



Buying and selling

your legal obligations for notifying a change of ownership

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WHEN a vehicle is bought or sold privately, *both* the buyer and the seller are legally required to *independently* notify Land Transport New Zealand of the change of ownership.

They must do this within *seven days* of the sale of the vehicle.

► What happens if I don't notify a change of ownership?

If you don't notify a change of ownership, you could get a fine of up to \$500. You may also have to pay:

- any unpaid licence ('registration') fees that are owing on the vehicle
- any road user charges (RUC) that are owing on the vehicle
- the other person's fines (eg, parking and speed camera fines and fines for not displaying a current WoF or licence label).

If you buy or sell a vehicle from a motor vehicle trader, they may complete some or all of the change of ownership process on your behalf. However, you should *always* confirm that the trader has completed this process.

► Buying and selling checklist

- When you buy or sell a vehicle, you should ensure it has a *warrant of fitness* (WoF) that is no more than one month old when the buyer takes possession.
- If the vehicle is subject to *road user charges*, it should have a current RUC licence.
- It is also recommended that the vehicle has a current vehicle *licence* or exemption from licensing.
- To confirm a vehicle is not reported as stolen and is properly registered and licensed, you can complete a *Request for motor vehicle details* (form MR 31) at a Land Transport New Zealand agent. The fee is \$2.25 (incl GST).

Land Transport New Zealand agents include branches of:

- The Automobile Association (AA)
- Vehicle Testing New Zealand (VTNZ)
- Vehicle Inspection New Zealand (VINZ)
- On Road New Zealand
- PostShops and Books & More outlets.

There is also a range of independent outlets.

Advice for sellers

You can notify your part of the change of ownership by mailing a prepaid form to the Transport Registry Centre, or by using Land Transport New Zealand's *online Transaction Centre*.

Using the prepaid form

1. Complete the bottom, tear-off portion of your Certificate of Registration with the new owner's details and post it directly to the Transport Registry Centre, Private Bag, Palmerston North (no stamp required).
2. Give the remaining portion of the Certificate of Registration to the buyer so they can notify their part of the change of ownership.

Note: If you've lost the Certificate of Registration, you can still notify your part of the change of ownership process by completing a *Notice by person selling/disposing of motor vehicle* (form MR 13A), available from Land Transport New Zealand agents.

Using the online Transaction Centre

1. Access the Transaction Centre: www.ltsatransact.govt.nz. You'll need to have your New Zealand driver licence available.

2. Select 'I've sold a vehicle' and enter details as requested.
3. It's recommended that you print out the confirmation page as your proof that you have completed your part of the change of ownership process.

When the Motor Vehicle Register is updated with your notification, you'll be sent a letter acknowledging that the online form has been received and confirming the ownership status of the vehicle. (Please note that sometimes exceptions exist that prevent a letter being sent.)

How do I know the buyer has completed their part of the change of ownership?

Before handing the vehicle over you should, for your protection and to avoid incurring any fines or fees that are not yours, ask the buyer to show you one of the following documents:

- A change of ownership transfer receipt
- An email confirmation page (if they have completed their transaction online)
- A receipted *Notice of change of ownership of motor vehicle* (form MR13B)

This is proof that the buyer has changed the vehicle into their name. As a further precaution, we recommend that you make a note of the new owner's name and address details until the change of ownership is complete.

Advice for buyers

You can notify your part of the change of ownership process by completing a form at a Land Transport New Zealand agent, or by using Land Transport New Zealand's online Transaction Centre at www.ltsatransact.govt.nz.

Completing a form at a Land Transport New Zealand agent

1. Get the vehicle's Certificate of Registration from the seller. Certificates of Registration issued after November 1995 have the form MR 13 (which you use to notify us of the ownership change) on the back. If the seller has lost the certificate or has an older style of certificate, you need to complete an MR13B form, available from a Land Transport New Zealand agent.
2. Complete the change of ownership form (MR13 or MR13B) and give it to a Land Transport New Zealand agent with the fee of \$9.20 (incl. GST).
3. You'll need to produce your New Zealand driver licence as proof of identification. If you don't have your driver licence, you'll need to show other ID that includes your full name, signature and date of birth.

If you're an organisation, you'll need to quote your Land Transport New Zealand customer number. If you haven't applied for a Land Transport New Zealand customer number, the Certificate of Incorporation issued by the Companies Office will be accepted as suitable identification.

Correct ID must be produced for the form to be processed.

4. Ask the agent to give you a *transfer receipt*. Take this to the seller when

you pick up the vehicle — it proves you have changed the vehicle's ownership into your name.

Using Land Transport New Zealand's online Transaction Centre

(Note that at the present time, only private individuals can use this facility to notify that they have bought a vehicle.)

1. Access the Transaction Centre at www.ltsatransact.govt.nz. You will need to have your New Zealand driver licence available to confirm who you are, and a credit card to pay the fee of \$9.20. If you don't have your driver licence, you will be unable to complete your part of the process online, but you can still complete it at a Land Transport New Zealand agent.
2. Select 'I've bought a vehicle' and enter details as requested.
3. Print out the confirmation page as proof that you have completed your part of the change of ownership process. Take the confirmation page to the seller when you pick up the vehicle — this proves to them that you have changed the vehicle's ownership into your name.

Certificate of Registration

Your new Certificate of Registration should arrive in the post within 10 days. *Keep it in a safe place until you decide to sell the vehicle.*

Information the buyer must supply

If you're an *individual* buying a vehicle, you must supply:

- your full name
- your date of birth
- your residential address (it must be a New Zealand address)

Questions and answers

- your postal address (if it's different from the above)
- identification that confirms your full name, date of birth and signature.

If you're an *organisation* buying a vehicle, you must supply:

- the full name of the new owner
- the place of business (it must be a New Zealand address)
- the postal address (if it's different from the above)
- corporate identification in the form of a Land Transport New Zealand card or Certificate of Incorporation issued by the Companies Office.

What if I don't have the right ID on me?

An MR13 or MR13B form (used by buyers) won't be accepted without suitable identification. When you visit the Land Transport New Zealand agent, make sure you take identification with you that shows your full name, signature and date of birth.

What does it mean to be 'registered as the owner'?

The party required to be 'registered as the owner' is the person or company that has lawful possession of the vehicle. Note that this is *not* legal title for the vehicle — it is a record of who is responsible for the vehicle and who is liable for licensing fees.

A vehicle can be registered in the name of:

- a private individual aged 15 or over
- a limited liability company
- a government department, local authority or official board
- an incorporated society or club.

What if it's a business vehicle but my business isn't incorporated?

You can choose to show the ownership as your individual name, *trading as* your business name (eg, 'John Smith, trading as A1 Design'). Your business name will appear on all the documents, but you will be recorded as the owner of the vehicle.

What should I do if the vehicle's RUC licence has expired?

The Road User Charges Act 1977 requires a vehicle that is subject to RUC to have a valid RUC licence when a new owner takes possession. If it doesn't, the seller is committing an offence, and the new owner becomes liable for the outstanding fees. It's recommended that unpaid RUC is taken into account when establishing the sale price. Land

Transport New Zealand doesn't become involved in these negotiations.

RUC licences can't be transferred to another vehicle. If you've got an unused RUC licence that is not sold with the vehicle, you can request a refund on the unused portion if you surrender the licence.

If you have any questions about RUC, read Factsheet 38, *Road user charges and light diesel vehicles*. (Agents have factsheets and you'll find this and other RUC information on our website:

www.landtransport.govt.nz.)

We also have a RUC Call Centre: (freephone) 0800 655 644.

What should I do if the WoF has expired or is more than one month old?

Buyers can insist on a WoF less than one month old. This helps to protect them if faults have developed in the vehicle since the last WoF check.

If the buyer doesn't insist on this, they should give the seller a written undertaking that the vehicle won't be used on the road except for taking it for a new warrant of fitness inspection. This protects the seller — it confirms that the new owner is aware that the current WoF is older than one month.

Vehicles without a current WoF must be advertised for sale 'as is, where is'.

What should I do if the vehicle's licence has expired?

If you buy a vehicle with an expired licence label (vehicle licensing is sometimes incorrectly called 'registration'), you're required to pay licence fees from the date Land Transport New Zealand is notified of the change of ownership. If the vehicle



isn't going to be used on the road, you should apply for an exemption from licensing.



(Do this after the change of ownership is complete.) You'll need to fill out an *Application for exemption from continuous licensing form* (MR24), available from Land Transport New Zealand agents or online at www.ltsatransact.govt.nz.

The seller is liable for any outstanding licence fees up to the date of the change of ownership. This is one reason why it's important, if you're selling a vehicle, to make sure that the buyer has completed the change of ownership process before you hand the vehicle over.

For more information on vehicle licensing and exemptions from licensing, see Factsheet 49, *Vehicle licensing*.

What should I do if the vehicle's registration has been cancelled?

If a vehicle has been unlicensed for more than 12 months, its registration will usually have been cancelled. (Tractors, trailers and a few other vehicle types have 24 months before the registration is cancelled.)

If you have bought a vehicle with cancelled registration and you want to use it on the road, you need to take several steps first, including inspection, certification, reregistration, licensing and the issuing of plates and labels. (See Factsheet 9, *Reregistration*, for more information.)

Where can I find out more?

Visit our website:

www.landtransport.govt.nz

Phone our Motor Registration Call Centre:

(freephone) 0800 108 809.

Write to us:

Transport Registry Centre (Land Transport New Zealand), Private Bag, Palmerston North.

About factsheets

We use our factsheets to provide useful, common-sense advice and information in a concise format. They can't cover all aspects of a topic, and should not be used instead of authoritative legal documents or legal advice.

The content in our factsheets is carefully checked to ensure it is accurate and current. However, some factsheets are updated several times a year and because of this, print versions can quickly become out of date. If the currency of the information you are reading is important, check the factsheet index on our website (www.landtransport.govt.nz) to ensure you have the latest version, or call our Helpdesk on (freephone) 0800 699 000.