

Buying and Selling a Used Vehicle in Ontario

All information is available and taken from
<http://www.mto.gov.on.ca/english/dandv/vehicle/used.shtml>

By Ontario law, private sellers of most motor vehicles, including motorcycles, must provide buyers with a Used Vehicle Information Package. This package guides you through the process of buying or selling and helps you understand your rights and responsibilities.

Did you know?

Every year, over one million used vehicles change ownership in Ontario.

The used Vehicle Information Package (UVIP) includes:

Description of the vehicle

- Vehicle Identification Number (VIN)
- Plate Number
- Year, Make
- Model
- Colour
- Body Type
- Cylinders
- Power
- Status
- [Brand](#)

Ontario vehicle registration history

Odometer information

Outstanding debts (link to liens) on the vehicle

Wholesale and retail values for the vehicle's model and year, if available

Retail sales tax requirements

Bill of sale

Tips on vehicle safety standards inspections

Who needs a Used Vehicle Information Package?

You need a package **only** if you are privately selling a:

- Car
- Van
- Light truck (gross weight of 3,000 kilograms or less)
- Self-propelled motor home
- Motorcycle

Some transfers may not require a Used Vehicle Information Package. For information on exemptions, spousal transfer and other types of transfers, complete the [feedback form](#) or contact ServiceOntario's Driver and Vehicle Contact Centre:

Toronto area: 416-235-2999

Toll free: 1-800-387-3445 (Canada wide)

Why do buyers need a Used Vehicle Information Package?

To learn about the status of the vehicle, which may affect future use of the vehicle. Examples of a vehicle status that may be of concern to a buyer include:

- **Suspended**
 - If ministry records show that a vehicle status is "suspended", no transactions involving the vehicle will be processed. A buyer could not obtain a new vehicle permit.
 - A vehicle permit may be suspended for things like a contravention of a statute, such as the Highway Traffic Act.
- **Unfit**
 - If ministry records show that the vehicle status is "unfit", it may be mechanically unfit. Licence plates cannot be attached to such a vehicle unless a Safety Standards Certificate is provided to the ministry.
- **Wrecked**
 - If ministry records show that the vehicle status is "wrecked", the vehicle has been completely dismantled or crushed. Licence plates cannot be attached to the vehicle and it cannot be used on any public road.

To be made aware if the vehicle has been branded and may affect future use of the vehicle

To make sure the name of the person selling the vehicle is the same as the name on the vehicle registration

To see if anything in the vehicle's registration history might cause concern

To check the vehicle's odometer reading last provided to the ministry.

To be aware of any outstanding lien (debts) registered against the vehicle

Sellers must:

Buy this package if you are selling a used vehicle privately in Ontario

Show it to all prospective buyers

Give it to the buyer when you sell your vehicle.

To purchase a Used Vehicle Information Package:

- Use the [ServiceOntario Driver and Vehicle Online Services](#)
- Visit any [Driver and Vehicle Licence Issuing Office](#)

Note: You will need the plate number or the Vehicle Identification Number to buy a Used Vehicle Information Package.

Selling a used vehicle in Ontario?

Use the information on the UVIP to make a fair and reasonable transaction.

A seller's checklist

- Does the Vehicle Identification Number on your vehicle match the Vehicle Identification Number on your permit?
- If it does not match, contact ServiceOntario's Driver and Vehicle Contact Centre:
Toronto area: 416-235-2999
Toll free: 1-800-387-3445 (Canada wide)
- Buy a Used Vehicle Information Package.
- **Remember:** Under Ontario law, private sellers of most motor vehicles must buy and show potential buyers the Used Vehicle Information Package.
- Read it carefully to make sure the information is correct.
- Show the Used Vehicle Information Package to any interested buyers.
- Keep your licence plates and the "plate portion" of the vehicle registration permit once you sell your vehicle.

Found a buyer?

Finalize the sale in four steps (-

Record your name, signature, name of buyer, date and purchase price on the "Bill of Sale" in the Used Vehicle Information Package.

Complete and sign the Application for Transfer. The Application for Transfer is on the back of the "vehicle portion" of the registration permit.

Give the Used Vehicle Information Package and the "vehicle portion" of the registration permit to the buyer.

Keep your licence plates and the "plate portion" of the vehicle registration permit. You will need the permit if you decide to register your licence plates on another vehicle.

You may choose to notify the ministry that the vehicle has been sold.

What about the licence plates?

Did you know?

Ontario has a plate-to-owner registration system. This means the licence plates stay with you, not the vehicle.

- Remove your plates and keep them for your next vehicle.
- Before you attach your plates to another vehicle, visit a Driver and Vehicle Licence Issuing Office to register the plates to the other vehicle.
- If you do not plan to get another vehicle you can return the plates and the plate permit to any [Driver and Vehicle Licence Issuing Office](#) for cancellation.
- If your plates have not expired, you can apply for a refund on any remaining full months of plate validation. There is a processing fee of \$5.00 for each refund.

Buying a used vehicle in Ontario?

Good used vehicles are in demand. With careful shopping and some research, you can find a vehicle to fit your needs.

What should I look for?

Did you know?

Even a well-made vehicle deteriorates if it is not properly maintained. Do not be blinded by the reputation of a particular make or model.

- Always inspect a vehicle in the daylight.
- Carefully check for extreme wear of the upholstery, seats, brake and accelerator pedals. New pedals may signal the car has had a lot of use.

- Look closely at the exterior. Waves on the body could mean bodywork or that the vehicle has been in an accident.
- Take it for a road test that includes driving at different speeds and on different road conditions. The test helps evaluate the steering, brakes, shock absorbers and front-end alignment.
- Ask about the vehicle's accident history. If there have been accidents, get a written summary of the accident information.
- Ask for the Used Vehicle Information Package.
- Take the vehicle to your mechanic or to a diagnostic centre for a check-up before buying.

Some Signs of Trouble

Problems	It may mean....
Steering that pulls the vehicle to one side	alignment problems in the future
Squealing brakes	too much wear or improper adjustment
Blue smoke coming from the tail pipe	costly engine repairs are needed
Lack of control when turning a corner at normal speeds or a very bouncy ride	steering linkage problems, worn-out shock absorbers, or both

Note: Odometer tampering is a criminal offence. An average vehicle gathers 16,000 to 20,000 kilometres per year. Look out for odometers showing low kilometres for the vehicle's age and signs of wear. If you believe the odometer has been tampered with **report it to the police.**

- **A buyer's checklist**
- Make sure the Vehicle Identification Number on the vehicle matches the Vehicle Identification Number on the vehicle permit
 - If it does not match, **seller** must call ServiceOntario's Driver and Vehicle Contact Centre:
Toronto area: 416-235-2999
Toll free: 1-800-387-3445 (Canada wide)
- Get the vehicle permit with the completed Application for Transfer from the seller.
- Get the "Bill of Sale" from the seller. Make sure the seller fills out their name and signature, date, and purchase price.
- Bring the plate portion of the vehicle registration permit. (if you are attaching your plate to the vehicle)
- Ask to see the Used Vehicle Information Package. If you buy the vehicle, make sure the seller gives you the package.

Bought a Used vehicle and Finalized the Purchase

As the new owner, by law you must register your used vehicle within six days of the sale. Here is how:

Bring the Used Vehicle Information Package and the vehicle permit with the completed Application for Transfer to a [Driver and Vehicle Licence Issuing Office](#)

Pay the retail sales tax. At the time of the transfer, the Driver and Vehicle Licence Issuing Office collects the tax. The amount of tax is based on the purchase price or the [wholesale value](#), whichever is greater

Pay the licensing / fees for plates and permit

- Trailer plate and permit = \$35
- Passenger, Commercial, Motorcycle and Moped Licence Plates and permit = \$23
- Attaching Plates you already own = \$10
- To validate a plate, the plate holder must pay for the validation sticker, which is calculated from the date of the vehicle transfer to the expiry date of the licence plates.
- Transfer fee for a snowmobile is \$6 and the annual validation is \$15

Present proof of insurance (if you are going to put plates on the vehicle)

Get a [Safety Standards Certificate](#) if the vehicle will be plated and operated on the roads. This is not required for trailers or mopeds or off-road vehicles or snowmobiles.

If your vehicle is registered, plated and in the [Drive Clean Program](#), show the vehicle emissions report. To find out if your vehicle needs to pass an emissions test, call the Ministry of the Environment's Drive Clean Call Centre:
toll free: 1-888-758-2999 or
visit [Drive Clean](#)

If this is the first time you have registered a plate or vehicle with this ministry, present proof of identify (verifying legal name, date of birth and signature).

If you are registering plates that you already have, bring the plate portion of your vehicle registration permit with you to the [Driver and Vehicle Licence Issuing Office](#)

Questions? Call ServiceOntario's Driver and Vehicle Contact Centre:

Toronto Area: 416-235-2999

Toll Free: 1-800-387-3445 (Canada wide)

Liens (Debts) on a Vehicle

Nobody wants to watch a tow truck take away the car they just bought. But that is what can happen, if there is an outstanding debt, or lien, on a vehicle you have purchased. This is one

reason why it is so important to get a Used Vehicle Information Package and check the lien information.

Buyers

Did you know?

If the lien is not paid, the secured party (debt holder) can repossess the vehicle from the person who owes the money or from the buyer of the vehicle.

If there are debts registered in Ontario on the vehicle, the lien information will tell you:

- The name and municipality of the person who owes the money. If a business owes the money, the package will have the full street address
- The name and address of the lender (the secured party)
- The place where the debt is registered
- The amount of the debt

Note: The lien information on a UVIP may not be current. The date shown on the package is usually two days behind

Sellers

It is important to check the lien information in the Used Vehicle Information Package because the lien can be registered against you.

Lien Information Package Check

If...	Then...
You want to transfer the lien to the buyer	<ul style="list-style-type: none">• Contact the Ministry of Government Services: Toll Free: 1-800-268-1142 Toronto: 416-326-8555 TTY: 416-326-8566 (for the speech/hearing impaired)
You have already paid off the debt	<ul style="list-style-type: none">• Contact the lender and ask them to clear the debt• Contact each lender to get an update on the debt
The package lists previous owners as debtors	<ul style="list-style-type: none">• If the debt was paid, ask the lender to clear the debt• If the debt is not paid, it continues against the vehicle until it is paid. The lender can also take back the vehicle at any time
The debt is paid and the lender has not cleared it	<ul style="list-style-type: none">• The lender must register a clearance within 30 days• If the lender has not registered a clearance, you can write a notice to the lender requiring them to pay you - \$500 and any damages

resulting from not clearing the debt

- The Ministry of Government Services, Personal Property Security Branch removes a clearance registration within 60 days

Learn more

For more information on liens, call the Ministry of Government Services, Personal Property Security Branch:

Toronto area: 416-325-8847

Toll free: 1-800-267-8847

Telephone Device for the Deaf: 416-326-8866

For information about commercial vehicles, contact the [Ministry of Government Services](#).

Motor vehicle insurance in Ontario

You must have motor vehicle insurance to drive in Ontario. Whether you are attaching plates, renewing registration or buying a temporary permit, you must have insurance. Private companies sell insurance.

What types of insurance do I need?

You must have third party liability insurance of at least \$200,000. This covers you in case you injure or kill someone or damage someone's property. Collision insurance to cover the damage to your own vehicle is a good idea, but not required by law.

Do I need to carry the insurance card with me?

Yes. You must carry the pink insurance card for the vehicle that you are driving (this includes your own or someone else's vehicle). You must show this card when a police officer asks for it. If you do not, you can receive a fine of up to \$400. When driving someone else's vehicle, make sure the insurance covers you as a driver.

Retail Sales Tax

You must pay sales tax when you buy a used vehicle privately. The amount of tax is on either the purchase price or the vehicle's wholesale value, whichever is more and is paid when you register the vehicle to your name.

What is the "wholesale value"?

Wholesale value is based on the *Canadian Red Book*, which lists the wholesale and retail values of used vehicles. This book is an accepted industry standard used by car dealers, insurance companies and other provincial governments.

How are the wholesale and retail values determined?

For personal vehicles, these values are based on the average amounts paid for vehicles of the same year, make and model. The values do not take into account optional equipment, vehicle

condition, or the number of kilometres. These values can change from the date you pick up the Used Vehicle Information Package to the date of the vehicle transfer.

For passenger and light commercial vehicles (2,200 kilograms and under empty weight) 20 years or older, the retail sales tax is payable on the purchase price, replacement value for insurance purposes, or appraised value, whichever is more.

If you paid less than the Canadian Red Book value, you can get the vehicle appraised before changing ownership. If the appraisal supports a lower price than the Canadian Red Book, the buyer pays tax based on the higher value.

An appraisal or insurance document showing the vehicle's value must accompany the bill of sale.

Tax exemption

You do not have to pay retail sales tax if:

- You are a qualifying Diplomat or Status Indian. You can complete a transfer by showing your identity card.
- You receive a vehicle as a gift from a close family member, such as:
 - Spouse
 - Parent or step-parent
 - Grand-parent
 - Son or step-son
 - Daughter or step-daughter
 - Grandson or granddaughter
 - Step-grandson or Step-granddaughter
 - Son-in-law
 - Daughter-in-law
 - Father-in-law
 - Mother-in-law
 - Brother or Sister
 - Half Siblings (siblings with a common parent)
 - Adopted Siblings (siblings with a common parent by way of adoption)
 - Siblings-in-law (siblings of a spouse of spouse of a sibling)

Note: Only one tax-free transfer per vehicle is allowed every 12 months within your close family.

For some transfers, such as gifts between close family members (describe above), are sales tax exempt if a Sworn Statement for a Family Gift of a Used Motor Vehicle in the Province of Ontario is provided when registering your vehicle at a ServiceOntario Driver and Vehicle Licence Issuing Office.

Safety standards certificate

To register a motor vehicle as fit, you must have a safety standards certificate. A safety standards certificate that is issued outside Ontario is not acceptable. An authorized mechanic at a government approved Motor Vehicle Inspection Station inspects the vehicle, for a fee, and issues a signed certificate if the vehicle passes inspection. The certificate is valid for 36 days from the date of the inspection. The certificate is not a warranty or guarantee on the general condition of the vehicle.

You will be asked to show this certificate when you:

- Register a rebuilt motor vehicle
- Transfer a used motor vehicle to a new owner as fit
- Certain transfers, such as between spouses do not require a Safety Standards Certificate. However, transfers between parent and child and vice versa require a Safety Standards Certificate. For further information on vehicle transfer Safety Standards Certificate exemptions, please call ServiceOntario's Driver and Vehicle Contact Centre at (416) 235-2999, or toll free (Canada-Wide) 1-800-387-3445
- Register a motor vehicle as fit in Ontario that was previously registered in another province or country
- Change the status of a vehicle from unfit to fit

Seller's Checklist

- Does the Vehicle Identification Number on your vehicle match the Vehicle Identification Number on your permit? If it does not match, call us at the Driver and Vehicle Licensing Call Centre:

Toll free: 1-800-387-3445 (Canada-wide)

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Show the Used Vehicle Information Package to any interested buyers

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Additional information can be found at:

<http://www.mto.gov.on.ca/english/dandv/vehicle/used.shtml>

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No Strangers!! No Hassles!!!