HOW TO FINALIZE A PRIVATE USED CAR SALE

Everything you need to know about the steps involved with finalizing the sale of a used car - in every province.
IF YOU’re BUYING OR SELLING A USED CAR PRIVATELY, DO YOU KNOW HOW TO FINALIZE THE SALE?

Each province across Canada has different regulations. We’ve compiled the steps and information that you need to know, as well as provided links to the appropriate websites. When in doubt, it’s always best to contact your provincial government to make sure you and the seller have covered your bases.

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In order to transfer the ownership of a used vehicle in British Columbia, the seller must pick up a Transfer/Tax Form from an Autoplan broker.

To prepare the car for sale, the seller should remove the licence plates from the vehicle as well as the insurance and registration, tearing off the vehicle registration portion and signing this portion.

The buyer receives the signed registration and gives payment to the seller. Once the seller is paid, both parties can fill out the Transfer/Tax Form. It’s recommended that the seller and the buyer go together to take the registration and the Transfer/Tax form to an Autoplan broker. At this point, the buyer can register the vehicle, licence it and insure it all at the same time.

If the buyer and seller don’t switch the registration of the vehicle right away, the buyer can drive the newly purchased vehicle with their old plates for up to 10 days from the date of purchase as long as:

a) The vehicle the buyer is switching plates to is registered in B.C.
b) The buyer has sold or disposed of the old vehicle.
c) Both vehicles fall into the same category (ie. passenger vehicles).
d) The plates are valid B.C. licence plates.
e) The buyer carries the signed Transfer/Tax Form for the vehicle, the original registration, the still valid insurance papers for the buyer’s old vehicle and proof that the buyer sold the old vehicle.

Keep in mind that in the Lower Mainland or Fraser Valley, a vehicle may have to pass an AirCare emissions test before it can be insured or registered. Visit the AirCare website for more information.

For more information, visit the Insurance Corporation of British Columbia website.
When buying a used vehicle in Alberta, both the buyer and the seller need to fill out a Bill of Sale.

This will include the date of the sale, address and identification information about the buyer and seller, the year, make, model and VIN (Vehicle Identification Number) number, odometer reading, the total price, how it is being paid for and any promises or statements about the vehicle, such as warranties or claims about the condition. Both the buyer and the seller may want to keep a copy of the Bill of Sale for reference purposes.

Most sellers will require you to leave a deposit. The remainder of the payment is usually in the form of a money order or bank draft. Be aware that signing a sales offer and leaving a deposit represents your commitment to purchase and is legally binding. The seller has the right to keep the deposit if the deal is not completed in order to cover his or her costs. If this is a concern to you, include in your offer a note that the deposit is fully refundable in the event that the deal doesn’t go through.

To register the used vehicle, the buyer will need the proof of ownership (Bill of Sale), a valid Alberta insurance 'pink card' and identification. An inspection certificate from Alberta Transportation is required for all first time Alberta registrations of used vehicles (and used vehicles returning to Alberta that were last registered in another jurisdiction). There are some exceptions so it’s always best to check with a Service Alberta registry agent.

If the buyer currently has valid Alberta licence plates, they may transfer them to the new vehicle. They can use their previous plates on the newly purchased vehicle for up to 14 days from the date on the Bill of Sale. During this grace period, the buyer must carry proof of ownership, insurance and valid registration for the licence plate being transferred to the vehicle.

For more information, visit the Service Alberta website. You can also check out the Alberta Transportation website.
SASKATCHEWAN

In Saskatchewan, all retail sales are final. As a buyer, keep in mind that unless clearly stated verbally or in writing by a seller, there is no cancellation period for returning a vehicle.

The seller must provide the buyer with the ‘Transfer of Ownership’ or ‘Vehicle Identification Certificate’ that’s attached to the seller’s registration certificate, along with a Bill of Sale.

The buyer can use the licence plates from their original vehicle on a new vehicle for up to seven days when they buy a new or used vehicle in Saskatchewan. Before that time expires, the buyer should take the completed Transfer of Ownership form and the Bill of Sale to a Motor Licence Issuer.

The Motor Licence Issuer will let the buyer know if they are required to pay PST on the vehicle. PST does not apply to the purchase of eligible used light vehicles on which tax has been previously paid in full. The buyer can also determine if PST is payable on a particular vehicle by using Saskatchewan Government Insurance’s free online Saskatchewan VIN search.

For more information, visit the Saskatchewan Government Insurance website.

DID YOU KNOW

CarProof shows accident history from every province, including provinces with public insurance.
In Manitoba, the seller must provide the buyer with a signed Transfer of Ownership Document, a valid Certificate of Inspection (COI) and a Bill of Sale that is signed by both parties and has the year, make, model and VIN (Vehicle Identification Number) as well as the purchase price and the date it was bought.

The buyer will want to check to make sure they are buying from the legal owner as the registered owner and the legal owner aren’t always the same person. Only the legal owner has the right to sell or dispose of the vehicle. The legal owner’s name is on the right-hand side of the registration card. The registered owner’s name is on the left-hand side of the registration card.

Most buyers will have to register and insure the newly purchased vehicle with Manitoba Public Insurance (MPI) before driving it. It’s best for the buyer to check with MPI before to ensure they have necessary coverage.

If the vehicle was manufactured before Sept. 1, 2007, the vehicle may fall into Manitoba’s Most-at-Risk vehicle category. In order to reduce the amount of vehicles that are stolen in Manitoba, since 2008 the provincial government has made it mandatory for approved immobilizers to be installed in Most-at-Risk vehicles. These include vehicles that are used in Winnipeg or used to commute to Winnipeg, ones that have been stolen or that someone has attempted to steal and vehicles that are being imported into Manitoba from another jurisdiction. Before registering a “Most-at-Risk” vehicle, the buyer must show an Immobilizer Installation Certificate. If the vehicle is newer, then this might not be of concern to the buyer as Transport Canada required all automakers to install this device on new vehicles manufactured after Sept. 1, 2007.

If the buyer is purchasing a vehicle that is in a different registration class from their previous car (i.e. they sold their car and they’re now buying a truck for their gardening business) then the buyer will need to get new licence plates or a special sticker to put on their licence plates when they’re transferring registration and insurance from one vehicle to the other. The class can be found on the front of the Vehicle Registration Card, at the top left. If the vehicle is in a different class, then the buyer must report the change to an Autopac agent before driving in order to receive the new registration and the special sticker.

If the vehicle is in the same registration, the buyer can transfer the licence plates from their currently registered vehicle to their new one. The buyer has seven days after the day they disposed of their old vehicle to register their new replacement car. During this seven day period, the same coverage on the old vehicle will apply to the new one. If this coverage is insufficient, it’s best to register the new vehicle immediately.

When a buyer purchases a vehicle privately, the buyer will be charged retail sales tax when they register the vehicle. This tax is based on the fair market value of the vehicle; either the purchase price or the average wholesale price, whichever is greater.

For more information, please visit the Manitoba Public Insurance website.
In Ontario, every privately sold vehicle must be accompanied with a Used Vehicle Information Package (UVIP) from the Ontario Ministry of Transportation.

This package contains a description of the vehicle, the VIN, year, make and model, retail sales tax requirements, a bill of sale and tips on vehicle safety standards inspections. The seller must show this package to the buyer as it plays a role in finalizing the sale of the vehicle.

The seller has to give the vehicle permit, the completed and signed Application for Transfer (found on the back of the ‘vehicle portion’ of the registration permit) and the completed Bill of Sale from the UVIP (with their name, signature, date and purchase price) to the buyer.

The seller keeps the licence plate (Ontario uses a plate-to-owner registration system which means they stay with you) and the plate portion of the vehicle registration permit. The seller can then let the Ontario Ministry of Transportation know that the vehicle has sold.

The buyer has to register the used vehicle within six days of the sale. To do so, they have to take the UVIP, the vehicle permit and the Application for Transfer to the Driver and Vehicle Licensing Office. Here, the buyer will pay the retail sales tax, based on the purchase price or the wholesale value (whichever is greater). The buyer will also pay the licensing fees for the plates and permit. The buyer can attach plates they already own (they need to bring in the plate portion of their vehicle registration permit), and validate them with a sticker or purchase new plates with proof of identity that verifies their legal name, date of birth and signature.

The buyer has to provide proof of insurance and a Safety Standards Certificate if the vehicle is to be plated.

If the vehicle is registered, plated and in the Drive Clean Program, then the buyer has to present the vehicle emissions report. To find out if a vehicle needs an emissions test, a buyer or seller can visit the Ministry of the Environment’s Drive Clean website or call 1-888-758-2999.

For more information, please visit the Ontario Ministry of Transportation website.
QUEBEC

In Quebec, in order to finalize a private vehicle sale, the buyer and seller should sign a contract to make things official. This isn’t mandatory, but it’s advisable. CAA Quebec provides its members with standard contracts, but Bill of Sale forms can also be found online.

In the Civil Code of Quebec, a term called latent defects is used to define “warranty of quality” when making a sale. This states that when a sale is conducted privately between two people, the seller must declare any latent defects. These are defects that make the property for sale “unfit for the use for which it was intended or which so diminish its usefulness that the buyer would not have bought it or paid so high a price if he had been aware of them.” This warranty applies to the property sold as well as accessories. This law also requires that the buyer report a latent defect to the seller in writing within a reasonable amount of time after discovering the defect. The buyer has three years to bring proceedings against the seller if the seller refuses to settle the matter to the buyer’s satisfaction.

The Quebec Automobile Insurance Corporation recommends that when conducting a private vehicle sale, both the seller and the buyer go to a SAAQ service outlet where both parties will be required to show identification. If the seller is selling the vehicle but can’t make it to a service outlet, they can send someone on their behalf after assigning them Power of Attorney.

When the buyer goes to register the vehicle, they will be responsible for paying Quebec Sales Tax on the actual purchase price or the book value, as found in Guide Hebdo, less $500 – whichever is higher. If the vehicle is over 10 years old and can’t be found in the Guide Hebdo, then the buyer will pay QST on the purchase price.

For more information, please visit the CAA Quebec website and the Quebec Automobile Insurance Corporation website.

DID YOU KNOW

CarProof is the only real-time vehicle history report available in North America.
NEWFOUNDLAND AND LABRADOR

When buying a used vehicle in Newfoundland and Labrador, both the buyer and the seller need to fill out a Bill of Sale.

This must include the date of the sale, the buyer’s name and driver’s licence number, the year, make and model of the vehicle, the plate number and serial number, the purchase price and the name and signature of the seller. If HST was collected by the seller, then the Bill of Sale will also need to include the seller’s HST registration number. A Bill of Sale can be found on the reverse side of the current vehicle registration permit or a separate document can be used. Both the buyer and seller may want to keep a copy for reference purposes.

The seller of a used vehicle is required to notify the Motor Registration Division within 10 days of the sale of a motor vehicle. The seller can find a Notice of Sale on the reverse side of the vehicle registration permit for this purpose. Failure to submit this within 10 days is an offence and the seller could be fined. The seller could also receive traffic fines that should be issued to the new owner or the seller could be financially responsible for an accident if the new owner didn’t obtain insurance.

The buyer is required to transfer the ownership of the vehicle within 10 days and failure to do this could also result in a fine.

When the buyer registers the vehicle with the Newfoundland Motor Registration Division, they’ll need the seller’s vehicle registration permit (the seller must be the registered owner of the vehicle), a Bill of Sale and/or a sworn affidavit (a sworn affidavit from the buyer and seller is required when the purchase price of the vehicle is below the wholesale Red Book value, a vehicle valuation guide), a completed and signed insurance declaration (found on the reverse side of the seller’s vehicle registration permit) and a motor vehicle safety inspection certificate.

The buyer will be required to pay a transfer fee, provincial sales tax on the purchase price or the Red Book (a vehicle valuation guide) value of the vehicle and any outstanding fines on the buyer’s record.

For more information, please visit the Newfoundland Motor Registration Division website.
In Nova Scotia, in order to finalize a private used vehicle sale, the seller must sign the reverse of the Certificate of Registration (Transfer of Ownership).

The seller must also fill out the section headed Transfer of Title Certificate of Sale (Part 1) and give this to the buyer.

In addition to this, the seller has to sign the Notice of Sale portion of the Certificate of Registration and indicate who the vehicle was sold to. The seller should then return the Notice of Sale to the Registry of Motor Vehicles.

When a used vehicle is purchased privately, the vehicle must display a valid Motor Vehicle Inspection issued within 30 days prior to the date of the sale in the name of the seller, showing a two year expiry date for “type 1 vehicle” or a one year expiry for a “type 2 vehicle” from the time of inspection. The Motor Vehicle Inspection can also be obtained by the buyer prior to the transfer. Another option is for the buyer to obtain a letter from the Registry of Motor Vehicles at the time of transfer, providing an additional 10 days to get a valid Motor Vehicle Inspection. If the seller and buyer complete a “Sale of Vehicle Not Safety Approved” form, a vehicle permit may not be issued until a valid Motor Vehicle Inspection sticker is obtained in the name of the buyer.

Within 30 days of the date of purchase, the buyer must complete an Application for Certificate of Registration (Part 3, found on the Certificate of Registration from the seller), including the tax declaration in order to register the vehicle. At the time of registration, the buyer is responsible for paying HST (the tax is based on the Red Book value, a vehicle valuation guide, of the vehicle or the purchase price, whichever is greater), the transfer fee and the registration fee to the Registry of Motor Vehicles.

The plates stay with the seller – they can be reassigned to a new vehicle or returned to the Registry of Motor Vehicles. The buyer can attach their own plates (as long as they’re valid) and the vehicle will be registered to the new owner for up to 30 days from the date of the sale. If it’s not registered by the new owner within this time frame, the vehicle’s registration will expire until it’s re-registered.

If the buyer doesn’t have plates to attach, they can obtain a temporary permit from the Registry of Motor Vehicles, which will be valid for up to 30 days.

For more information, please visit the Service Nova Scotia website.
In New Brunswick, in order to transfer the ownership of a vehicle from a seller to buyer, the seller must sign the back of the Certificate of Registration.

The buyer’s name, address and date of birth are required on the transfer document and the buyer must present the Certificate of Registration to any issuing office.

In order to register the vehicle in their name, the buyer must present the Certificate of Registration to a New Brunswick licence issuing office. This is the point when the buyer will be required to pay sales tax on the vehicle as well as any other applicable fees.

The buyer must refrain from driving the vehicle until the registration certificate is recorded in the new purchaser’s name.

For more information, please visit the New Brunswick Department of Public Safety, Motor Vehicle Branch website.

DID YOU KNOW

A buyer should always request a CarProof report from the seller of a used car. If the seller does not provide a report, ask for the car’s VIN so you can buy your own CarProof report.
PRINCE EDWARD ISLAND

In Prince Edward Island, in order to transfer the ownership of a vehicle from the seller to the buyer, the seller must fill out and sign the back of the registration marked vehicle permit.

The seller must also complete the Notification of Transfer form on the registration permit and mail it within seven days of the transfer date to the Highway Safety in P.E.I.

The buyer has seven days from the date of transfer to change the registration of the vehicle to their name. When doing so, the buyer must present the Vehicle Permit (signed by the previous owner), the Bill of Sale or receipt, the Motor Vehicle Inspection Form (in the present owner’s name or buyer’s name) and a valid insurance card. P.E.I. requires that all vehicles and trailers undergo an annual inspection and you can find more information on the inspection program here.

The buyer will be charged sales tax based on the Red Book value (a vehicle valuation guide used by Canadian government, dealers, insurance, financial institutions and appraisers), the Bill of Sale or an appraisal, whichever one is greater.

For more information, please visit the Prince Edward Island Department of Transportation and Public Works website.
If you’re buying or selling a used car in Nunavut, it’s best to contact your regional Motor Vehicle Division for information on how to transfer ownership of the vehicle.

**Qikiqtaaluk Region**
Motor Vehicles Division  
Department of Economic Development & Transportation  
Box 1000 Station 1575  
Iqaluit, NU  
X0A 0H0  
First line: 867.975.7840  
Second line: 867.975.7841  
Fax: 867.975.7820

**Kitikmeot Region**
Motor Vehicles Division  
Department of Economic Development & Transportation  
Box 10  
Gjoa Haven, NU  
X0B 1J0  
Phone: 867.360.4615  
Fax: 867.360.4619

**Kivalliq Region**
Motor Vehicles Division  
Department of Economic Development & Transportation  
Bag 002  
Rankin Inlet, NU  
X0C 0G0  
Phone: 867.645.8466  
Fax: 867.645.8467  

At the Motor Vehicles Office in Rankin Inlet, clients can only come to the office for Driver Licence testing and General Information. For identification cards or registration of vehicles, please go to Piruqsajit Limited (24 Sivulliq Ave, in the same building as Sakku Drugs).

For more information, please visit Nunavut’s Department of Economic Development and Transportation website.
When buying a used vehicle in Northwest Territories, both the buyer and the seller need to fill out a Bill of Sale.

This must include the date of the sale, the buyer’s name, the buyer’s licence number, the seller’s name, the make and model of the vehicle, VIN number, odometer reading, the purchase price, any terms or conditions and the signature of the seller. Both the buyer and seller may want to keep a copy of the Bill of Sale for reference purposes.

The seller must sign the back of the Certificate of Registration and give this to the buyer.

The Bill of Sale (or another document containing the exact same information) must be presented by the buyer to register the vehicle under their name, along with valid insurance for the new vehicle, proof of residency, and the old registration signed by the seller. At this point, the buyer will sign the Bill of Sale.

For more information, please visit the Northwest Territories Transportation website.
YUKON

In order to purchase a used vehicle from a private seller in the Yukon, the buyer and seller must complete, sign, and date a Bill of Sale.

This, along with proof of insurance (a faxed copy will suffice) should be presented to a Motor Vehicles office in order to switch the registration over to the buyer’s name.

For more information, please visit the Government of Yukon’s Motor Vehicles website.
If you have any questions, please contact CarProof’s Customer Service by calling 1.866.835.8612 or emailing support@carproof.com.

www.carproof.com