**, including the same year, make, model and trim package of the advertised **vehicle**. [BPCP Act – sections 4(3)(a)(i), (ii) and (v)]

## 10. Requirement for Dealer Identification

### ***10.1. Dealer advertisement***

10.1.1. Any **dealer advertisement** or website must include the dealer's registered name and dealer number. The dealer name and number must be displayed **prominently** in the **advertisement**. [MDA - section 13 (1)(a)]

10.1.2. A description in the format of "D# 00000" is acceptable when identifying the dealer registration number. [VSA best practices]

## 11. Information to be Affixed to a Vehicle

### 11.1. New vehicles

11.1.1. Any new **vehicle** that a dealer is exhibiting or offering for sale must have the following information affixed to it in a clear and legible manner at all times:

- (a) the **stock number**, serial number or vehicle identification number  
[MDA-Reg – section 26(a); BPCP Act – section 4(3)(a)(ii)]
- (b) the current **total price** of the **vehicle** inclusive of accessories and items of optional equipment, freight and PDI [MDA-Reg – sections 26(b) and 26.1]
- (c) an itemized list describing each accessory and item of optional equipment that is physically attached to the **vehicle**. [MDA-Reg – section 26(c)]

### 11.2. Used vehicles

11.2.1. Any used **vehicle** that a dealer is exhibiting or offering for sale must have the following information affixed to it:

- (a) the current **total price** of the **vehicle** [MDA-Reg – section 27(a)]
- (b) the **stock number**, serial number or vehicle identification number.  
[BPCPA – sections 4(3)(a)(i) and (ii)]
- (c) if the **vehicle** does not meet the safety requirements of the *Motor Vehicle Act*, a statement that it is ‘not suitable for transportation’. [MDA-Reg – section 27(b)]

### 11.3. New and used vehicles

11.3.1. In addition to the requirements in 10.1 and 10.2, every new or used **vehicle** that a dealer/salesperson is exhibiting or offering for sale must have the following information affixed to it:

- (a) where the **vehicle** is being sold for parts only or for purposes other than transportation because it is not suitable for transportation, the statement “Not Suitable for Transportation” (MDA-Reg – section 27)
- (b) where two or more dealers share the same or adjoining premises, the registered name of the specific dealer offering the **vehicle** for sale [BPCP Act – section 4(3)(b)(v)]



- (c) where a **vehicle** is not ready for sale, the statement “Not Ready For Sale” or “Not for Sale” [BPCP Act – section 4(3)(b)(iv) and (v); MDA-Reg – section 28(b)]
- (d) the **vehicle** is sold, the word “Sold” [BPCP Act – sections 4(3)(a)(v) and 4(3)(b)(iv) and (v)]
- (e) the current **total price** affixed to the **vehicle** must match the **total price** identified in any current **advertisement**. [BPCP Act – section 4(1); CA – section 74.05]

#### ***11.4. Consigned vehicles***

- 11.4.1. In addition to the requirements in 11.2 and 11.3, any **consigned vehicle** that a dealer/salesperson is exhibiting or offering for sale must have affixed to the **vehicle** a statement clearly indicating that it is a **consigned vehicle**.  
[BPCP Act – sections 4(1) and 4(3)(b)(v)]

## 12. Promotional Contests

### 12.1. General requirements

- 12.1.1. A dealer/salesperson must abide by the requirements of section 74.06 of the *Competition Act*, sections 4(3)(a)(i), 4(3)(b)(vi), and 4(3)(c) of the *Business Practices and Consumer Protection Act*, section 88 *Gaming Control Act* (BC) and section 206(1) of the *Criminal Code of Canada* in regard to promotional contests, deceptive acts or practices, and lotteries and gaming.
- 12.1.2. The VSA recommends that, prior to conducting a promotional contest, a dealer/salesperson investigate and understand the legal requirements and obtain legal advice where necessary to ensure that the requirements are met. [VSA best practices]

### 12.2. Advertising a promotional contest

- 12.2.1. A dealer/salesperson may only advertise a promotional contest that they are authorized to conduct under applicable legislation. [BPCP Act – section 4(3)(b)(i) and (v)]
- 12.2.2. In any **advertisement** for a promotional contest, the dealer/salesperson must clearly state the conditions for participating, such as the requirements to qualify, the chances of winning, rules for participating, etc. [BPCP Act – section 4(1)]

## 13. Important Terms

This part contains definitions of important terms used in the Advertising Guidelines. These definitions are provided solely to assist the reader's understanding of the Advertising Guidelines. In some cases, they are general interpretations only and are not to be considered legal definitions. Where the definitions are taken from legislation, they are subject to change. A dealer/salesperson should consult legal counsel where necessary to ensure compliance with legal obligations.

**Advertisement** – means any type of solicitation that is oral, written, visual, descriptive or any other representation or conduct by a dealer/salesperson, either directly or indirectly, which urges consumers to buy their **vehicles**, products, or services. This includes, but is not limited to a solicitation that is:

- on a **vehicle**, whether stationary or moving
- at the point of sale (dealer' business premises)
- at promotional or marketing events, or an off-site sale
- on radio, television, the internet or distributed by other electronic means
- a telephone solicitation or telemarketing
- sent via mail or e-mail
- published in a newspaper or a magazine
- printed on a flyer, brochure, sign, poster, showroom display or other printed material.

**After market warranty** or after market extended warranty – means a warranty provided by a third party on a used **vehicle** that requires the purchaser to pay an additional cost.

**APR (annual percentage rate)** – means an interest calculation representing an effective rate of interest accruing over a one-year period. The formula for calculating **APR** is found in the Disclosure of the Cost of Consumer Credit Regulation, under the *Business Practices and Consumer Protection Act*.

**Cash price**, in relation to an **advertisement** that offers credit on a specific **vehicle** – means

- the price at which the **vehicle** is currently offered to cash customers, or
- if the dealer/salesperson does not currently offer the **vehicle** to cash customers, the dealer/salesperson's reasonable estimate of the price at which cash customers would buy the **vehicle**.

**Consigned vehicle** – means a **vehicle** that is on **consignment** with a motor dealer in accordance with the Motor Dealer Consignment Sales Regulation.

**Consignment** – means an arrangement by which a **vehicle** is entrusted to a motor dealer:

- for sale by the motor dealer,
- under a conditional sale to the motor dealer for the purpose of resale, or
- to display by the motor dealer for sale.

**Dealer advertisement** – means any **advertisement** by a dealer or group of dealers.

**Dealer cost** – means the cost of a specific **vehicle** to the dealer minus any discounts, volume rebates or other reductions from the manufacturer or supplier in the cost of placing that **vehicle** in the **dealer inventory**. **Dealer cost** must not include any allocation for the dealer's overhead or operating expenses.

**Dealer inventory** means a stock of new or used **vehicles** that a dealer has on hand and which the dealer has authority to sell.

**Dealer warranty** – means a warranty on a used **vehicle** provided by a dealer that is usually limited to a specified period of time and distance travelled, and may include coverage limits such as a power train warranty or a savings on labour.

**Deceptive advertisement** means an **advertisement** that has the capacity, tendency or effect of deceiving or misleading a consumer or guarantor.

**Documentation fee** means a fee charged for a service, such as administration, finance, registration, a lien check, vehicle history report, or any other fee for a service provided to a consumer that is included in the sale of a **vehicle**.

**Extended warranty** – means a warranty that requires the purchaser to pay an additional cost, either directly or through an agreement to purchase some specified products or services. An **extended warranty** may be offered as a supplement to a **manufacturer's warranty** to increase the coverage or the length of the warranty period on a new **vehicle**, or to provide warranty coverage on a used **vehicle**.

**Grace period** – in reference to a credit agreement, means a period during which interest accrues on money advanced to a purchaser to purchase a **vehicle**, but that interest will be forgiven if the purchaser satisfies the conditions specified in the credit agreement. This means that the dealer may be entitled to interest for this period if the purchaser doesn't meet the conditions of the agreement, for example, by defaulting on payments. (See the *Business Practices and Consumer Protection Act* for a statutory definition of this term.)

**Interest-free period** – in reference to a credit agreement, means a period during which no interest accrues on money advanced to a purchaser to purchase a **vehicle**. This means that the dealer is not entitled to any interest for this period under any circumstances, even where the purchaser defaults on payments. (See section 57(1) of the *Business Practices and Consumer Protection Act* for a statutory definition of this term.)

**Manufacturer's Suggested Retail Price (MSRP) or "sticker price"** – means the price of a new **vehicle** that:

- is labelled and priced by the manufacturer and not by the dealer,
- is the price the manufacturer recommends that the dealer sell the new **vehicle** for,
- includes a list of all of accessories and items of optional equipment physically attached to the new **vehicle** and the individual price of each accessory or item of optional equipment,
- includes transportation charges for its delivery to the dealer, and
- includes any pre-delivery and inspection charges.

**Manufacturer's warranty** – means a warranty provided by the manufacturer of a **vehicle** that is provided with a new **vehicle** at no additional cost to the purchaser.

**Material fact** – means information that may have a significant effect on a consumer's decision whether or not to buy a product or service.

**Misleading advertisement** has the same meaning as **Deceptive advertisement**

**National advertisement** – means an **advertisement** for a new **vehicle** that has been designed or approved by a manufacturer and does not identify any local dealer.

**National/dealer advertisement**, also called a co-op ad – means any **advertisement** designed or approved by a manufacturer in which a specific dealer or group of dealers is named, regardless of whether the manufacturer, a dealer, or a group of dealers pays for some or all of the cost of the **advertisement**.

**Non-interest finance charge** – means any charge that a borrower is required to pay in connection with a credit agreement, other than

- interest
- a prepayment charge
- a default charge

- a charge for an optional service.
- a charge for an amount of money obtained or to be obtained or the cash price of a product obtained or to be obtained through the use of a credit card obtained under the credit agreement
- any of the following expenses, if the credit grantor incurred or is to incur the expense for the purpose of arranging, documenting, insuring or securing the credit agreement:
  - fees to a third party to record or register a document or information in, or to obtain a document or information from, a public registry of interests in real or personal property
  - fees for professional services required for the purpose of confirming the value, condition, conformity to law or location of property that serves as security for
  - a credit agreement, if the borrower is given a report signed by the person providing the professional services and is free to give the report to third persons
  - premiums for casualty insurance on the subject matter of a security interest, if the borrower is a beneficiary of the insurance and the insured amount is the full insurable value of the subject matter
  - premiums for any insurance provided or paid for by the credit grantor in connection with a credit agreement if the insurance is optional
- in the case of a credit sale, any charge that would also be payable by a cash customer.

**Price benefit or advantage** – means an inducement to purchase a **vehicle** which results in an actual savings for a purchaser.

**Prominent, prominence or prominently** – means that something is noticeable, stands out, is large or projecting, or is otherwise likely to attract attention from its size or position in an **advertisement**.

**Salesperson advertisement** – means an **advertisement** placed by a salesperson regardless of who pays for the **advertisement**.

**Stock number** – means a unique number assigned to an individual **vehicle** in a **dealer inventory**.

**Total price** – means the total obligation or amount that is payable, given, undertaken or assumed by a consumer under a consumer transaction.

**Vehicle** – means a motor vehicle as defined by the *Motor Dealer Act*.