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Self – Regulating Guideline

For

Sale of Second Hand Motor Vehicle in Fiji

Effective Date: 14th July, 2014

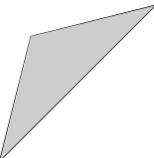
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“To promote Competition in the Fijian Markets”

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1.0 Introduction

Infrastructural development is vital for the growth and development of an economy. An important component of infrastructure development is the provision of efficient transport services at reduced costs to enhance access to services and markets. Given that a large proportion of Fiji's population are low or very low income earners, second hand motor vehicle market plays an important role in the transport sector.

However, given the nature of the market, the characteristics of the consumers in particular low technical knowledge about motor vehicles, there seems to be an existence of some degree of unfair trade practices in this market. This is correlated with the large number of complaints that the Commission has receives. As such the market for second hand motor vehicles in Fiji is rapidly growing relating to the Second Hand Motor Vehicles, in particular, issues related to the lack of accurate information at the time of purchase about the vehicle history, general conditions, discriminatory prices, consumers being misled into buying defective vehicles, the bundling of vehicles and financing with other transactions and the non-availability of parts and facilitates for repairs. There are also complaints about traders not giving warranties and if they give warranty they fail to honour obligations of warranties, misleading advertisements and unfair sales techniques. The Commission also notes the concern from the traders' that buyers are not honouring financial obligations, making false allegations and not accepting redress provided or demanding unreasonable redress from traders. The Commission noted from the market surveillance that there seems asymmetry of information in Fiji in terms of the nature, disclosure of information and rights and obligations of the traders and consumers.

Considering that such behaviour has resulted/is resulting in, while in breach of the Commerce Commission Decree 2010 ("**CCD2010**"), hardship to consumers as well as traders and in recognition of its legal obligation under the Commerce Commission Decree 2010, the Commission has developed the Self Regulating Guidelines for Sale of Second Hand Motor Vehicle in Fiji (SRG-Second Hand Vehicle).

The SRG-Second Hand Vehicle is developed by the Commission to inform the traders and consumers on the requirements under the CCD2010 or any other relevant laws of Fiji for sale of second hand motor vehicles and encourage them to move towards a better and transparent conduct with the aim of creating a well-informed market place for trade and commerce. SRG-Second Hand Vehicle is also aimed at encouraging the stakeholders to move towards self-regulation and minimise Commission intervention in the sector

The guideline sets out the framework outlining the disclosure requirements and the conduct of the traders and consumers to ensure a balanced approach towards promotion of industry and trade and

adequate consumer protection. The key aim of this guideline is to enhance consumer protection and to avoid breach(s) of the CCD2010. Broadly, this guideline aims to provide guidance on the following:

- i. Disclosure of full information;
- ii. Use of the phrase “as is where is” basis;
- iii. To provide accuracy and clarity in business transactions involving sale;
- iv. Conduct to avoid misleading and false representation;
- v. To avoid deceptive conduct;
- vi. To avoid harassment and coercion;
- vii. To avoid unconscionable conduct;
- viii. To avoid misleading conduct; and
- ix. To avoid any other breaches of CCD2010 or any other laws of Fiji.

1.1 Definitions

For the purpose of this SRG for Second Hand Motor Vehicle, the following definitions/interpretations apply:

Table 1: Definitions/Interpretations

Relevant Terms	Definitions/Interpretations
Second Hand Motor Vehicle	Any motor vehicle to which a certificate of registration and license plate have been issued and registered by the relevant authority. Any used motor vehicles that are imported by the motor vehicle traders or by agents and that meets the legislative requirement of Fiji. Any locally pre-owned motor vehicles that are acquired through trade-in, sale, auction, or tender.
Second Hand Motor Vehicle Trader	Any motor vehicle trader(s) or businesses engaged in the sale of imported second hand motor vehicles or locally pre-owned motor vehicles or sale via auction and tender
Trader	Any person who in connection with any business carried on by him sells, or has sold, or proposes to sell any goods or who supplies or carries on any service.
Goods	Include any article, product or thing which is the subject of trade and commerce and includes; ships, aircraft and other vehicles.
Consumer	A person who in relation to a particular transaction, whether a separate contract or separate transaction within a contract acquires goods or services as a consumer and shall be presumed hereunto unless the contrary is proved.

Table 1: Relevant Definitions/Interpretations (cont...)

Relevant Terms	Definitions/Interpretations
Trade/Commerce	Includes any business or professional activity.
Market	A market in Fiji, and when used in relation to any goods or services, includes a market for those goods or services and other goods or services that are substitutable for, or otherwise competitive with, the first-mentioned goods or services.

Source: Fiji Commerce Commission

1.2 Principles

This guideline provides a framework for best practices for the sale of second hand motor vehicles in Fiji and is aimed at ensuring fair trade practices and consumer protection during the business transaction. The guideline sets out broader framework outlining when business practices are unfair with reference to the Decree and other relevant laws of Fiji.

- 1.2.1** It is important to disclose all the information about the motor vehicle to the consumer.
- 1.2.2** Omitting and hiding important information about the motor vehicle from the consumer is not a good trading practice.
- 1.2.3** Any relevant information relating to the sale of a motor vehicle on “as is where is” basis must always be disclosed to the consumer before the sale.
- 1.2.4** Using bait and switch tactics to sell the motor vehicle is against the spirit of CCD2010
- 1.2.5** A true and accurate information about standard, quality, grade, composition, or particular history of the vehicle in the past, age of the vehicle, performance characteristics, the price of the vehicle, availability of the goods, supply of facilities for repairs or parts, place or origin of the vehicle, condition, warranty, right or remedy are essential information to a consumer.

1.3 Other relevant laws apart from Decree (CCD 2010) for the traders to consider are:

- Land Transport Act 1998 and Regulations made under the Act;
- Consumer Council of Fiji Act [Cap 235];
- Consumer Credit Act 1999;
- Sales of Goods Act 1985;
- Motor Vehicle Act [Cap 177];
- Moneylenders Act [Cap 234]; and

Any amendments to the above legislations thereafter.

1.3.1 Traders are also to consider/recognise the intention and spirit of any other Self Regulating Guideline or Regulation made under CCD2010 and other relevant laws of Fiji

1.4 Consumer Information and Deceptive Conduct (Misleading Action)

1.4.1 A trader must not furnish false or misleading information to a consumer that deceives or is likely to deceive a consumer **[s75 (1) of the Decree]**.

1.4.2 In any circumstances, the trader must not engage in the following misleading or deceptive conduct **[s75, s77 of the Decree]**:

- i. Any form of deceptive conduct that will adversely affect the consumers choice and decision;
- ii. Providing any kind of misleading information either verbally, written or visually;
- iii. Providing any misleading information verbally while discussing or in the course of discussion prior to the sale of the vehicle;
- iv. Misrepresenting the specification or history of the vehicle, for example by making misleading statements about the service history, any previous accident damage, number of previous owners, the technical specification, mileage records and other essential information about the vehicle; and
- v. Falsely claiming that a vehicle history check has been carried out with the relevant authorities.

1.4.3 Creating a misleading impression about the previous usage of a vehicle, for example, giving the impression that a vehicle had one previous user, through the use of statements such as “one previous owner”; when in fact it is an ex-business used vehicle, that had multiple previous users (such as an ex-rental, driving school vehicle or taxi) **[s83 (1) of the Decree]**.

1.4.4 A trader must provide consumer with all the information about the vehicle that a consumer needs (as per the Second Hand Motor Vehicle Checklist) and the trader must not omit or hide any information about the motor vehicle that could adversely affect the decision of the consumer **[s77 (1)(i) of the Decree]**.

1.5 False and Misleading Advertisement

1.5.1 A trader must provide true, correct and consistent information on the advertisement of the vehicle whether, in the showroom, in a newspaper, website, email, text, or other types of documentation provided to the prospective buyer **[s78 of the Decree]**.

1.5.2 A trader must advertise a vehicle for sale at one price regardless of whatever advertising medium used.

1.5.3 All prices of the motor vehicle in the advertisement must be stated as a Vat Inclusive Price (VIP).

1.5.4 A trader must not sell a vehicle at a price which is more than the advertised price of the vehicle.

- 1.5.5** Any advertisement of the second hand motor vehicle must not falsely state; the age of the vehicle, mileage, value of the vehicle, previous usage and the number of owners, the accident records, manufacturing detail, model or any other information that could adversely affect the consumer [s78 of the Decree].
- 1.5.6** All advertisements must disclose all other fees and charges paid by the consumer.
- 1.5.7** All advertisements irrespective of the medium used, must have a commencement and closure date.
- 1.5.8** All advertisements must comply with the requirements of the Fiji Commerce Commission Self-Regulating Guideline for Advertising.

1.6 False and Misleading Representation

- 1.6.1** A trader must disclose all inspection findings on the vehicle and any adverse information a trader discovers or is otherwise aware of, such as:
- i. The vehicle's previous accident and/or insurance history;
 - ii. Discrepancies in the mileage; and
 - iii. Any defects or faults with the vehicle that have not been rectified.
- 1.6.2** A trader must disclose any fees and charges payable for the vehicle in addition to the selling price to the consumer.

False and Misleading representation is an offence under s77 of the Decree

1.7 Harassment and Coercion

- 1.7.1** A trader must not intimidate, pressurize or coerce consumers, for example through the use of threatening or abusive language, or threatening to take action which has no legal basis. Any aggressive practice that is likely to cause the consumer to take a different decision is strictly forbidden.
- 1.7.2** A trader must not engage in high persuasive selling techniques to sell a vehicle or to compel /restrict consumer choice for the sale of additional services such as finance, insurance or provision of legal services.
- 1.7.3** A trader should not refuse to refund the deposit paid by the consumer if the consumer is not at fault.
- 1.7.4** A trader must consider hardship faced by the consumers and should provide necessary remedies as per the hardship clause [Section 66(1)] under the Consumer Credit Act 1999.
- 1.7.5** Any motor vehicle repossession done by the trader must be done in accordance with the legal requirements under Consumer Credit Act 1999.

1.8 Prohibited Acts

1.8.1 A trader must not falsely represent approval, endorsement or authorization by a public or private institution when trader has not acquired such approval, endorsement or authorisation, or make such a claim without complying with the terms of the approval, endorsement or authorization such as **[s77 (1)(e) and (f) of the Decree]**:

- i. The trader has authorization from LTA ; and
- ii. Vehicles have been checked or passed by regulators or that checks meet the motor vehicle regulations in Fiji.

1.8.2 A trader must not engage in the following prohibited practices:

- i. Falsely representing or advertising that a vehicle will only be available for a very limited time, or that it will only be available on particular terms for a very limited time, in order to elicit an immediate decision from the consumer, for example, a trader falsely informs a consumer that the ‘special price offer’ will increase the next day, therefore pressurizing the consumer into making an immediate decision to buy the vehicle.
- ii. Present rights given to consumers in law as a distinctive feature of the service, for example, by misleading consumers about the extent to which an offered warranty or guarantee enhance the rights which the consumer would in any event enjoy in law **[s77 (1)(k) of the Decree]**.
- iii. A trader must not falsely claim, or create the impression, that it is acting for purposes unrelated to its business or falsely represent itself as a private seller. For example, a second hand motor vehicle trader puts a used car on or near a road and displays a handwritten advertisement reading ‘One careful owner. Good family run- around. \$2000 or nearest offer. Call Mr. Y on no. XXXXX. The advertisement gives the impression that the seller is not selling as a trader, and would be non-compliance to the guidelines and breach of the Decree **[s77 (1)(g) of the Decree]**.
- iv. Falsely represent that a vehicle is new or unused, if they are not or are reconditioned or reclaimed **[s77 (1)(c) of the Decree]**.

1.8.3 A mortgagor must not repossess the motor vehicle unless:

- (i) the buyer has breached the financing terms in the service agreement.
- (ii) the owner has served on the hirer a notice in writing at the last known address provided to the owner and the period fixed by the notice (being not less than 21 days after the service of the notice) has expired.

1.9 Bait Advertising

1.9.1 A trader must not use “bait and switch” tactics. For example by:

- i. Advertising a base model at a low price, despite knowing a trader has vehicles with higher specifications are in stock.
- ii. Advertising a desirable vehicle at a “bargain price” even though the trader knows it has already been sold, with the aim of promoting a less desirable or more expensive model.
- iii. A trader must not use “bait and switch” tactics before, during or after a transaction, for example, by advertising after sales service however, failing to honor the same after sale.
- iv. All advertisements irrespective of the medium used, must have a commencement and closure date; and
- v. All advertisements must comply with the requirements of the Fiji Commerce Commission Self-Regulating Guideline for Advertising.

1.10 Disclosure of Information

1.10.1 Disclosure of Pre-Sales Information

1.10.1.1 The trader while disclosing the pre- sale information as per the Second Hand Motor Vehicle Checklist to the consumer must ensure that:

- i. Any information the trader gives to consumer, in whatever form, must be accurate, it is a trader’s responsibility to check that everything disclosed or specified about a vehicle is true and accurate **[s77 of the Decree]**.
- ii. A trader must ensure all important information that consumers need in order to make an informed purchasing decision is available to them.
- iii. As part of trader’s due diligence, a trader should keep full record of checks carried out on all the motor vehicles.
- iv. A trader must undertake checks as per the checklist in annexure 1.

1.10.1.2 The trader must always provide a motor vehicle to the consumer that is of satisfactory quality (that the motor vehicle offered for sale should be of a standard that a reasonable person would expect) **[s112 of the Decree]**.

1.10.1.3 For a trader to declare that the vehicle is ‘fit for its purpose’, the following facts about the vehicle must be disclosed to the consumer:

- i. Age of the vehicle;
- ii. History of the vehicle;
- iii. True mileage;
- iv. Possible uses;
- v. Make/Model;
- vi. Safety features; and
- vii. Motor vehicle specifications.

s112 of the Decree clearly requires that goods supplied to the consumer must be fit for the purpose.

1.10.1.4 A trader must provide/ disclose to a customer in writing the traders refund/ replacement policies.

1.10.1.5 The trader must ensure that the vehicle for sale is in a ready to start condition at all reasonable times.

1.10.1.6 The customer should be given a fair or ample opportunity to test the vehicle before entering into a sale transaction.

1.10.1.7 Section 114 (2) of the Decree makes the trader not liable to the following:

- i. For fair wear and tear, where the vehicle broke down or fault emerged through normal use.
- ii. For misuse or accidental damage to the vehicle by the consumer.
- iii. A trader must specifically draw to the consumer's attention in writing the full extent of any fault or defect before the consumer buys the vehicle, for example, if trader draws to the consumer's attention that a vehicle has a specific worn part before a consumer has decided to buy it.

1.10.1.8 A trader must also disclose any defect in the motor vehicle to the consumer in writing that could make the vehicle to be unfit for its purpose and un-merchantable quality **[s114 of the Decree]**.

1.10.1.9 A second hand motor vehicle trader must ensure that they are providing the vehicle for the purpose that the consumer has requested for. **[s112 of the Decree]**.

1.10.1.10 The second hand motor vehicle trader must accept all valid complaints from the consumer and thoroughly investigate to provide a best possible redress within a reasonable timeframe. All the traders must record all complaints received and note the final outcome. A consumer complaints register must be maintained by all the traders and signed by both the trader and the consumer whenever a complaint is lodged. For the purpose of consumer's record; the consumers can fill in the Consumer's Complaint Form for Motor Vehicle (**Annexure 2**) and have it endorsed by the trader.

1.10.1.11 A trader must cater for any costs such as storage cost, repair cost and transportation cost if the vehicle is found to have defects and was not disclosed by the trader within a 'relevant time frame' or during the pre-sale disclosures.

1.10.2 Disclosure of Information on Motor Vehicle

1.10.2.1 Information Display on Vehicle

1.10.2.1.1 A trader having vehicles for sale shall keep eligibly and conspicuously displayed on the vehicle a list showing for the information of the public, the following:

- i. Price (VIP);
- ii. Any other fees and charges payable by the consumer;

- iii. Year of Manufacture;
- iv. Model;
- v. Mileage;
- vi. Warranty period/ kilometers;
- vii. Chassis number;
- viii. Engine number; and
- ix. Defects, if any.

1.10.2.1.2 A trader must ensure that a duly completed checklist as per Annexure 1 is displayed in a prominent place inside a vehicle.

1.10.2.2 Other Disclosures

1.10.2.2 The following vehicle information must be disclosed to the consumer by the trader [**s 77 of the Decree**]:

- i. Was the vehicle recorded as stolen (if known)?
- ii. Is the vehicle subject to outstanding finance or charge?
- iii. Has the vehicle been written off as an insurance loss or accident damaged?
- iv. Was the vehicle an ex-business used vehicle which may have had multiple users?
- v. The history of the vehicle; and
- vi. Accurate vehicle's registration details with LTA.

1.10.3 Disclosure of Information on Mileage

1.10.3.1 A trader should not rely on a mileage disclaimer as a substitute for carrying out reasonable checks on a vehicle.

1.10.3.2 A trader must carry out further investigations of any discrepancies that were discovered in the mileage record through the basic stock.

1.10.3.3 A trader must not advertise, discuss or negotiate mileage of a vehicle shown by its odometer, which is incorrect [**s78 of the Decree**].

1.10.3.4 Upon checking the last mileage record, if the trader finds that the vehicle's current odometer reading is wrong and that the last recorded mileage was 'x miles', or that the vehicle has travelled 'in excess of x miles', the trader should provide that information to the consumers [**s77 of the Decree**].

1.10.3.5 A trader should not rely on any generic mileage disclaimers as a substitute, to give consumers specific information about what the trader have found out, or not been able to find out, or know, about the vehicle's mileage or likely mileage.

1.10.3.6 Traders must inform consumers of the reason for the mileage discrepancy in cases where the odometer mileage is higher than the Export Certificate.

- 1.10.3.7** A copy of the Export Certificate for the vehicle to be purchased must be provided to the consumer as part of the pre-sale disclosure requirements.
- 1.10.3.8** A trader must not sell any motor vehicle which has been declared as structurally written off by LTA or any other relevant authorities. Pertaining to this section, structurally write-off means a vehicle that is, at a total loss and so severely damaged, that it should not be repaired. Only certain parts from a vehicle recorded as a structural write-off may be used to repair other vehicles. On the other hand, economical written off motor vehicles are may be repaired and sold with prior written approval from LTA and the same should be pre-disclosed to the customer.
- 1.10.3.9** Generally, before advertising any vehicle for sale the trader should take all reasonable steps to establish the accuracy of the stated mileage **[s77 of the Decree]**.

1.10.4 Information on Mechanical Condition of the Motor Vehicle

- 1.10.4.1** Some of the important mechanical checks that the second hand motor vehicle traders must perform before selling the vehicle are **[s112 of the Decree]**:
- i. A trader must ensure that they have procedures in place to check that, the vehicle that is being supplied or offered to supply or exposed for sale are safe and roadworthy as per LTA requirements.
 - ii. A trader should also take reasonable steps, through the pre-inspection procedures that are in place, to ensure that the vehicles sold or offered for sale are of satisfactory quality and fit for the purpose, for example, taking into account the age, mileage, condition, description, value of each vehicle, intended use and manufacturing details.
 - iii. A trader should arrange for a suitable qualified or competent person to carry out pre-sale inspection of the vehicle and any other problems that make the vehicle unfit and the same must be rectified prior to sale. If the consumer finds out that the motor vehicle is not fit for the road through the LTA inspection, the trader would be liable for an offence under the Decree for providing false and misleading information **[s 77 of the Decree]**.
 - iv. If the consumer finds out through the LTA inspection that the motor vehicle is not fit for road purpose, the consumer is eligible for the full refund of the deposit.
- 1.10.4.2** A trader must provide all information in writing and the same should be captured clearly and prominently in the document before the sale is made **[s76 of CCD2010]**.
- 1.10.4.3** A second hand motor vehicle trader must give consumers enough time to read and understand the terms and conditions in the agreement before signing the agreement **[s76 of the Decree]**.

1.11 Condition and Warranties

1.11.1 Conditions and warranties in the consumer transaction must include in writing:

- i. Details of what is covered and what is not covered;
- ii. Claim limits;
- iii. Conditions that need to be followed for the warranty to remain valid;
- iv. The geographical scope of the warranty;
- v. The claims procedure; and
- vi. Warranty period/ kilometers.

1.11.2 A consumer must be advised about the type of warranty being provided, for example, manufacturers, free extended manufacturers/trader's, insurance backed or trader's own warranty.

1.11.3 A consumer must be informed of the identity of the warranty provider and the address to which claims may be directed.

1.11.4 A trader should also give advice to consumers about who they should address their claim to if they have a problem regarding defective parts and accessories not covered under the warranty.

1.11.5 A trader should ensure that warranty work is carried out promptly.

1.11.6 A trader must disclose to the customer the nature of work to be carried out and expected time of completion before any work commences.

1.11.7 A trader must keep the consumer informed if it is subsequently discovered that the work has to take longer, for example, because further problems has been discovered and any additional work to be carried out must be sanctioned by the owner before the work is carried out.

1.12 "As is Where is Basis"

s77 of the Decree is False and Misleading Representation

1.12.1 A sale of vehicle on "as is where is basis" makes it a sole responsibility of the trader to disclose the relevant information and other necessary information as per the Second Hand Motor Vehicle Checklist to the customer who is purchasing a particular vehicle or during an advertisement:

- i. Any defects in the vehicle whether mechanical or structural in writing;
- ii. The vehicle's previous accident or insurance write off history;
- iii. Any discrepancies in the mileage or service history of the vehicle;
- iv. Vehicle owner history record for all pre-registered vehicles in Fiji;
- v. Whether and if the motor vehicle is certified by LTA for roadworthiness ("fitness test") or not;
- vi. Reserved price/ sale price;
- vii. The purpose for which the vehicle was used in the past, for instance, business, family or any other;
- viii. Any other important records known to the trader to be available with LTA or police or insurance company about the vehicle;

- ix. Whether and if the vehicle has undergone through any damages through natural disasters like flood or cyclone; and
- x. Warranty in writing.

1.12.2 All the relevant information disclosed during the sale of a motor vehicle on “as is where is basis”, must be documented and signed by the trader and consumer and the original must be given to the consumer.

1.13 Records

1.13.1 A trader is required to retain all records and accounts inclusive of but not limited to the service records, consumer complaints records, consumer redress records, inspection checklist, pre-disclosure records, sales and purchase records and vehicle registration records as a customary and a proper for the type of business carried out.

1.13.2 The Commission may by notice in writing direct the trader to keep such other records as deemed necessary by the Commission.

1.13.3 No trader shall without the Commission, destroy any document whatever relating wholly or part to any business carried out or to any goods or services until a period of three (3) years has elapsed since documents originated [s 56 of the Decree].

1.14 ‘Like for Like’ Basis

1.14.1 If a vehicle is to be replaced then any replacement vehicle the trader offers to the consumer should be on a ‘like for like’ basis, for example, of a similar age, mileage and model as the original vehicle at the time the replacement was requested, unless the consumer agrees otherwise in writing.

1.14.2 A trader must supply the consumer with the same features as was displayed or stated on a sample/demo vehicle. The information about the sample/demo vehicle and the vehicle that is initially supplied to the consumer must have the same feature as was described by the trader to the consumer, unless the consumer agrees otherwise in writing [s115 of the Decree].

1.15 Supply of Facilities for Repairs or Parts

1.15.1 A trader must ensure that supply of facilities for repair or parts including the consumable parts, must be readily available and should be provided to the consumer upon request and provided at a relevant time.

1.15.2 If the immediate consumable parts are not readily available and needs to be imported or purchased locally from other supplier/trader, the consumer should not be liable for any additional costs for acquiring the spare parts, unless the consumer agrees otherwise in writing.

1.15.3 The trader must act reasonably in ensuring that facilities for the repair of the motor vehicle were, or

that the part was, reasonably available to the consumer within a relevant time [s118 of the Decree].

- 1.15.4** A trader must disclose to the consumer on the availability of facilities for repairs or parts before the sale of vehicle in writing.
- 1.15.5** A trader importing a motor vehicle with a particular specification/model, which is not imported by the authorized dealer in Fiji must ensure that they have all the consumable parts readily available at a relevant time. If the consumable parts are not available with the trader who imported the motor vehicle then the trader is liable to provide the spare parts to the consumer at the market price if parts are supplied outside the warranty period.

s118 of the Decree clearly states that a trader is responsible for the supply of facilities for repairs or parts.

1.16 Disclosure Requirements for In-house Financing by Second Hand Motor Vehicle Traders

- 1.16.1** If a trader engages in in-house financing for the second hand motor vehicles, they are required to disclose the following, amongst others as per Schedule 4 of the Consumer Credit Act 1999:
- i. Particulars of motor vehicle;
 - ii. If motor vehicle, state registration number;
 - iii. State whether unregistered or registered;
 - iv. Address where vehicle will be kept;
 - v. Particulars relating to Financial Obligations;
 - vi. Cash price for vehicle;
 - vii. Amount to be paid before entering into hire - purchase agreement (hereinafter referred to as the deposit);
 - viii. Cash price less deposit;
 - ix. Freight charges, if any;
 - x. Vehicle registration fee, if any;
 - xi. Insurance for the goods under the hire - purchase agreement;
 - xii. Total amount of term charges;
 - xiii. Balance payable under the agreement;
 - xiv. Particulars relating to Payment;
 - xv. Duration of Hire Purchase Agreement;
 - xvi. Number of instalments; and
 - xvii. Amount of each instalment.
- 1.16.2** In addition to the above, the customer must be given the loan amortisation schedule.

ANNEXURE 1
SECOND HAND MOTOR VEHICLE CHECKLIST

Basic Motor Vehicle Information			
Car Make &		Trader's Name	
Body		Trader's Address	
Color		Trader's Contact	
Mileage		Date Inspected	
Engine Number		Chassis Number (VIN)	
Year		Engine Size	
Registration		Price (VIP)	
How the vehicle was acquired (imported/pre-owned/tender/auction)?			
<i>(Please ensure that all the sections are filled)</i>		Yes	No
Exterior			
Windshield free of cracks		<input type="checkbox"/>	<input type="checkbox"/>
Magnet adheres to all steel body panels		<input type="checkbox"/>	<input type="checkbox"/>
Trunk and hood properly aligned		<input type="checkbox"/>	<input type="checkbox"/>
Are doors and fenders properly aligned		<input type="checkbox"/>	<input type="checkbox"/>
Free of body scratches		<input type="checkbox"/>	<input type="checkbox"/>
Free of body dents		<input type="checkbox"/>	<input type="checkbox"/>
Windshields wipers fully functional and wiper blades		<input type="checkbox"/>	<input type="checkbox"/>
Headlights and directional lights intact and fully functional		<input type="checkbox"/>	<input type="checkbox"/>
Is the body paint faded or cracked		<input type="checkbox"/>	<input type="checkbox"/>
Is there any sign of body rust		<input type="checkbox"/>	<input type="checkbox"/>
Are the CV Joint in good condition		<input type="checkbox"/>	<input type="checkbox"/>
Are the springs modified		<input type="checkbox"/>	<input type="checkbox"/>
Are the bumpers properly aligned and free from damage		<input type="checkbox"/>	<input type="checkbox"/>
Are the side mirrors in good working condition		<input type="checkbox"/>	<input type="checkbox"/>
Are the fenders properly aligned and free from damage		<input type="checkbox"/>	<input type="checkbox"/>
Are the muffler in good condition and free from damage/leaks		<input type="checkbox"/>	<input type="checkbox"/>
Does the motor vehicle bottom have any visible signs of rust/corrosion		<input type="checkbox"/>	<input type="checkbox"/>
Comments:			

	Yes	No
Tires		
Tires are all of the same sizes	<input type="checkbox"/>	<input type="checkbox"/>
Tires are of free of any cuts, bubbles or cracks (damaged)	<input type="checkbox"/>	<input type="checkbox"/>
Are the tires properly aligned	<input type="checkbox"/>	<input type="checkbox"/>
Spare tire, jack and lug wrench on car and fully functional	<input type="checkbox"/>	<input type="checkbox"/>
Spare tire inflated	<input type="checkbox"/>	<input type="checkbox"/>
Are all wheel nuts properly tightened and functional	<input type="checkbox"/>	<input type="checkbox"/>
Are the wheels free from dents	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
Engine		
Is the engine free of fluid or oil leaks or corrosion	<input type="checkbox"/>	<input type="checkbox"/>
Oil filler neck not coated with thick, black deposits	<input type="checkbox"/>	<input type="checkbox"/>
Battery terminals free of corrosion	<input type="checkbox"/>	<input type="checkbox"/>
Oil dip stick free of dark, black oil	<input type="checkbox"/>	<input type="checkbox"/>
Free of odors while engine is running	<input type="checkbox"/>	<input type="checkbox"/>
Exhaust pipe emissions are neither blue (indicates engine burns oil) or black (indicate excessive oil consumption)	<input type="checkbox"/>	<input type="checkbox"/>
Are there any cracks in the engine belts or hoses(timing belts)	<input type="checkbox"/>	<input type="checkbox"/>
Are there any visible loose wires	<input type="checkbox"/>	<input type="checkbox"/>
Are there any cracks in the timing belts	<input type="checkbox"/>	<input type="checkbox"/>
Is the battery new (less than a year old)	<input type="checkbox"/>	<input type="checkbox"/>
Was the engine overhauled (please state by whom and when)	<input type="checkbox"/>	<input type="checkbox"/>
Was the engine servicing done (please state what all was serviced)	<input type="checkbox"/>	<input type="checkbox"/>
Does the engine make unwarranted sound/noise?	<input type="checkbox"/>	<input type="checkbox"/>
Check the bottom of the engine. Is there any leaks.	<input type="checkbox"/>	<input type="checkbox"/>
Is the radiator clean and free from rust and dents	<input type="checkbox"/>	<input type="checkbox"/>
Are there any leakages from the fluid tanks	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
Suspension		
Vehicle rests levelly	<input type="checkbox"/>	<input type="checkbox"/>
When bouncing the vehicle's corners, no creaking noises are made	<input type="checkbox"/>	<input type="checkbox"/>
All corners respond the same when bouncing	<input type="checkbox"/>	<input type="checkbox"/>
Are the shock absorbers in good condition	<input type="checkbox"/>	<input type="checkbox"/>
Are there any sign of welding marks	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		

	Yes	No
Interior		
Seats unworn and free of cracks	<input type="checkbox"/>	<input type="checkbox"/>
All doors open and close freely	<input type="checkbox"/>	<input type="checkbox"/>
Trunk opens and closes freely	<input type="checkbox"/>	<input type="checkbox"/>
Is the trunk in good condition (with no rust or cracks)	<input type="checkbox"/>	<input type="checkbox"/>
All gauges work (fuel, RPM, speedometer, oil, odometer, electrical, temperature)	<input type="checkbox"/>	<input type="checkbox"/>
Stereo/Radio works	<input type="checkbox"/>	<input type="checkbox"/>
Heater works	<input type="checkbox"/>	<input type="checkbox"/>
Air conditioner works	<input type="checkbox"/>	<input type="checkbox"/>
Windshield wiper fluid dispenses properly	<input type="checkbox"/>	<input type="checkbox"/>
All seats equipped with functional seat belts	<input type="checkbox"/>	<input type="checkbox"/>
All seats adjust properly	<input type="checkbox"/>	<input type="checkbox"/>
Power windows operate properly	<input type="checkbox"/>	<input type="checkbox"/>
Sunroof opens and closes properly (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Car alarm works (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Trunk and driver-side door lock and unlock with key	<input type="checkbox"/>	<input type="checkbox"/>
Hazard lights function properly	<input type="checkbox"/>	<input type="checkbox"/>
Headlights, indication lights, brake lights, including brights, work properly	<input type="checkbox"/>	<input type="checkbox"/>
Is there any sign of rust on the floor, door panel, doors etc.	<input type="checkbox"/>	<input type="checkbox"/>
Are all switches functional	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
Frame		
Is chassis bent or cracked	<input type="checkbox"/>	<input type="checkbox"/>
Has the chassis number been tampered	<input type="checkbox"/>	<input type="checkbox"/>
Any signs of welding marks on the chassis	<input type="checkbox"/>	<input type="checkbox"/>
No signs of crumpling or straightening inside the trunk	<input type="checkbox"/>	<input type="checkbox"/>
Frame holes just inside outer edge clean and free of scratches	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
Transmission		
Transmission fluid looks clean, not dirty or gritty	<input type="checkbox"/>	<input type="checkbox"/>
Transmission neither slips nor delays when driving	<input type="checkbox"/>	<input type="checkbox"/>
Each gear shifts smoothly	<input type="checkbox"/>	<input type="checkbox"/>
No grinding noises when in gear	<input type="checkbox"/>	<input type="checkbox"/>
Has the transmission fluid been changed	<input type="checkbox"/>	<input type="checkbox"/>
Was the gear box serviced	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		

	Yes	No
Brakes		
Vehicle steers straight and does not pull to one side when applying brakes	<input type="checkbox"/>	<input type="checkbox"/>
Hand brake engages and disengages freely	<input type="checkbox"/>	<input type="checkbox"/>
No grinding noises when applying brakes	<input type="checkbox"/>	<input type="checkbox"/>
Wheels do not lock when applying antilock brakes (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Is the brake fluid clean	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
Miscellaneous		
Do the mileage, age and appearance of the car look consistent?	<input type="checkbox"/>	<input type="checkbox"/>
Any sign like worn screws that the instruments might have been tampered with?	<input type="checkbox"/>	<input type="checkbox"/>
Has the motor vehicle being inspected by LTA	<input type="checkbox"/>	<input type="checkbox"/>
Check recorded mileage on service records, LTA fitness documents and other documents.	<input type="checkbox"/>	<input type="checkbox"/>
Copy of the Export Certificate	<input type="checkbox"/>	<input type="checkbox"/>
Service history and repair records available	<input type="checkbox"/>	<input type="checkbox"/>
Does motor vehicle have owner's manual	<input type="checkbox"/>	<input type="checkbox"/>
Did you have the motor vehicle inspected by an independent mechanic	<input type="checkbox"/>	<input type="checkbox"/>
Was the motor vehicle involved in accident	<input type="checkbox"/>	<input type="checkbox"/>
Was the motor vehicle report as stolen (if known)	<input type="checkbox"/>	<input type="checkbox"/>
Does the motor vehicle have any financial interest from third parties	<input type="checkbox"/>	<input type="checkbox"/>
Does the motor vehicle have any warranty/guarantee (if yes, please state and provide documentation)	<input type="checkbox"/>	<input type="checkbox"/>
Any defects whether mechanical or physical in the vehicle (if yes, please state)	<input type="checkbox"/>	<input type="checkbox"/>
Has the motor vehicle gone through any damages through natural disaster like flood or cyclone	<input type="checkbox"/>	<input type="checkbox"/>
Are the immediate consumable spare parts readily available	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
Test Drive		
Was the vehicle taken for a test drive	<input type="checkbox"/>	<input type="checkbox"/>
Did the vehicle drift to one side	<input type="checkbox"/>	<input type="checkbox"/>
Vehicle is stable; no shaking or vibrating	<input type="checkbox"/>	<input type="checkbox"/>
No resistance in the steering wheel when turning	<input type="checkbox"/>	<input type="checkbox"/>
No clicking or clunking when turning	<input type="checkbox"/>	<input type="checkbox"/>
Does the engine settles into a consistent idle	<input type="checkbox"/>	<input type="checkbox"/>
Does the steering rattles	<input type="checkbox"/>	<input type="checkbox"/>
Does the motor vehicle have problems when shifting gears	<input type="checkbox"/>	<input type="checkbox"/>
Does the motor vehicle accelerates when put into gears as required	<input type="checkbox"/>	<input type="checkbox"/>
Does the motor vehicle emits excessive black smoke	<input type="checkbox"/>	<input type="checkbox"/>

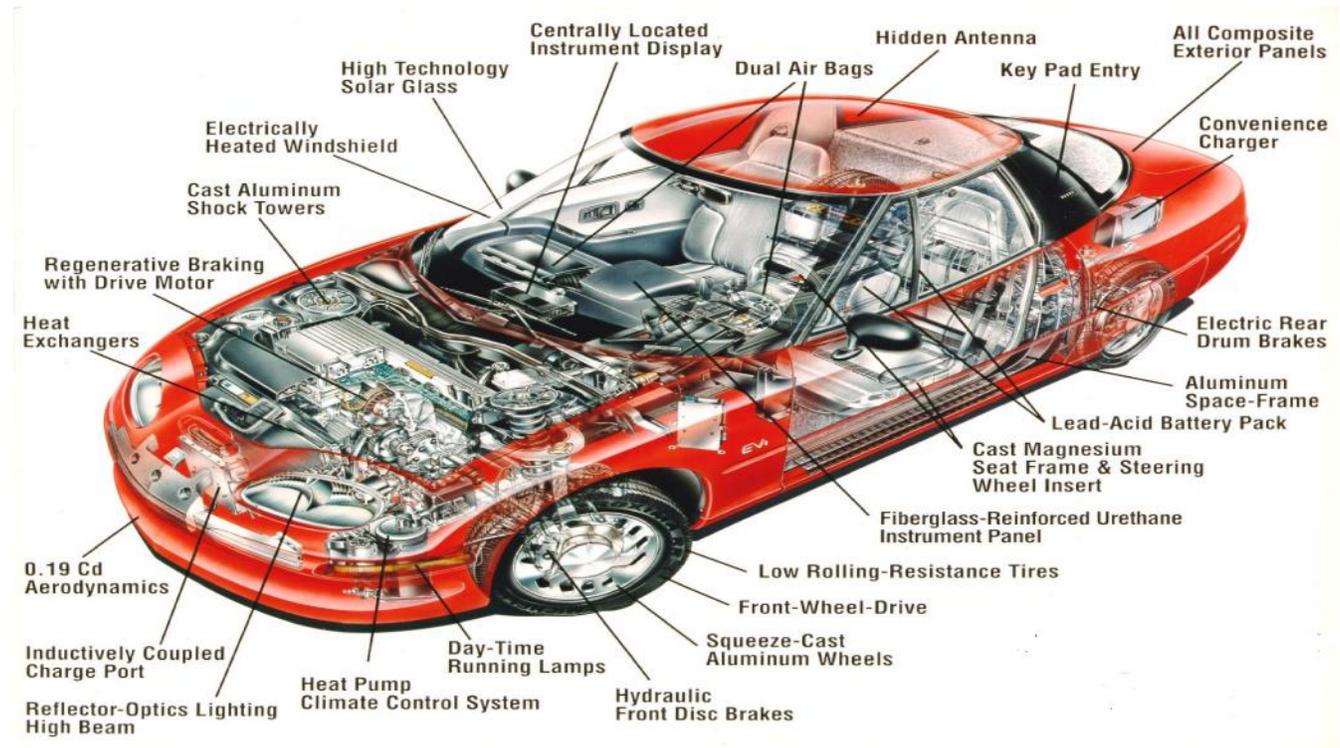
Comments:

Declaration		
Second Hand Motor Vehicle Trader		
I, Mr. /Mrs./Miss.....declare that the information disclosed by me relating to the above mentioned motor vehicle to the customer Mr./Mrs./Missis true and correct in every detail and to the best of my knowledge. I am aware that providing misleading and false information is an offence under the Section 77 and 119 of the Commerce Commission Decree 2010.		
Name of Representative:	Signature:	Date:
Customer's Declaration		
I,.....declare that I have inspected the above motor vehicle in presence of the above mentioned representative.		
Name of Customer:	Signature:	Date:

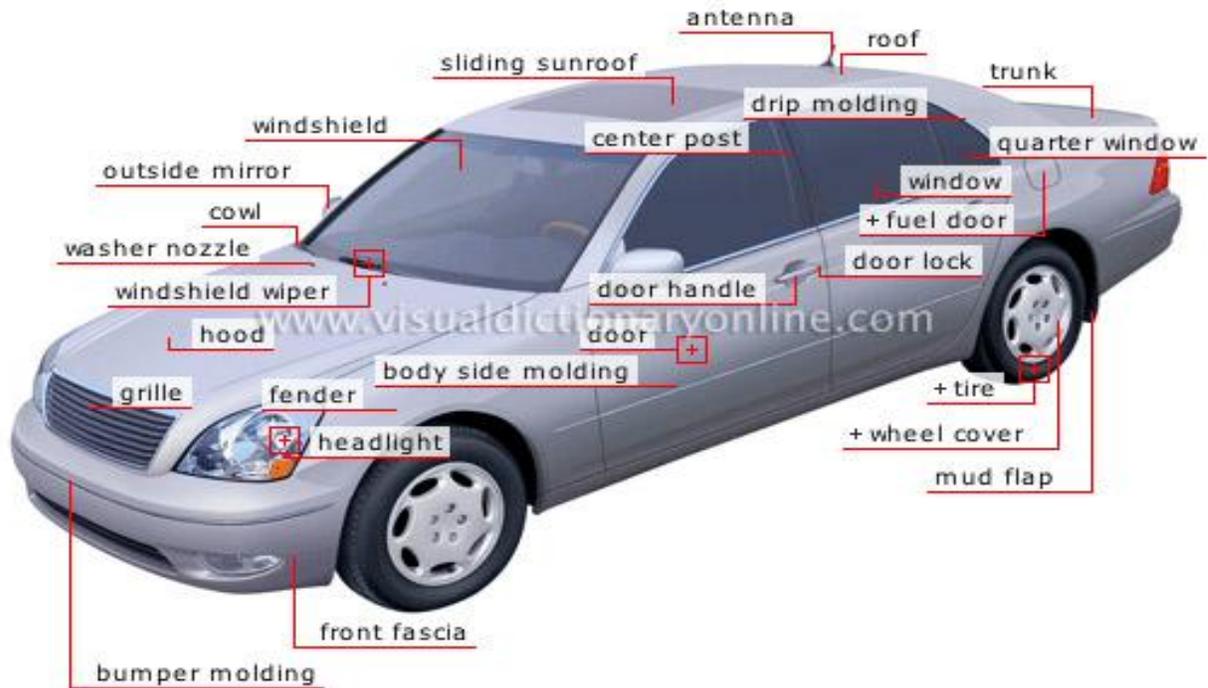
Note:

This checklist needs to be filled in the presence of the customer.
 Any alterations made to the checklist after endorsement from both the parties would deem the document invalid.
 A signed copy of the checklist needs to be provided to the customer
 Every page of the document needs to be initialled by both the parties.

Annexure 3 Interior Check



Exterior Check



Note:

This checklist needs to be ticked in the presence of the customer.

Any alterations made to the checklist after endorsement from both the parties would deem the document invalid.

A signed copy of the checklist needs to be provided to the customer.

Every page of the document needs to be initialled by both the parties.

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