



*Motor Dealer Act*

**MOTOR DEALER CONSIGNMENT  
SALES REGULATION**

**B.C. Reg. 101/95**

Deposited March 15, 1995 and effective June 1, 1995  
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**Consolidated Regulations of British Columbia**

*This is an unofficial consolidation.*

B.C. Reg. 101/95 (O.C. 270/95), deposited March 15, 1995 and effective June 1, 1995, is made under the *Motor Dealer Act*, R.S.B.C. 1996, c. 316, s. 38.

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This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at [www.bclaws.ca](http://www.bclaws.ca).

See the User Guide for more information about the *Consolidated Regulations of British Columbia*. The User Guide and the *Consolidated Regulations of British Columbia* are available online at [www.bclaws.ca](http://www.bclaws.ca).

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## *Motor Dealer Act*

# **MOTOR DEALER CONSIGNMENT SALES REGULATION**

**B.C. Reg. 101/95**

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### **Definitions**

- 1** In this regulation:

**“consignment agreement”** means an agreement between a motor dealer and a consignor for the sale by the motor dealer of a motor vehicle owned by the consignor;

**“consignment”** means an arrangement by which a motor vehicle is entrusted to a motor dealer

- (a) for sale by the motor dealer,
- (b) under a conditional sale to the motor dealer for the purpose of resale, or
- (c) to display by the motor dealer for sale;

**“consignor”** means a person who makes a consignment;

**“lien holder”** means, as applicable, one or more persons who have a valid lien on the consigned motor vehicle;

**“purchase agreement”** means an agreement between a motor dealer and a purchaser for the sale and purchase of a consigned motor vehicle;

**“purchaser”** means a person who purchases a consigned motor vehicle primarily for personal, family or household purposes.

[am. B.C. Reg. 47/96, s. 1.]

### **Form of consignment agreement**

- 2** (1) If a consignment is negotiated between a motor dealer and a consignor, the motor dealer must prepare a consignment agreement and provide the consignor with a copy of the consignment agreement at the time of signing by the consignor.
- (2) The consignment agreement must contain all of the following information:
- (a) a complete description of the motor vehicle being consigned;
  - (b) the minimum price the consignor will accept for the sale of the motor vehicle;
  - (c) the amount payable to the motor dealer, for services provided by the motor dealer as a consignment agent, expressed as
    - (i) a fixed amount payable only if the motor vehicle is sold,

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- (ii) a fee for services that is
    - (A) a fixed amount payable whether or not the motor vehicle is sold,
    - (B) a percentage of the actual selling price of the motor vehicle payable only if the vehicle is sold, or
    - (C) an amount that exceeds an agreed upon minimum selling price of the motor vehicle payable only if the vehicle is sold, or
  - (iii) any combination of the fee for services under subparagraph (ii) (A), (B) or (C);
  - (d) the duration of the consignment agreement;
  - (e) a statement that any cheque, bank draft or money order of the purchaser must be made payable to the motor dealer in trust;
  - (f) a statement that the consignor must not sign over vehicle ownership registration forms in blank to the motor dealer;
  - (g) a declaration of title from the consignor, including any outstanding liens, which must be discharged at the time of sale;
  - (h) a description of any warranty or guarantee assignable by the consignor;
  - (i) a statement of the responsibilities of both the consignor and the motor dealer with respect to insurance coverage on the motor vehicle during the period of the consignment agreement;
  - (j) a statement of the responsibilities of both the consignor and the motor dealer when the motor vehicle is sold by the motor dealer, including a statement that
    - (i) the motor dealer must send or deliver to the consignor notification of the sale of the consigned vehicle within one day after the sale of the consigned vehicle, and
    - (ii) disbursement of the sale proceeds must take place within 14 days after the sale of the consigned vehicle unless the consignor specifically waives this right, in writing, after the sale.

[am. B.C. Reg. 47/96, s. 2.]

**3** Repealed. [B.C. Reg. 47/96, s. 3.]

**Form of purchase agreement**

- 4**
- (1) If the purchase of a consigned motor vehicle is negotiated between a motor dealer and a purchaser, the motor dealer must prepare a purchase agreement and provide the purchaser with a copy of the purchase agreement at the time of signing by the purchaser.
  - (2) The purchase agreement must contain, in addition to any content required by the Motor Dealer Act Regulation, the following statements:
    - (a) a statement that the motor vehicle is on consignment;

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- (b) a statement that any cheque, bank draft or money order received from the purchaser in payment for the consigned motor vehicle must
  - (i) be made payable to a trust account of the motor dealer at a savings institution located in British Columbia, and
  - (ii) identify the trust account in the manner that the trust account is identified in the records of the savings institution.

[en. B.C. Reg. 47/96, s. 4; am. B.C. Reg. 200/2017, Sch. 3.]

**Use of plain language in agreements**

- 5** Every consignment agreement and purchase agreement must be written in plain language, in not less than 8 point type, and in a manner which is easily understood by a reasonable person.

**Manner of payment**

- 6** (1) Any payment received from a purchaser is deemed to be held in trust for the consignor and lien holder.
- (2) Money held by a motor dealer in trust under subsection (1)
- (a) continues to be the beneficial property of the consignor and lien holder,
  - (b) must not be used as collateral by the motor dealer, and
  - (c) is not subject to attachment or execution against the motor dealer.
- (3) Within one day after payment is received from the purchaser, the payment must be deposited by the motor dealer in a trust account at a savings institution located in British Columbia, and the trust account must be designated as a trust account in the records of the savings institution and the motor dealer.
- (4) A motor dealer must not withdraw or authorize the withdrawal of any trust funds referred to in this section unless the funds are for the purpose of
- (a) disbursing sale proceeds to a consignor or lien holder under a consignment agreement,
  - (b) correcting an error caused by money deposited in the trust account by mistake, or,
  - (c) making payments to the motor dealer as authorized in the consignment agreement after the payment of the disbursements described in paragraph (a).

[en. B.C. Reg. 47/96, s. 5.]