

LICENSING, REGULATION AND ALCOHOL STRATEGY

Who is a Motor Vehicle Dealer in the Northern Territory?

This fact sheet has been developed to inform business and individuals of the definition of a Motor Vehicle Dealer as defined in the *Consumer Affairs and Fair Trading Act*.

Operating as a Motor Vehicle Dealer without a licence, may incur a maximum fine of 2500 penalty units. The *Penalty Units Act* prescribes the monetary value of a penalty unit, its indexation and change of value by regulation. As at 1 July 2009, a penalty unit means \$130. Further penalties may also apply to include forfeiture of the vehicles and any sale proceeds.

Definition

The *Consumer Affairs and Fair Trading Act 1995* defines a Motor Vehicle Dealer as a person who –

“buys, sells, offers for sale or exchanges motor vehicles as a business (whether alone or in partnership, and whether or not as the person's sole business) but does not include -

- a) a person whose business consists exclusively of buying motor vehicles for the purpose of demolishing or dismantling them;
- b) a financier; or
- c) an exempt trader”.

The *Act* defines a “financier” as a person who -

“carries on the business of buying, selling or exchanging motor vehicles only for one or more of the following purposes:

- a) the purpose of hiring motor vehicles under hire-purchase agreements;
- b) the purpose of selling motor vehicles on instalment terms;
- c) the purpose of taking or enforcing securities over motor vehicles;
- d) the purpose of letting out motor vehicles on hire without granting any right to purchase them;
- e) any purpose that is for the time being prescribed;
- f) the purpose of disposing of motor vehicles which the person has acquired in connection with a purpose falling within any of paragraphs (a) to (e)”.

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The following persons are not financiers for the purposes of the legislation:

- a) a person who (except by an agent who is a licensed dealer) offers or displays motor vehicles for sale to the public otherwise than for the purpose specified in (f) above;
- b) a person who holds themselves out as ready to purchase motor vehicles from the public;
- c) a person who is declared by regulations not to be a financier, or who belongs to a class or description of persons declared by regulations not to be financiers.

The Act defines an “exempt trader” as -

“A person (other than a financier) who carries on the business of buying, selling or exchanging motor vehicles, but does not (otherwise than by an agent who is a licensed dealer) offer or display motor vehicles for sale to the public or hold him or herself out as ready to purchase vehicles from the public”.

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