



## **Wholesaler Licensing General Requirements**

The following are general requirements for wholesalers found in the *Wholesaler Licensing Regulation* B.C. Reg. 203/2017 in force on April 1, 2018. Details of the specific requirements and conditions of licensing may be found in the Licensing Policies and Procedures of the Authority located on its website. For more information, contact the Authority's licensing department at:

[licensing@vsabc.ca](mailto:licensing@vsabc.ca) 604-575-7256 or toll free 1-866-400-3529 <https://www.vsabc.ca>

### **What is a wholesaler?**

A wholesaler means an individual or company who sells, exchanges or otherwise disposes of a used vehicle to a motor dealer or to another wholesaler in the course of business.

### **Licence**

A wholesaler must possess a licence issued by the Vehicle Sales Authority of B.C. (the "Authority"). The Authority will review a person applying to be licensed, or to renew a licence, as a wholesaler including background and criminal record checks, to assess suitability to be licensed or continue to be licensed. Once issued, the licence is valid for up to one year and must be renewed annually. The licence will list other conditions the wholesaler must abide by to maintain the licence.

### **Employees – wholesaler representative**

An individual working for a wholesaler and selling vehicles on behalf of the wholesaler is called a wholesaler representative. A wholesaler must declare all individuals who will be working for the wholesaler in selling, exchanging or otherwise disposing of vehicles, and those individuals must submit to a background check including a criminal record check. If a wholesaler representative is found to be unsuitable, then the wholesaler will not receive a licence, may not have their licence renewed or may have an existing licensed revoked.

### **Education**

The wholesaler and the wholesaler representatives, where applicable, must take the education and any continuing education required by the Authority. Currently, there is a required course upon initially applying for a wholesaler licence which is completed online. This is followed by a test administered in the community, or close to the community in more remote areas of British Columbia, where the wholesaler or wholesaler representative is located.

### **Business premises**

A wholesaler must have a business premises where they must keep their records. If the business premise is in a residence, the business premise must be kept separate and distinct from the premises

occupied as a residence. The wholesaler is required to comply with the requirements of the local government where the business premise is located regarding zoning and bylaws for the operation of a wholesaler business. Before issuing a wholesaler licence, the Authority will require confirmation of a business licence issued by the local government authority or a letter from the local government authority noting no business licence is required.

A wholesaler will be required to display their wholesaler licence at their business premise.

### **Wholesaler agreement**

When selling a motor vehicle, a wholesaler must complete a purchase and sale agreement and provide a copy to the buyer. The purchase agreement must contain:

- (a) the name, contact information and wholesaler licence number of the licensee who disposed of the motor vehicle;
- (b) if the person acquiring the motor vehicle is located in a jurisdiction other than British Columbia, the registration number, licence number or other evidence, if any, of the person'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* [see **Schedule A**, attached] 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 of the *Motor Dealer Act Regulation* [see **Schedule B**, attached] 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.

### **Wholesaler business records**

The following records must be kept at the wholesaler's business premises for at least two years and made available for inspection by the Authority:

- (a) a record of each person who has acquired a used motor vehicle from the licensee;
- (b) for each person referred to in paragraph (a), a copy of the written agreement of purchase and sale;
- (c) a record of the number of used motor vehicles acquired or disposed of by the licensee;
- (d) for each used motor vehicle acquired or disposed of by the licensee, the following records, as applicable:

- (i) a record of material reconditioning or other substantial work performed on the motor vehicle by the licensee, including the date, particulars and cost of substantial work done and the supporting repair orders;
  - (ii) the details of any inspection conducted;
  - (iii) a record relating to the import or export of the motor vehicle;
  - (iv) a record of the reading on the motor vehicle's odometer taken before and after the exchange or repair of that motor vehicle's odometer or a part of that motor vehicle that is directly related to the odometer,
- (e) a record of all dealings or transactions involving the acquisition or disposition of a used motor vehicle by the licensee, including the correspondence, notes and other records of the licensee;
- (f) financial records related to the wholesaler business.

### **Registered motor dealers and licensed salespeople**

Most motor dealer's engage in wholesaling as part of their regular dealer business. The legislation will require they also obtain a wholesaler licence. When applying for registration as a motor dealer or renewing registration as a motor dealer, you should indicate on the application form that you will be wholesaling and identify the employees who will be your wholesaler representatives.

The fee for the wholesaler licence will be waived for a registered motor dealer, if all the following criteria are met:

- (a) the wholesale business will operate from the same location as the motor dealer's business premises,
- (b) the wholesale business will not operate as a separate legal entity from, or have a different ownership structure than, the motor dealer (ex. its own company, a partnership, or a subsidiary), and
- (c) the employees designated as wholesaler representatives are already licensed as salespersons.

If all the above criteria are not met, then a separate application for a wholesaler licence will be required along with the required fees.

### **Adding a wholesaler representative mid-licence**

If a wholesaler hires a new employee to be a wholesaler representative, they must advise the VSA of this within 14 days. The wholesaler is responsible for the fees charged by the Authority for the addition of a wholesaler representative to the wholesaler's licence. The fees cover the costs of the background check, including criminal record check, of the new employee. As part of its legislative obligations, the VSA may reject any person as a wholesaler representative after conducting the background check. If the new employee is already licensed as a salesperson, then indicate this on the application form and the VSA will assess if the associated fee can be waived.

## Schedule A

### Sections 21(1)(a) to (l) and 21(2)(a) to (d) of the *Motor Dealer Act Regulation* (current to November 7, 2017)

The contents of a wholesalers purchase and sale agreement, must contain the following information:

- (a) the name and address of the purchaser and vendor;
- (b) the date of the sale;
- (c) the make of the motor vehicle;
- (d) the model year;
- (e) the manufacturer's vehicle identification number;
- (f) the body type;
- (g) particulars, including price, of extra equipment or accessories added to or removed from the motor vehicle by the motor dealer according to the agreement made at the time of the sale;
- (h) the actual selling price of the motor vehicle;
- (i) the tax payable under the *Provincial Sales Tax Act*, if any
- (j) the down payment or deposit, including the value ascribed to any trade-in, and the terms and conditions governing the refund of the deposit;
- (k) the balance to be paid by the purchaser;
- (l) an itemized list of the cost of any other charges for which the purchaser is responsible, including insurance and licence fees if they are to be added to the contract price.

## Schedule B

### Section 23 of the *Motor Dealer Act Regulation* (current to November 7, 2017)

The wholesaler must, to the best of the wholesaler's information and belief, declare on the purchase and sale agreement:

- (a) whether the motor vehicle has been used as a taxi, police or emergency vehicle or in organized racing;
- (b) whether the motor vehicle has sustained damages requiring repairs costing more than \$2 000;
- (c) whether the motor vehicle has been used as a lease or rental vehicle;
- (d) whether a used motor vehicle has been brought into the Province specifically for the purpose of sale;
- (e) whether the odometer of the motor vehicle accurately records the true distance travelled by the motor vehicle.