



Motor  
Vehicle Sales Authority  
of British Columbia

# Advertising Bulletin

No.: **AD-4** Date: **July 1, 2009**

Subject: **MOTOR VEHICLE SALES AUTHORITY ADVERTISING  
GUIDELINES  
General Update to October 2007 Guidelines**

Guideline General updates throughout guidelines  
References: Part 1.4 – Dealer/salesperson general obligations  
Part 2.3 – Use of fine print in advertisements  
Part 3 – Advertising vehicle prices (price benefit or advantage)  
Part 6 – Advertising fuel economy for new vehicles  
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Part 10 – Information that must be affixed to a vehicle  
Part 11 – Promotional contests

The Motor Vehicle Sales Authority of British Columbia (VSA) publishes Advertising Bulletins to provide motor dealers, advertisers, and other affected parties with updates and interpretations of law and policy related to the regulation of advertising in the motor dealer industry in British Columbia. The information in these bulletins reflects the most recent position of the VSA in regard to enforcing legislative and policy requirements.

Where required, the Motor Vehicle Sales Authority Advertising Guidelines have been amended to reflect the information in this bulletin and an updated version of the guidelines is available on the VSA website at [www.vehiclesalesauthority.com](http://www.vehiclesalesauthority.com).

If you have questions or comments regarding this bulletin, please contact:

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Dealers and salespersons may also contact their  
Regional Compliance Officer. A list of Regional  
Compliance Officers can be found on the VSA  
website at [www.vehiclesalesauthority.com](http://www.vehiclesalesauthority.com).

The July 1, 2009 version of the Motor Vehicle Sales Authority Advertising Guidelines updates and replaces the October 2007 version of the Motor Dealer Advertising Guidelines. General updates to the guidelines include:

- changes to the numbering system for easier reference to individual guidelines
- updated application of the guidelines to reflect the obligations of both dealers and salespersons
- general revisions to clarify the intent of the guidelines
- addition of a reference to the authority for individual guidelines, given in brackets after the guideline
- additional explanation of how the guidelines may be enforced by the Registrar
- addition of an appendix with excerpts from legislation that is relevant to the guidelines.

As well as general updates, the following changes or additions to the guidelines have been made.

### **Part 1.4 – Dealer/salesperson general obligations**

Part 1.4 of the May 2009 guidelines contains a new list of general obligations of a dealer/salesperson in regard to advertising:

- 1.4.2 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.
- 1.4.3 A dealer/salesperson may choose to simultaneously use one or more advertisements to advertise a single vehicle or multiple vehicles. In any case, each advertisement must meet the requirements of the Advertising Guidelines for each unique vehicle that is advertised. In addition, 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.
- 1.4.4 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.

- 1.4.5 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 except to comply with the identification requirement in Part 9 of these guidelines.
- 1.4.7 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 pt.

### **Part 2.3 – Use of fine print in advertisements**

Part 2.3 of the May 2009 guidelines contains new guidelines regarding the use of fine print in advertisements:

- 2.3.1 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 pt. in the published copy.
- 2.3.2 In an advertisement, fine print may 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
  - b. declaring that, to qualify for credit or a lease, a consumer may be required to purchase insurance, which is extra to the total price
  - c. declaring that a consumer may be required to pay a documentation fee that must be included in the advertisement and that the amount of the fee is negotiable (see paragraph 3.1.8)
  - d. declaring that a consumer may be offered additional services or products, the cost of which are negotiable
  - e. declaring material facts, unless prohibited by law. Material facts regarding a unique vehicle must 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.

### **Part 3 – Advertising vehicle prices (price benefit or advantage)**

Part 3 of the May 2009 guidelines contains revised guidelines regarding advertising a price benefit or advantage:

- 3.1.9 A dealer/salesperson may advertise the total price of a new vehicle by listing in the advertisement the Manufacturer Suggested Retail Price (MSRP) and then deducting from that MSRP each legitimate price benefit or advantage to arrive at the total price for that vehicle.
- 3.1.10 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.
- 3.1.11 The total price for a used vehicle is the total cost at which a dealer/salesperson is offering the vehicle to a consumer and 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.
- 3.1.12 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.

## **Part 6 – Advertising fuel economy for new vehicles**

Part 6 of the May 2009 guidelines contains new guidelines for advertising fuel consumption ratings:

- 6.1.1 When a fuel consumption rate is used in an advertisement, it must be the rate indicated on the EnerGuide label for the advertised vehicle.
- 6.1.2 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.

## **Part 7 – Advertising vehicle warranties**

Part 7 of the May 2009 guidelines contains revised guidelines for advertising warranties. These guidelines include the new terms “after market warranty” and “dealer warranty”, which are defined in Part 12 of the guidelines:

- 7.1.1 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.

7.1.2 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 Insurance Company Exemption Regulation.

**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.

**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.

## **Part 8 – Availability of advertised vehicles**

Part 8 of the May 2009 guidelines contains revised guidelines regarding the availability of advertised vehicles:

### **8.1 Vehicles in dealer inventory**

8.1.1 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 8.2.

### **8.2 Vehicles not in dealer inventory**

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.

### **8.3 Advertising vehicles as sold**

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)]

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)]

### **8.4 Consigned vehicles**

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)(iv) and (v)]

## **8.5 Requirement to include stock number or VIN**

- 8.5.1 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.
- 8.5.2 The requirements in paragraph 8.5.1 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 8.6.2.

## **8.6 Illustrations or photographs**

- 8.6.1 If a photograph or illustration is used to depict the new or used vehicle in an advertisement, 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 must say “Vehicle not exactly as shown”.
- 8.6.2 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.

## **Part 10 – Information to be affixed to a vehicle**

Part 10 of the May 2009 guidelines contains a new guideline regarding information that must be affixed to a consigned vehicle:

- 10.4.1 In addition to the requirements in 10.2 and 10.3, 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.

## **Part 11 – Promotional Contests**

Part 11 of the May 2009 guidelines contains new guidelines for advertising promotional contests:

## **11.1 General requirements**

11.1.1 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 of the *Gaming Control Act* and section 206(1) of the *Criminal Code of Canada* in regard to promotional contests, deceptive acts or practices, and lotteries and gaming.

11.1.2 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.

## **11.2 Advertising a promotional contest**

11.2.1 A dealer/salesperson may only advertise a promotional contest that they are authorized to conduct under applicable legislation.

11.2.2 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.