



EUROPEAN COMMISSION

Brussels, 4.4.2012
SWD(2012) 81 final

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT

Accompanying the document

**Proposal for a Regulation of the European Parliament and of the Council on simplifying
the transfer of motor vehicles registered in another Member State within the Single
Market**

{COM(2012) 164 final}
{SWD(2012) 82 final}

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council on simplifying the transfer of motor vehicles registered in another Member State within the Single Market

This report only commits the Commission's services involved in its preparation and does not prejudge the final form of any decision to be taken by the Commission.

TABLE OF CONTENTS

COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT.....	2
1. Procedural issues and consultation of interested parties	8
1.1. Identification	8
1.2. Organisation and timing	8
1.3. Consultation and expertise	8
1.4. Scrutiny by the Commission Impact Assessment Board	8
2. Policy context – Problem definition.....	9
2.1. Policy context.....	9
2.2. Problem definition.....	10
2.2.1. In which Member State should the motor vehicle be registered?	10
2.2.2. The administrative burden of re-registration.....	11
2.3. The objectives of motor vehicle registration - Underlying causes of the problem	15
2.4. Action taken by the Commission (baseline scenario)	16
2.5. The size of the problem: who is affected, in what ways and to what extent?	16
2.5.1. Summary	19
2.5.2. Figures about the size of the problem	19
2.5.3. Estimation of the costs of the current system (baseline scenario)	20
2.5.3.1. Administrative costs.....	20
2.5.3.2. Other impacts: Profit loss.....	21
2.5.3.3. Additional costs for car rental companies.....	21
2.5.3.4. Other costs.....	21
2.6. Foreseen evolution of the problem.....	22
2.7. EU right to act	23
3. Objectives.....	24
3.1. General policy objectives.....	24
3.2. Specific policy objectives	24
3.3. Operational policy objectives.....	24
4. Policy options.....	24

4.1.	Assumptions.....	24
4.2.	Description of policy options	25
5.	Analysis of impacts	29
5.1.	Base-line option	29
5.2.	Option 1: Single registration for the entire life of the motor vehicle (“single registration)	29
5.2.1.	Qualitative assessment	29
5.2.2.	Reduction of administrative costs	31
5.3.	Option 2: No re-registration in the Member State of destination if the holder remains the same person	32
5.3.1.1.	Qualitative assessment	32
5.3.1.2.	Reduction of administrative costs	36
5.4.	Option 3: registration in the Member State of the holder of the vehicle and simplified re-registration	37
5.4.1.1.	Qualitative assessment	37
5.4.1.2.	Reduction of administrative costs	39
5.5.	Option 4: Registration in the Member State where the motor vehicle is primarily used and simplified re-registration	40
5.5.1.	Qualitative assessment	40
5.5.2.	Reduction of administrative costs	42
5.6.	Option 5: Optimising the electronic exchange of information among national registration authorities.....	42
5.6.1.	Reduction of administrative costs	43
6.	Comparing the options	44
6.1.	Public consultation	44
6.2.	Administrative burden.....	44
6.3.	Comparison of the qualitative impacts.....	45
6.4.	Comparison of all impacts	45
6.5.	Sensitivity analysis.....	46
6.6.	Form of the legislative instrument	47
7.	Monitoring and evaluation	47
8.	Annexes.....	49
8.1.	Annex 1: Public consultation and surveys	49

8.1.1.	Results of the public consultation	49
8.1.1.1.	General overview	49
8.1.1.2.	Results	51
8.1.1.3.	Conclusion and subsequent steps	63
8.1.2.	Survey of national registration authorities	64
8.1.3.	Understanding Citizens' and Businesses' Concerns with the Single Market: A View from the Assistance Services	67
8.2.	Annex 2: legal context of car registration in the internal market.....	73
8.2.1.	Type-approval of new motor vehicles.....	73
8.2.1.1.	New motor vehicles and their trailers	73
8.2.1.2.	New two or three-wheeled motor vehicles.....	73
8.2.1.3.	Agricultural or forestry tractors	74
8.2.2.	Registration of motor vehicles	74
8.2.3.	The role of registration in the field of transport.....	75
8.2.3.1.	Hiring of vehicles for the carriage of goods.....	75
8.2.3.2.	Periodic roadworthiness tests.....	76
8.2.3.3.	Recommendation 2010/378/EU (Periodic inspections of vehicles).....	77
8.2.3.4.	Technical roadside inspection of the roadworthiness of commercial vehicles	80
8.2.3.5.	Recommendation 2010/379/EU (Roadside checks).....	80
8.2.4.	Motor insurance	81
8.2.5.	Cross-border car crime.....	81
8.2.6.	End-of life vehicles	82
8.2.7.	Jurisprudence of the Court of Justice on car registration since 2000.....	84
8.3.	Annex 3: Summary of national rules and practices with respect to motor vehicle registration.....	90
8.3.1.	Belgium.....	90
8.3.2.	Bulgaria.....	91
8.3.3.	Czech Republic	92
8.3.4.	Denmark.....	92
8.3.5.	Germany.....	93
8.3.6.	Estonia.....	95

8.3.7.	Ireland	96
8.3.8.	Greece	97
8.3.9.	Spain.....	98
8.3.10.	France.....	99
8.3.11.	Italy	100
8.3.12.	Cyprus	102
8.3.13.	Latvia.....	103
8.3.14.	Lithuania	103
8.3.15.	Luxembourg	105
8.3.16.	Hungary.....	106
8.3.17.	Malta	108
8.3.18.	Netherlands	111
8.3.19.	Austria.....	112
8.3.20.	Poland.....	114
8.3.21.	Portugal	115
8.3.22.	Romania	116
8.3.23.	Slovenia.....	118
8.3.24.	Slovakia.....	119
8.3.25.	Finland.....	120
8.3.26.	Sweden	122
8.3.27.	United Kingdom.....	123
8.3.28.	Transferring motor vehicles to another Member States - Temporary and professional (or ‘commercial’) registration schemes in the EU	127
8.3.28.1.	The seller drives the motor vehicle with his own registration plates	127
8.3.28.2.	The buyer seeks registration of the motor vehicle in his own Member State:	127
8.3.28.3.	The buyer seeks temporary registration of the motor vehicle:.....	127
8.3.28.4.	The professional seller drives the motor vehicle with his professional number plates:	133
8.4.	Annex 4: figures and statistics	138
8.4.1.	Affected groups.....	138
8.4.2.	Background statistics	142

8.4.2.1. Methodological remarks.....	142
8.4.2.2. Car registrations in the EU	144
8.4.2.3. Car-rental and leasing sector	150
8.4.3. Economic Impacts	153
8.4.3.1. Methodology and assumptions.....	153
8.4.3.2. Impact on administrative costs.....	153
8.4.3.3. Other economic impact: loss of profits	156
8.4.3.4. Other economic impacts on the car-rental sector	158
8.4.3.5. Other economic impacts: the 2nd hand vehicle market	160
8.4.3.6. Sensitivity analysis.....	161
8.5. Annex 5: European Vehicle and Driving Licence Information System (EUCARIS)	162
8.5.1. Treaty concerning a European Vehicle and Driving Licence Information System (EUCARIS)	162
8.5.2. Bilateral exchange of information.....	162
8.5.3. The exchange of vehicle registration data through EUCARIS in EU law	163
8.5.4. The functioning of the electronic exchange of vehicle registration data through EUCARIS.....	164
8.5.5. Financial aspects	165
8.5.6. Technical aspects	167
8.5.6.1. Introduction	167
8.5.6.2. National Registries	167
8.5.6.3. An EUCARIS application in each Member State	167
8.5.6.4. Presentation	168
8.5.6.5. Applications	168
8.5.6.6. Communication	172
8.5.6.7. Technical infrastructure	172
8.5.6.8. Security	173
8.5.6.9. Operational system management	175
8.6. Annex 6: Discarded option.....	178
8.7. Annex 7: SME Test.....	180

1. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

1.1. Identification

Lead DG: DG ENTR - Agenda Planning/WP Reference: 2011/ENTR/010.

1.2. Organisation and timing

Work on the Impact Assessment started in the second half of 2010. An Impact Assessment Steering Group chaired by DG ENTR was set up and met 5 times, on 7 December 2010, 27 May, 22 September, and 11 and 20 October 2011. SG, SJ, DG ECFIN, COMP, EMPL, MOVE, ENV, MARKT, TAXUD, SANCO and JUST were invited to the meetings, at which representatives of SG, DG MOVE, TAXUD and MARKT attended and contributed to the discussions. DG JUST and DG COMP provided written comments.

1.3. Consultation and expertise

External expertise was used for mainly gathering data about the magnitude of the current problems and the extent to which a simplification of the registration procedure for motor vehicles previously registered in another Member State can be enhanced. Different surveys were organised, the results of which are summarised in Annex 1.

From March to May 2011, a public consultation of stakeholders, consisting of tailor made questionnaires for citizens, economic operators and public authorities, was carried out through I.P.M. (Your Voice in Europe). A summary of the public consultation results is enclosed in annex 1 and is also available on the Europa web site¹. The Commission's minimum standards have all been met.

A conference was organised on 21 June 2011 to present preliminary results of the public consultation, and to provide an additional forum for debate and exchange of information between different stakeholders, and in particular for public authorities in charge of registration in the Member States².

1.4. Scrutiny by the Commission Impact Assessment Board

The Impact Assessment Board of the European Commission assessed a draft version of the present impact assessment and issued its opinion on 16 December 2011. The Impact Assessment Board made several recommendations and, in the light of the latter, the final impact assessment report firstly strengthens the evidence base of the problem definition, for instance by giving clearer references to the jurisprudence of the ECJ. Secondly, it provides a more detailed explanation of the content and impacts

¹ [HTTP://EC.EUROPA.EU/ENTERPRISE/POLICIES/SINGLE-MARKET-GOODS/FREE-MOVEMENT-NON-HARMONISED-SECTORS/CAR-REGISTRATION/VIEW_CONTRIBUTIONS_EN.HTM](http://ec.europa.eu/enterprise/policies/single-market-goods/free-movement-non-harmonised-sectors/car-registration/view_contributions_en.htm)

² http://ec.europa.eu/enterprise/policies/single-market-goods/free-movement-non-harmonised-sectors/car-registration/conference_documents_en.htm

of the options, in particular for the package of preferred options. Thirdly, the report gives a better supported comparison of options by presenting an integrated overview of all relevant costs and benefits. Finally, it presents the future monitoring arrangements more clearly, and indicates how the Directive will be evaluated.

2. POLICY CONTEXT – PROBLEM DEFINITION

2.1. Policy context

The free movement of goods is one of the cornerstones of the European Union. This principle constitutes an important pillar of the single market and allows citizens and enterprises to purchase or sell products in another Member State. Unfortunately, the single market still comprises considerable barriers.

The obligation to register, in the receiving Member State, a motor vehicle previously registered in the Member State of origin has been a source of complaints and court cases for decades. Notwithstanding the further integration of the single market, car registration problems remain a frequent barrier for citizens and businesses. Europeans moving to another Member State often experience difficulties when taking their car along with them. They can face complex and burdensome registration procedures, demands for paperwork in the host country which was not delivered in the home country, and they may have to pay additional taxes and duties. Citizens purchasing a car in another country and taking it back with them to the country where they live face the same problems regarding registration procedures.

The Europe2020 Strategy for smart, sustainable and inclusive growth³ already pointed out that businesses and citizens are faced every day with the reality that bottlenecks to cross-border activity remain despite the legal existence of the single market. Motor vehicle registration problems are a typical example of these bottlenecks and were identified in the first EU Citizenship Report⁴ as one of the main obstacles faced by citizens when exercising their rights under EU law in their daily lives. Moreover, they were also highlighted as one of the 20 main concerns with the Single Market as it stands now, in a list compiled by the Commission⁵. In its opinion of 11 March 2011, the High Level Group of Independent Stakeholders on Administrative Burdens supported a possible Commission initiative to simplify registration conditions and formalities. In addition, the Group called upon the national authorities to strive for improved registration processes as soon as possible, in particular concerning mutual recognition of the necessary documentation, and to refrain from burdensome requests for supplementary documentation⁶.

³ COM(2010)2020 of 3.3.2010.

⁴ COM(2010)603 of 27.10.2010.

⁵ This list represents a snapshot of difficulties encountered by people (understood in a wide sense: citizens, businesses, consumers, workers, students, pensioners) when attempting to exercise their EU rights. See http://ec.europa.eu/internal_market/strategy/docs/20concerns/publication_en.pdf.

⁶ [HTTP://EC.EUROPA.EU/ENTERPRISE/POLICIES/SMART-REGULATION/ADMINISTRATIVE-BURDENS/HIGH-LEVEL-GROUP/FILES/HLG_100311_AMSTERDAM_OFFLINE_OPINION_EN.PDF](http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/high-level-group/files/hlg_100311_amsterdam_offline_opinion_en.pdf), point 21.

2.2. Problem definition

All Member States have a vehicle registration system of motor vehicles. It constitutes the administrative authorisation for their entry into service in road traffic, involving their identification and the issuing of a registration number. At the end of the registration procedure, Member States issue a registration certificate which certifies that the vehicle is registered in a Member State. The registration certificate also contains the name and address of the person in whose name a vehicle is registered (the ‘holder’ of the registration certificate who is not necessarily the owner of the motor vehicle⁷).

The registration of a new motor vehicle⁸ is a very simple administrative formality which most Member States have organised very efficiently.

Yet, when the motor vehicle is registered in one Member State and frequently used in another, the question of which Member States the motor vehicle should be registered in arises. If it needs to be re-registered in another Member State, the administrative formalities to obtain the registration in the receiving Member State are often burdensome and cause delays. The two problems are obviously interlinked: a person or a business is only confronted with the formalities of re-registration when they are forced to re-register a motor vehicle that is already registered in another Member State⁹.

2.2.1. *In which Member State should the motor vehicle be registered?*

Citizens who move to another Member State, cross-border workers, car-rental companies and people leasing a motor vehicle in another Member State are often obliged to register it on the territory where they live or where the motor vehicle is used, although it is already registered in another Member State. This is for example the case when certificate holders change their residence and move permanently to another Member State with their motor vehicle. However, it is a tedious problem for citizens that live part of the year in one Member State and the other part in another, as well as for cross-border commuters who use, in their own Member State, a motor vehicle registered by their employer in another Member State. In this case, the motor vehicle is registered in one of the Member States but the holder is often asked by the other Member State to register it there¹⁰.

⁷ The registration certificate may contain, on an optional basis, information about the ownership of the motor vehicle. Where the particulars about the ownership are not included in the registration certificate, it will contain a reference to the fact that the holder of the registration certificate is the vehicle owner, or is not the vehicle owner, or is not identified by the registration certificate as being the vehicle owner.

⁸ Member States are obliged to register new motor vehicles on the basis of the certificate of conformity, pursuant to Article 26 of Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles. Since new motor vehicles face no barriers for their first registration in the EU, they fall outside the scope of this impact assessment. For further details, see Annex 2.

⁹ This impact assessment does not relate to re-registrations of motor vehicles previously registered in the same Member State or in a third country.

¹⁰ Annex 2 contains an overview of the jurisprudence of the Court of Justice on these cases.

Example: Cross-frontier workers residing in Finland and employed in another Member State were not allowed to use company vehicles which were made available by their employers established in another Member State and registered in the latter State, unless these motor vehicles were registered in Finland. The Court of Justice ruled that this was incompatible with the Treaty (judgement of 23 February 2006, Commission v. Finland, Case C-232/03).

Traders of second-hand motor vehicles, which are usually SMEs, are confronted with the same problem when they purchase a motor vehicle in another Member State. For them, the problem is often aggravated by the difficulty of transferring individual motor vehicles bought in another Member State to their home country since temporary registrations tend to be fairly restrictive and so-called ‘professional registrations’ for motor vehicles are often not recognised in other Member States. A similar problem as regards pinpointing the Member State where the motor vehicle needs to be registered occurs for people wishing to lease a motor vehicle from, and registered by, a leasing company established in another Member State. Finally, it is also a problem for car-rental companies that wish to move a part of their fleet to another Member State to meet seasonal demands.

Example: A Belgian national, residing in Belgium but working in Luxembourg, was stopped in Belgium for a roadside control, when he was driving a vehicle registered in Luxembourg. He was charged with having, while residing in Belgium, failed to register a vehicle that he intended to put into circulation in Belgium, even though that vehicle was already registered abroad (judgement of the Court of Justice of 15 December 2005, Case C-152/04).

2.2.2. The administrative burden of re-registration

In practice, when Member States do not accept that people living on their territory use a motor vehicle registered in another Member State, they oblige the holder of the motor vehicle to re-register it on their territory. However, formalities of re-registration for a motor vehicle being transferred from one Member State to another are often very burdensome and lengthy. Transferring a motor vehicle for a longer period to another Member State leads to new paperwork in the receiving Member State and, usually, also the paperwork to cease the registration of the vehicle in the Member State of origin.

The additional burden is principally caused by the fact that the registration authorities of the receiving Member State have little or no information about the motor vehicle, except the information that they can find on the registration certificate. If the vehicle were to be re-registered in the same Member State, registration authorities could rely on the information in their national databases.

Example: The Polish legislation required imported second-hand vehicles to undergo roadworthiness test prior to their registration, whereas domestic vehicles with the same characteristics were not subject to such a requirement. The Court of Justice ruled that this rule breached the principle of free movement of goods. According to the Court, the same objective could be attained through the recognition of the proof issued in another Member State showing that a vehicle registered in the territory of that State has passed a roadworthiness test, together with cooperation by the

registration authorities with their counterparts in other Member States concerning any data that may be missing (Judgement of 5 June 2008, *Commission v. Poland*, Case C-170/07).

The amount of paperwork in the receiving Member State and its burdensome effect are to a large extent determined by the modalities of the registration process which vary widely between Member States¹¹. The first step is the formal de-registration of the motor vehicle. These formalities usually consist of collecting the required documents which vary from country to country, visiting the competent office, submitting personal data and motor vehicle data (e.g. proof of ownership, registration document, chassis number). The insurance company must also be informed. In the case that the motor vehicle is driven on public roads after de-registration towards the destination country, one must usually apply for a temporary number plate, submit all necessary data about the vehicle and its owner, and arrange for insurance coverage. The next administrative phase of transferring a vehicle to another Member State is the heaviest: re-registration in the receiving Member State. It involves a number of administrative steps and, more importantly, various new controls and checks, such as the submission of a certificate of conformity and national roadworthiness tests:

- Type-approval or individual approval. For new motor vehicles, the manufacturer, in his capacity as the holder of the EC type-approval, issues an EC certificate of conformity which shows that the vehicle has been manufactured in conformity with the approved vehicle type. The EC certificate of conformity must accompany each new EC type-approved vehicle. However, EU legislation does not require that the certificate of conformity remain with the vehicle after registration. In most Member States the EC certificate of conformity is kept by the authorities once the vehicle is registered. Nevertheless, several Member States oblige applicants to submit a copy of the certificate of conformity which is usually only required for the first registration of the vehicle. This constitutes a serious problem for many citizens who have to contact the manufacturer for a copy of the certificate, and pay a fee to receive it. In addition, this process usually takes a few weeks.

*Example: Austria required that, for the purposes of their first registration in Austria, motor vehicles previously registered in other Member States and which have not undergone, because of their age, a Community type-approval procedure, had comply with limit values in respect of pollutant emissions and noise which are stricter than those they initially had to comply with as set out in EU law. However, motor vehicles with the same characteristics and which were already authorised to use the roads in Austria were not subject to that requirement in cases of their re-registration in that Member State. Therefore, the Court of Justice considered that this requirement constituted a breach of the principle of free movement of goods (Judgement of 11 December 2008, *Commission v. Austria*, Case C-524/07).*

- Roadworthiness tests. Several Member States oblige the person seeking the re-registration of a vehicle from another Member State to undergo a

¹¹ Annex 3 contains a succinct overview of the different formalities and requirements relating to motor vehicle registration in the Member States.

roadworthiness test prior to the registration procedure, despite the fact that the person is already in possession of valid documents delivered by another Member State. This test is either similar to the regular (annual) test that applies to national vehicles or can be even more demanding and, consequently, also more expensive. At the moment many Member States do not recognise the content of the roadworthiness certificate issued by another Member State or, if they need information about the vehicle, they do not demand the necessary data from their counterparts in other Member States.

Example: The Court of Justice indicated that, by requiring motor vehicles previously registered in another Member State to undergo a test as to their general condition prior to registration and without taking any account whatsoever of tests that may have already been carried out by those Member States, some persons concerned may be deterred from registering vehicles previously registered in other Member States. The Court argued that a similar result could be achieved by less restrictive measures, such as recognition of the proof issued in another Member State showing that a vehicle registered in the territory of that State has passed a roadworthiness test, together with cooperation by the registration authorities with their counterparts in other Member States concerning any data that may be missing (Judgement of 20 September 2007, Commission v. the Netherlands, Case C-297/05).

- Lack of administrative cooperation: National registration authorities complain about the difficulties that they are facing to contact their colleagues in other Member States. Almost 60% of the public authorities which participated in the public consultation are dissatisfied with the current system for the exchange of information between registration authorities¹². The practical difficulties to obtaining missing data could lead to additional delays for re-registration. Directive 1999/37/EC allows Member States to ‘exchange information at bilateral or multilateral level in particular so as to check, before any registration of a vehicle, the latter's legal status, where necessary in the Member State in which it was previously registered. Such checking may in particular involve the use of an electronic network.’ However, no specific network was created for the implementation of this provision of the Directive. Yet, according to the case-law of the Court of Justice, the objectives of road safety and the protection of the environment can be attained through the recognition of the proof issued in another Member State showing that a vehicle registered in the territory of that State has passed a roadworthiness test, together with cooperation by the competent authorities with their counterparts in other Member States concerning any data that may be missing¹³.

The 651 citizens and 151 businesses responding to the public consultation mentioned the following problems:

	Problem	Business
--	---------	----------

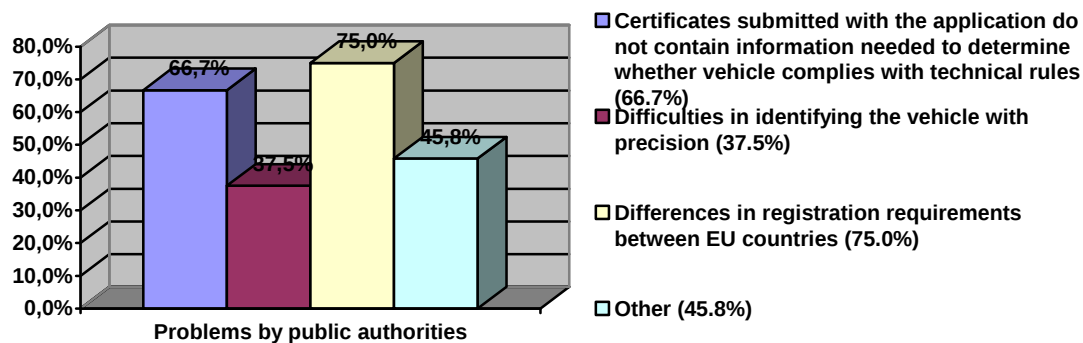
¹² See the results of the public consultation and the survey of national registration authorities in Annex 1.

¹³ Judgment of 20 September 2007, Commission of the European Communities v Kingdom of the Netherlands, Case C-297/05 ; Judgment of 5 June 2008, Commission of the European Communities v Republic of Poland, Case C-170/07.

1	The vehicle reg. authorities required additional technical checks or certificates	69.5%
2	Long and complicated procedures	67.8%
3	The registering country required a new roadworthiness test, even though the vehicle had passed one in another EU country	50.8%
4	Differences in registration requirements between countries	37.3%
5	Required to supply technical information you did not have	32.2%
6	The authorities did not recognise some of the technical documentation submitted	30.5%
7	The authorities refused requests to have the vehicle registered there	27.1%
8	The vehicle was not EU type-approved (new type approval requested)	20.3%
9	Unable to temporarily transfer a vehicle from one EU country to another	18.6%
10	Other	18.6%
11	A valid EU type-approval certificate was not recognised by reg. authorities in the receiving country	13.6%
12	Required to submit an EU type-approval certificate	11.9%

	Problem	Citizens
1	Long and complicated procedures	81.6%
2	The vehicle reg. authorities required additional technical checks or certificates	67.9%
3	The registering country required a new roadworthiness test, even though the vehicle had passed one in another EU country	54.3%
4	Differences in registration requirements between countries	44.7%
5	Required to supply technical information you did not have	26.7%
6	Other	25.4%
7	Required to submit an EU type-approval certificate	20.7%
8	The vehicle was not EU type-approved (new type approval requested)	18.2%
9	A valid EU type-approval certificate was not recognised by reg. authorities in the receiving country	17.3%
10	The authorities did not recognise some of the technical documentation submitted	15.2%
11	Unable to temporarily transfer a vehicle from one EU country to another	12.4%
12	The authorities refused requests to have the vehicle registered there	8.8%

- The modalities of the re-registration process constitute not only a general problem for citizens and enterprises, but equally for national registration authorities. In the public consultation, 95% of national registration authorities reported procedural problems with cross-border re-registration procedures.



2.3. The objectives of motor vehicle registration - Underlying causes of the problem

The principle of national registration of motor vehicles is very old and was consolidated by the Convention on Road Traffic, signed in Vienna on 8 November 1968¹⁴. The main objective of national motor vehicle registration is the administrative authorisation for the entry into service in road traffic of a motor vehicle. This procedure is used for three purposes:

- Vehicle identification in traffic. The motor vehicles registration number allows identifying the owner or user of the registration number, for law enforcement and road safety purposes.
- The registration data are used for the taxation of motor vehicles¹⁵. There exists a close link between the obligation to register a motor vehicle and the payment of motor vehicle taxes.
- The registration data are also used for the organisation of the roadworthiness tests.

Consequently, the main causes of the problem are the concerns of national administrations to obtain the national registration of motor vehicles in order to ensure road safety, to prosecute traffic offences and to levy national registration and/or circulation taxes.

In addition, the problem will also be influenced by two interrelated gaps:

¹⁴ 24 Member States are Contracting Parties to the Convention. The full text of the Convention can be consulted on http://www.unece.org/unecedevelo.iway.ch/fileadmin/DAM/trans/conventn/Conv_road_traffic_EN.pdf.

¹⁵ Judgment of the Court of Justice of 21 March 2002, Cura Anlagen GmbH v Auto Service Leasing GmbH (ASL), Case C-451/99. The Court of Justice also pointed out that, save for the specific situation of vehicles which are imported into the EU temporarily and motor vehicles intended exclusively for the road transport of goods with an authorised load of 12 tonnes or more, ‘the taxation of motor vehicles has not been harmonised and differs considerably from one Member State to another. Member States are therefore free to exercise their powers of taxation in that area, provided they do so in compliance with EU law. It is lawful for them to allocate those powers of taxation amongst themselves on the basis of criteria such as the territory in which a vehicle is actually used or the residence of the driver, which are various components of the territoriality principle, and to conclude agreements amongst themselves to ensure that a vehicle is subject to indirect taxation in only one of the signatory States.’

- An *information gap*: Citizens and businesses often do not sufficiently know or understand their rights and do not know where to look for information or help on the registration of a motor vehicle previously registered in another Member State. Likewise, registration authorities fail to sufficiently understand the rules and how to apply them;
- An *implementation gap*: In several areas, a gap can be noted between the application of the principles set out in the jurisprudence of the Court of Justice and the way it is implemented and applied in practice. For motor vehicle registration issues, there is still a lack of co-operation amongst relevant administrations operating in a cross-border context and to difficulties in resolving problems and obtaining redress where things go wrong.

2.4. Action taken by the Commission (baseline scenario)

Besides starting infringement procedures, the Commission published interpretative communications summarising EU law on the subject¹⁶. However, EU law and the jurisprudence of the Court of Justice on the subject keep evolving so that most interpretative communications on car registration are quite quickly outdated, including the one published in 2007. Moreover, an interpretative Communication is non-binding, and so far has not acted as effective guidance or a constraint on Member States.

Furthermore, although the Commission has already issued these different interpretative communications, it cannot be claimed that they have considerably reduced the number of problems. National registration authorities are aware – or should be aware – of the existence of the latest interpretative communication but usually apply national law in the case of conflict between national rules and the interpretative communication.

There are no indications that citizens and enterprises would be aware of the existence of the communication, and it seems unrealistic to expect that the communication – which outlines the main elements of EU law and the jurisprudence of the Court of Justice – would be very helpful for them in case of a conflict.

2.5. The size of the problem: who is affected, in what ways and to what extent?

There are around 300 million registered motor vehicles¹⁷ in the EU (which consist mainly of M1 passenger vehicles and N1 light duty motor vehicles)¹⁸. Around 13 million new vehicles were registered in 2010. The number of car-title transfers is

¹⁶ The latest ‘Commission interpretative communication on procedures for the registration of motor vehicles originating in another Member State’ [SEC(2007)169 of 14.2.2007] was published in OJ C68 of 24.3.2007, p. 15. This communication replaced in its entirety the previous Commission Communication on the same subject [96/C 143/04], published in OJ C143, 15.5.1996, p. 4.

¹⁷ Motor vehicles with at least four wheels are subdivided into category M (i.e. vehicles used for the carriage of passengers whereby category M1 covers motor vehicles with no more than eight seats in addition to the driver’s seat and categories M2 and M3 cover motor vehicles with more than eight seats in addition to the driver’s seat), category N (motor vehicles used for the carriage of goods), category O (trailers, including semi-trailers), off-road vehicles (symbol G) and ‘special purpose vehicles’ (i.e. vehicles intended to perform a function which requires special body arrangements and/or equipment).

¹⁸ Ereg, The vehicle chain 2010/2011

about three times as high as first registrations, with an average number of 40 million vehicles that are transferred to a new holder¹⁹. Around 8% of these (3.5 million) correspond to vehicles transferred between Member States²⁰. De- and re-registration are unevenly distributed across Member States. The main “net exporter” of cars to be re-registered in another Member State is by far Germany (1,697,000: almost 50%). It is followed by Italy (423,000: 12%), Netherlands (309,000: 9%) and France (271,585: 8%). Concerning “net importers”, the highest number by far of re-registration of cars coming from another Member State takes place in Poland, (1,123,583: 30% of all re-registrations). It is followed by Greece (404,000: 11%), Lithuania (253,000: 6.5%), Romania (225,000: 6.5%) and the Czech Republic (207,000: 6%).

Citizens are in the first to be affected by re-registration problems. As EU integration proceeds, more people may wish to move from one country to another; or to have holiday homes in other Member States, leaving their cars there. More than 3 million people arrived for a permanent stay in Member States in 2007, with more than 2 million arriving in Spain, Germany and the United Kingdom combined²¹.

Persons living in one Member State and using a motor vehicle registered by their employer in another Member State are also affected by the problem. In total, about 780,000 people in the EU (including EEA/EFTA) were cross-border commuters in the year 2006/2007 (including commuters using other means of transport)²².

Citizens are also the main group of customers for the intra-EU second-hand market of motor vehicles. While the new-car market is increasingly being shaped by commercial customers, more and more private customers are tapping into the used-car market. Overall, used cars are newer and have better technology today than they did in the 1980s. In terms of quality, “young used cars,” which once belonged to car-rental agencies or served as company cars or demonstration vehicles, are very difficult to distinguish from new cars. But they can be purchased at just a fraction of the original price²³. The assumption in this impact assessment is that second-hand traders, which are mostly SMEs, are directly affected by the problems identified in this document. Although one can assume that these traders will not register the motor vehicles purchased in another Member State and that the registration will be done by the customer, a professional second-hand trader will be in a position to provide its (potential) clients with all the paperwork, including roadworthiness certificates and inspection results. Moreover, these firms face the problem of transferring individual motor vehicles since temporary registration tend to be fairly restrictive and so-called ‘professional registrations’ for motor vehicles are often not recognised in other Member States. However, a fairly recent phenomenon on the second-hand market of motor vehicles is the so-called ‘car supermarkets’ which undertake practically no

¹⁹ CARFAX Europe GmbH, Musiol Munzinger Sasserath Gesellschaft für umsetzungsorientierte Markenberatung und Markenentwicklung mbH, F.A.Z.-Institut für Management-, Markt- und Medieninformationen GmbH, „Used Cars: from Outsider to Market Driver”, August 2009.

²⁰ ACEA and Oeko institute e.V. Transport and Mobility COWI 2001.

²¹ See Annex 4 for more detailed figures.

²² See Annex 4 for more detailed figures.

²³ CARFAX Europe GmbH, Musiol Munzinger Sasserath Gesellschaft für umsetzungsorientierte Markenberatung und Markenentwicklung mbH, F.A.Z.-Institut für Management-, Markt- und Medieninformationen GmbH, „Used Cars: from Outsider to Market Driver”, August 2009.

sales of new cars but mainly of pre-registered cars. Pre-registered cars are often “like new” cars except that, through the mechanism of pre-registration, the dealer or vehicle manufacturer can sell at a lower price without having to lower the price of all its inventory. Sales in this form do not enter the statistics as sales of new cars and it is therefore difficult to assess their magnitude. It is common that car supermarkets selling new cars source these cars from abroad. This often implies some variation in specifications. For more flexible buyers, car supermarkets can be a good way to get a new car quickly and cheaply. Car supermarkets engaged in selling imported new cars have so far benefited from large price differences between Member States and are thus an established part of the distribution landscape in many countries, including Belgium and the Netherlands, Italy and the UK. Future trends may be favourable to this new retail format. According to a survey by UK trade magazine Auto Trader, one in five UK owners have bought from a car supermarket, and one in three would consider buying from one in the future²⁴.

In theory, leasing companies could face registration problems, at least if they are the holder of the registration certificate and the vehicle is used by a person established in another Member State. Leasing firms retain the ownership of the leased motor vehicles throughout the life of the contract whereby they convey to the lessee, in return for a payment or series of payments, the right to use the motor vehicle for an agreed period of time²⁵. Leasing firms usually also offer long term automotive rental contracts. This is a specific kind of leasing, whereby businesses outsource their vehicle fleet needs to a leasing company which provides the necessary passenger cars, vans or trucks to the client, along with any required related services, including maintenance, insurance, fuel management and/or tyre replacements. Automotive assets, i.e. passenger cars and commercial vehicles, accounted for about 55% (€124.1 billion) of total new leasing contracts agreed in 2010, remaining the largest individual asset segment of the European leasing market. It is estimated that European leasing companies financed some 5.8 million passenger cars in 2010²⁶. There are indications that employers increasingly rely on leasing arrangements rather than ownership when providing cars to their employees. In practice, however, many leasing companies seem to prefer that the client appears, in the national motor vehicle register and on the registration certificate, as the holder of the vehicle while the leasing company appears as the legal owner. By not being the formal holder of the vehicle, a leasing company can avoid any liability for the settlement of traffic offences or for the payment of road taxes.

Car-rental companies are equally affected by the problem but in a very different manner. These companies rent out motor vehicles to private or professional clients for a relatively short period of time in order to meet their respective transport needs.

²⁴ http://ec.europa.eu/competition/sectors/motor_vehicles/documents/block_exemption_final.pdf.

²⁵ According to IAS 17.4, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification is made at the inception of the lease. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form. Situations that would normally lead to a lease being classified as a finance lease are, for example, when the lease transfers ownership of the asset to the lessee by the end of the lease term, or when the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised [IAS 17.10].

²⁶ See Annex 4 for more detailed figures.

Besides the traditional car-rental services (as a means of transport to complete a train or plane journey or as a replacement vehicle), truck rental is a growing sector. The EU fleet for short-term rental is estimated at 1.4 million vehicles, split into about 1 million cars and 400,000 light commercial vehicles. Car-rental fleets are usually very new, in particular for large cross-border companies, as vehicles remain in the fleet for about 6-9 months, and are subsequently bought back by manufacturers.

Registration authorities are very much affected by the problem. During the public consultation, public authorities highlighted that the main problems for them relate to differences between Member States in registration procedures and to the exchange of information required for re-registering motor vehicles. In addition, not all Member States de-register motor vehicles automatically after receiving notification, and this leads to even longer and more complicated re-registration procedures for all concerned. Furthermore, the re-registration of a motor vehicle previously registered in another Member State is sometimes used for legalising stolen vehicles or vehicle documents. Stolen vehicles are often sold with their identity changed, for example through ‘cloning’ (i.e. a practice whereby a vehicle is stolen and then its genuine identity markings removed and changed to reflect the identity of a legitimate vehicle that is currently in use on the road, so that the stolen vehicle assumes the identity of the legitimate vehicle and two vehicles are now being used with the same vehicle registration number) or ‘ringing’ (i.e. the practice where a stolen vehicle’s identity is swapped with that of a salvaged vehicle). This can only be prevented by a close cooperation between registration authorities²⁷.

2.5.1. Summary

Who is affected?	Affected by the problem in which Member State should the vehicle be registered	Affected by the modalities of the registration
Citizens purchasing a second-hand motor vehicle in another Member State	No	Yes
Citizens moving permanently to another Member State with their vehicle	No	Yes
Citizens living part of the year in another Member State	Yes	Yes
Citizens working across borders with a company car	Yes	Yes
Intra-EU second-hand market of motor vehicles	No	Yes
Leasing and car-rental enterprises	Yes	Yes
National registration authorities	Yes	No

2.5.2. Figures about the size of the problem

Precise statistics about the exact number of difficulties encountered during the re-registration process do not yet exist. The current statistics only relate to the number registrations that were granted and do not provide any information on the length of the procedure, the number of persons that have given up during the procedure, the

²⁷ Council Decisions 2004/919/EC, 2008/615/JHA and 2008/616/JHA aim at combating cross-border vehicle crime. More information about these Decisions can be found in Annex 2.

number of persons who are the subject of conflicting registration rules or the number of persons that avoided the re-registration by keeping their original registration number, for example to avoid or evade taxes or the payment of penalties for local traffic violations. Most of the difficulties encountered by persons who wish and fail to re-register their vehicle in another Member States are not or incidentally reported to national authorities, consumer organisations or the Commission. Difficulties faced by persons who still have a legally valid vehicle registration in another Member State but who are obliged to register their vehicle in the Member State where they work or live, are equally not reported.

Nevertheless, in the period 2000-2011, the Commission handled 114 official complaints about car registration problems while the Court of Justice delivered 17 judgments and orders about car registration (see Annex 2). The SOLVIT annual report for 2010 indicates that cases concerning driving licences and vehicle registrations cumulatively account for 6% of the overall case load, with an increase of 5% compared to 2009²⁸. An analysis of questions and problems handled by Your Europe Advice (YEA, former Citizens Signpost Service) and SOLVIT in 2009 shows the following results:

Database	Category level 1	Category level 2	Nbr of cases in database
SOLVIT	Motor vehicle registration		128
YEA	Motor-vehicles	Import type-approval and registration	714

Several National Registration Authorities have also acknowledged in the public consultation that they receive a substantial share of complaints on re-registration from national SOLVIT centres. With respect to vehicle registration, a substantial share of cases concerned the importation into the Member State of motor vehicles purchased in another Member State. Another large share involved enterprises that want to use their vehicles in a Member State different from that of first registration.

2.5.3. *Estimation of the costs of the current system (baseline scenario)*

The duration of the process of de-registration is estimated to take an average of 1 week. For re-registration in another Member State, the process lasts on average 4 weeks. The total duration of the process is around 5 weeks. This has been estimated on the basis of data received in the public consultation and from interviews with Member States. For calculation purposes, the basic assumption is that 3.5 million vehicles are transferred to another Member State per year.

2.5.3.1. Administrative costs

The unit cost of de-registration and re-registration procedures is estimated at €400 for citizens and for businesses and €29 for public authorities (this reflects the

²⁸ European Commission, Internal Market and Services, SOLVIT - 2010 Report, 2011. In total, there were 75 vehicle registration and 11 driving licence cases in 2010, according to this report. For a more detailed description of the of questions and problems handled by the EU information and assistance services (i.e. Europe Direct Contact Centres (EDCC), Your Europe Advice (YEA, former Citizens Signpost Service), European Consumer Centres (ECC), Enterprise Europe Network and SOLVIT) in 2009, see section 8.1.3 of Annex I.

effective time devoted to this procedure as well as the fees paid). The total current annual administrative costs are estimated (on the basis of the Standard Costs model) at around EUR 1400 million for citizens and for businesses and EUR 100 million for public authorities, which totals around EUR 1500 million euro.

Estimated annual costs EUR million	
Citizens and companies	1,400
Public authorities	100
Total administrative costs	1,500

2.5.3.2. Other impacts: Profit loss

Other economic impacts for companies derive from not being able to use the car while the de-registration/re-registration procedure is on going. This loss of profits is estimated at around 336 million.

Estimated annual costs (EUR million)	
Profit loss	336

2.5.3.3. Additional costs for car rental companies

Additionally, there are specific impacts for car rental companies resulting from the nature of their business. One impact is the high costs of one-way rental associated to the costs of repatriation of the car. In most cases, companies decide not to re register the car in the country of destination because of excessive costs. Either they rent it to a client with the same nationality of the number plate of the vehicle or they drive it back. This cost is passed on to the final consumer through higher prices. The overall cost of this amounts to EUR 418 million annually. There is also a loss of profits derived from lower demand due to the very high price of this service. This is estimated at EUR 202 million. Finally, companies face the constraint of not being able to meet peak seasonal demand due to the impossibility of easily moving fleet from one Member State to another. As a result, they suffer a loss of profits of around EUR 16 million annually.

Estimated annual costs (EUR million)	
One-way rentals costs	418
Loss of demand	202
Peak seasonal demand loss	16
Additional costs for car rental companies	636

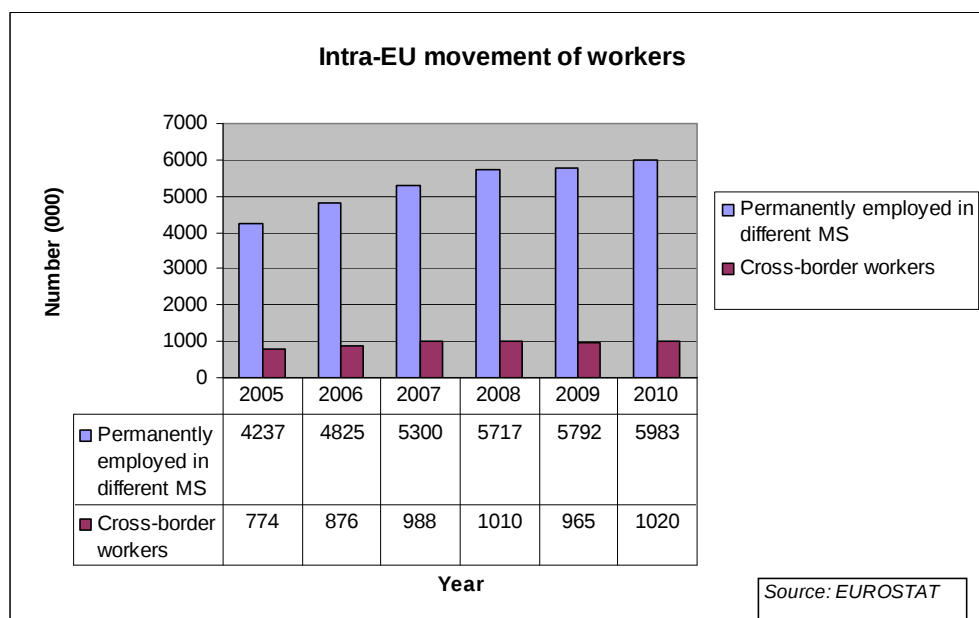
The current procedures generate significant administrative and other costs for citizens, businesses and public authorities that amount to EUR 2472 million annually.

2.5.3.4. Other costs

Other possible costs for private citizens (having to resort to other transport solutions or reduce their mobility) and for businesses (such as cost of having a larger fleet than otherwise needed in a given country or the depreciation of the vehicle) have not been quantitatively estimated. The number of vehicles is also a conservative estimation. Therefore, real costs could be higher.

2.6. Foreseen evolution of the problem

- The percentage of citizens working in a different Member State than their Member State of origin has shown an increasing trend in the last few years amounting to around 6 million in 2010, which represents around 3% of total workers in the EU. The number of cross-border workers has increased 30% since 2005, reaching around 1 million in 2010. One can expect this trend to continue in coming years.



- Cross-border exchange of information on road safety related traffic offences will improve profoundly. Directive 2011/82/EU facilitating the cross-border exchange of information on road safety related traffic offences²⁹ will have to be transposed by Member States (except Denmark) by 7 November 2013³⁰. The objective of the Directive is to improve road safety by establishing a system of information exchange between the State of the offence and the State of registration on the most serious road safety infringements. It serves to identify the vehicle owner who has committed an offence in a Member State other than the one where his vehicle is registered. The Member State of the offence would then be in a position to prosecute and sanction him. The offences covered by the Directive include speeding, non-use of a seat-belt, failing to stop at a red traffic light and drink-driving. The Directive also sets out the exchange procedures (data, responsible authorities and network) and the establishment of an EU network for this exchange of information.
- Obtaining information about the payment of road and circulation taxes will become much easier. The new Council Directive 2011/16/EU on administrative

²⁹ Directive 2011/82/EU of the European Parliament and of the Council of 25 October 2011 facilitating the cross-border exchange of information on road safety related traffic offences, JO L288 of 5.11.2011, p. 1.

³⁰ Subject to the outcome of the proceedings at the Court of Justice, following the action taken by the Commission [Decision C(2012)438 of 25.1.2012].

cooperation in the field of taxation³¹ lays down the rules and procedures under which the Member States must cooperate with each other to exchange information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Member States concerning, inter alia, road and circulation taxes. The Directive also contains provisions for the electronic exchange of information and will be applied from 1 January 2013 onwards. In addition, Council Directive 2010/24/EU concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures³² lays down the rules under which the Member States must provide assistance for the recovery in a Member State of any claims which arise in another Member State with respect to, inter alia, road and circulation taxes. This Directive is applied from 1 January 2012.

2.7. EU right to act

The cross-border aspects of car registration continue causing problems within the internal market. For example, there were 17 judgements and orders of the Court of Justice on the obstacles, caused by car registration related matters, to the free movement of goods, services and persons³³.

Current problems and differences in administrative rules at national level as regards the re-registration of motor vehicles previously registered in another Member State impede the free movement of these vehicles within the EU. The EU has therefore the right to act on the basis of Article 114 TFEU, in order to ensure the proper functioning of the single market for second-hand motor vehicles purchased in another member state, for citizens transferring a motor vehicle to another Member State of residence, for citizens using a motor vehicle registered in the Member State of employment, as well as for car-rental firms (and to a lesser extent leasing firms) which, due to registration requirements for themselves or their client, encounter barriers for the cross-border use of these vehicles.

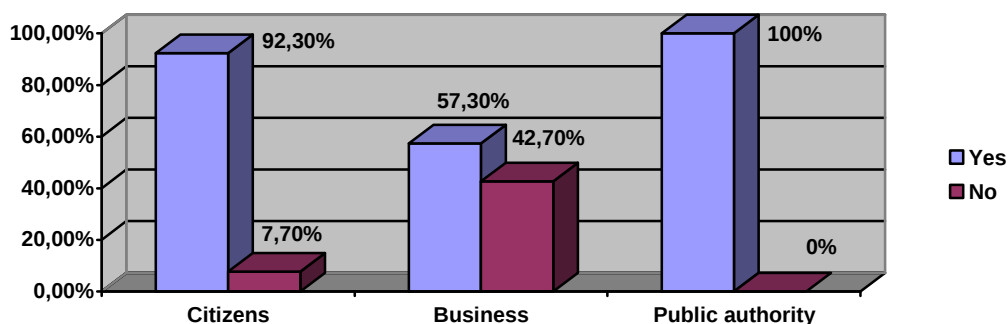
In order to comply with the subsidiarity principle, the initiative should however not consider options concerning the re-registrations within the same Member State, or the transfer of a motor vehicle within the same Member State. The proportionality of the remaining policy options will be subsequently assessed in this report.

During the public consultation, a signification majority in each category of stakeholders considered that action should be taken at EU level to improve the current situation. All public authorities that contributed to the consultation are in favour of action being taken at EU level.

³¹ Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, OJ L64 of 11.3.2011, p. 1.

³² Council Directive 2010/24/EU of 16 March 2010 concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures, OJ L84 of 31.3.2010, p. 1.

³³ See Annex 2.



3. OBJECTIVES

3.1. General policy objectives

The general objective of this initiative is to improve the functioning of the single market through the elimination of administrative barriers related to the re-registration procedure of motor vehicles, which currently hinder the free movement of goods.

3.2. Specific policy objectives

The specific objectives of this initiative are:

- To harmonise, streamline, and simplify the procedures for re-registration of motor vehicles previously registered in another Member State, for citizens, employees, employers, car rental and leasing companies, and registration authorities;
- To consequently reduce the administrative burdens of all actors involved without hindering road safety or the prevention of crimes and fraud;

3.3. Operational policy objectives

The operational objectives to be accomplished by this initiative are the following:

- To determine in which Member State a motor vehicle transferred between Member States should be registered;
- To reduce the time of de- and re-registration procedures;
- To reduce the administrative burden on citizens and undertakings by limiting the number of documents necessary to carry out the re-registration procedure and by facilitating data exchange between national registration authorities.

4. POLICY OPTIONS

4.1. Assumptions

The policy options were developed on the basis of the following assumptions:

- The first registration of a new motor vehicle in the EU usually takes place in the Member State of residence/establishment of the applicant (i.e. the future holder of the registration certificate) although new motor vehicles are sometimes registered by a car dealer in one Member State and subsequently purchased by a customer residing in another Member State.
- Member States remain free to exercise their power of taxation with respect to motor vehicles on the basis of the territory on which the vehicle is actually used, or the residence of the driver. For example, circulation taxes are levied by the Member State in which the motor vehicle is registered or the Member State where the vehicle is essentially used.
- None of the options concern the re-registrations within the same Member State, or the transfer of a motor vehicle within the same Member State.

4.2. Description of policy options

One policy option was discarded at an early stage, as set out in Annex 6 of this impact assessment. The policy options to be assessed would be the following:

- Baseline option: infringement proceedings and interpretative communications published by the Commission.
- Option 1: Single registration for the entire life-cycle of the motor vehicle (“Single Registration”): The motor vehicle is registered once in the EU for its entire life-cycle. Motor vehicles keep their original registration until they reach the end-of-life status. When the vehicle is transferred to a new holder, the original registration is maintained.
- Option 2: the holder keeps his/her registration throughout the EU but a transfer of the vehicle to a new holder requires a new registration: Every holder (i.e. the holder of the registration certificate) keeps his/her own registration until the vehicle is transferred to another holder. In other words, motor vehicles should not be re-registered when the holder changes his/her residence to another Member State. In that case, however, he/she should inform the authorities of their new Member State which in turn should inform their counterparts in the Member State of registration. A transfer of the vehicle to another holder, however, would require re-registration.
- Option 3: registration in the Member State of the holder of the vehicle and simplified re-registration. When the holder moves his/her residence to another Member State or when the vehicle is transferred to another holder in another Member State, the motor vehicle would have to be re-registered but a simplified registration procedure would apply. This simplified procedure would limit the paperwork and the number of controls, through a detailed list of documents which may or may not be requested, and an explicit prohibition to request supplementary documents.
- Option 4: registration in the Member State where the motor vehicle is primarily used and simplified re-registration. The motor vehicle should be registered in the Member State of primary use of the motor vehicle, even when the holder of

the registration certificate resides permanently or is established in another Member State. Thus, the motor vehicle must be registered in the Member State where the motor vehicle is primarily used. The registration procedure, however, would be simplified as under option 3.

- Option 5: optimising the electronic exchange of information among national registration authorities. The technical information about the motor vehicle and the latest registration details in the Member State where the motor vehicle was registered would be electronically gathered by the registration authorities in the Member State of destination, through the EUCARIS system³⁴.

³⁴

A detailed description of the electronic exchange of vehicle registration data is set out in Annex 5.

PROBLEMS	CAUSES	OBJECTIVES	OPTIONS
It is not clear where and when a motor vehicle registered in a Member State has to be registered in another Member State	- Each Member State has its own registration system with different requirements: not recognition of registration documents delivered or request of further information and/or undergo technical inspections - There is the obligation to register the vehicle permanently used in the territory of a MS despite the fact the vehicle is already registered in another MS. However it is not clear what it is understood by “<i>permanently used</i>” -Legal uncertainty: Cross-border workers and citizens in general do not know their right and how to proceed when facing conflicting registration requirements from two Member States (Imperfect information - market failure).	Improve the functioning of the single market a) remove the legal uncertainty by clarifying registration procedure b) clarify the rights and obligations of actors involved in the registration procedure	Option 1: single registration in the Member State of first registration Option 2: registration in the Member State of residence/ establishment at the moment of registration. No re-registration when change of residence to another Member State. Option 3: registration in the Member State of the holder of the vehicle and simplified re-registration Option 4: registration in the country of use and simplified re-registration
Re-registration procedures are very burdensome and lengthy	-There is hardly any exchange of information between registration authorities so that the Member State of destination has no information on the motor vehicle previously registered in another Member State. Registration authorities can only rely on the information present on their national databases (Imperfect information - market failure). - Procedural problems with cross-border re-registration procedures: citizens and businesses often do not sufficiently know or understand their rights and do not know where to look for information or help on the registration of a motor vehicle previously registered in another Member State. Likewise, registration authorities fail to sufficiently understand the	Improve the functioning of the single market: a) Harmonise, streamline and simplify the procedure of re-registration procedure b) reduce the lead-time of de- and re-registration procedures c) reduce the administrative burden and the burden of proof on the applicant d) facilitate data exchange between national registration authorities to eliminate the lack of trust e) mutual recognition of documents	Option 1: no re-registration Option 2: no re-registration if the holder moves his/her residence or its establishment to another Member State. Re-registration when the vehicle is transferred to a new holder. Option 3: simplified re-registration in the Member State to which the holder moved his/her residence or its establishment, or in the Member State of the new holder.

	rules for cross-border cases and how to apply them (Imperfect information- market failure). - Procedures and information requirements are defined too broadly in the existing European legislation. (Inadequately defined legal framework –regulatory failure) - lack of trust among national registration authorities - Burden of proof is put on the applicant who has to provide documents and information not always at his disposal	delivered by another European registration authorities.	Option 4: simplified re-registration in the Member State where the vehicle is primarily used. option 5: optimising the exchange of information among national registration authorities
--	---	---	--

5. ANALYSIS OF IMPACTS

5.1. Base-line option

As described above. It serves as a reference against which the other options are assessed.

5.2. Option 1: Single registration for the entire life of the motor vehicle (“single registration”)

5.2.1. Qualitative assessment

- This option would have vast **negative impacts** on road safety (roadworthiness tests), traffic enforcement and car crime, motor insurance, the second-hand market and the levying of registration and circulation taxes. Without complementary measures, this option would cut the link between the registration and the owner or user of the car thus making it impossible to identify them through the motor vehicle register. In fact, one of the current objectives of motor vehicle registration is to identify the holder of the motor vehicle. The negative consequences would be the following:
 - This option would impede the effective organisation of roadworthiness testing since it would be difficult to find the owner or user of the car. In addition, since roadworthiness tests must be performed in the Member State of registration, the holders of the vehicles would have to drive back, at regular intervals, to the Member of registration for these tests.
 - As it would be possible to freely transfer a motor vehicle within the European Union on a permanent basis without any further requirements, it would be very difficult to track the actual holder in case of traffic offences or car crime. It would also be difficult to know where traffic fines and/or notifications should be sent. Another difficulty would be the tracking of stolen vehicles as the requirement to re-register the vehicle or to inform the Member State of its existence on their territory would be removed.
 - Specific problems would also arise in cases of repeated offences by a vehicle belonging to a non-resident. According to current European legislation such situations must be reported to the authorities in the EU country where the vehicle is registered. The country in which the offences have been committed may then request that their counterpart in the Member State where the vehicle is registered take action against the offender. Under this option this would no longer be possible or at least would be very difficult as the country where the car is first registered is not necessarily the country where the offender has his residence.
 - Through a single registration, registration taxes would be paid, where applicable, only once in the whole life of the motor vehicle. This would suppose an important loss of revenues for Member States.

- There are comparable problems for circulation taxes which are usually paid in the Member State where the vehicle is registered or in the Member State where the vehicle is essentially used. As a consequence, it could be possible that the holder would be requested to pay circulation taxes in two Member States when the vehicle is transferred to another Member State. It would be difficult to prevent this double taxation.
 - For the same reasons, it would complicate the effective functioning of the compulsory insurance against civil liability for motor vehicles (“motor insurance”). Under this option it would be very difficult for insurance companies to know in which Member State the motor vehicle would be primarily used. As a consequence insurance companies would not be able to apply the localisation of risk principle that is used to calculate their premiums. A not notified change of residence would not only affect the calculation of the premium but could also undermine the validity of the insurance contract. The insurer may not be authorised to provide its services in the Member State of destination or may not willing to do so (due, *inter alia*, to their difficulties to calculate the risk in another Member State).
 - This option might have negative consequences for the functioning of Council Decision 2004/919/EC on tackling vehicle crime with cross-border implications. This Decision implicitly uses the registration process as a tool for tracking stolen vehicles so that this option would most probably require new actions to tackle vehicle crime with cross-border implications.
 - Finally, since the first holder of the motor vehicle would be the only person known to the registration authorities, this option would discourage them from transferring the motor vehicle to another person since the latter would remain unknown to registration authorities and so that only the former would be contacted for any difficulties caused by the new holder (e.g. non-payment of taxes, road offences etc).
- Positive impacts:
 - Citizens bringing their vehicle into the country of residence: Under this option, citizens would be able to move permanently with their vehicles from one Member State to another without any further administrative obligation as regards their vehicles. This would suppose the elimination of re-registration and de-registration procedures for motor vehicles already registered elsewhere in the EU. Thus, citizens would save significant time and money. As a consequence there would be no differences between driving the vehicle permanently in one Member State or in several. Furthermore, by linking the registration to the vehicle, citizens would further avoid the re-registration if the holder of the motor vehicle changes.
 - Cross-border workers. Although Directive 83/182/EC and 2009/55/EC provide guidance for taxation purposes, it is currently not clear where the vehicle has to be registered when the cross-border worker has both

personal and occupational interests in two Member States, or when a cross-border worker lives in one Member State but uses a company motor vehicle registered by the employer in another Member State. This option would immediately solve all uncertainty with regard to which Member State should register the motor vehicle and would have a positive effect on cross-border workers.

- Leasing companies: The positive aspect of this option is that it would facilitate cross-border leasing since the residence of the holder of the certificate would determine where the vehicle should be first registered. Yet, the negative aspects outlined above would have an important impact on leasing companies who are the formal holders of the registration certificate and that would be responsible for transferring the ownership of the vehicle.
- Car-rental companies: This option would allow car rental companies to meet seasonal demand as they would be able to move their fleet freely across the European Union thus removing an important barrier to cross-border rentals. As a direct consequence of the removal of the current barriers to the free movement of services, one could expect more competition and lower prices for consumers. Car rental companies would have fewer costs as they would not have to repatriate the vehicles in trucks to the Member State of registration. From an environmental point of view, this option would contribute to the reduction of CO₂ emissions generated by the current repatriation system. One could also envisage that this option would provide indirect positive impacts on European tourism. However, the negative impacts set out above would start taking effect when the car-rental companies decide to remove the vehicle from their stock (e.g. by selling it or by returning it to the manufacturer).
- Intra-EU trade of second-hand vehicles: this option would eliminate the administrative barrier of registration and would therefore have a positive impact on EU market of second-hand vehicles.
- Registration authorities. In theory, this option would remove the legal uncertainty and potential contradiction of different national registration requirements. There would be no difficulties for national registration authorities since they would only register new motor vehicles and they would remain registered until their scrapping. In practice, however, the negative impacts on road safety (roadworthiness tests), traffic enforcement, motor insurance and the levying of circulation taxes would heavily complicate the functioning of the registration authorities.

5.2.2. *Reduction of administrative costs*

The elimination of the need for de-registration and re-registration would remove the administrative costs for businesses and citizens as well as for public authorities that exist in the baseline scenario. This would deliver savings of EUR 1,500 million annually. The profit loss would also be eliminated, because the vehicle could now be used without interruption. This would allow savings of around EUR 336 million annually. The specific costs for car rental companies would also disappear with this

policy option (EUR 636 million) as they would be able to transfer cars across borders without constraints.

OPTION 1: SINGLE REGISTRATION	
	Estimated annual savings compared to the baseline option (EUR million)
Citizens and businesses	1400
Public authorities	100
Total administrative costs (A)	1,500
Profit loss (B)	336
Savings on one-way rentals costs	418
Savings on loss of demand	202
Peak seasonal demand	16
Total additional savings car rental companies (C)	636
TOTAL (A+B+C)	2,472

This option would allow savings (administrative costs) estimated at EUR 2,472 million annually.

5.3. Option 2: No re-registration in the Member State of destination if the holder remains the same person

5.3.1.1. Qualitative assessment

During the public consultation, 54.9% of businesses, 69.7% of citizens and 41.7% of public authorities replied that the current situation could be improved by a new EU system that recognises vehicles already registered in another Member State. For 23.4% of businesses, 15.4% of citizens and 16.7% of public authorities this measure alone would not completely solve the current problems, and should be accompanied by additional measures.

- **Positive impacts:**

- In order to assess the impacts on citizens moving to another Member State, one should distinguish three sub-options:
 - (a) Sub-option 2a: Under this sub-option, citizens moving their residence to another Member State would be able to move with their vehicles without any further administrative obligation as regards their vehicles. This would suppose that re-registration and de-registration would only take place when there would be a new holder or on a voluntary basis. The abolition of all administrative formalities would have a very positive impact on this group of citizens if they could move residence.
 - (b) Sub-option 2b: citizens moving to another Member State could keep their original vehicle registration but would have to inform their own registration authorities about their new residence. The de-registration process is replaced by an information obligation which is still less burdensome and much lighter than a formal de- and re-registration procedure.

- (c) Sub-option 2c: citizens moving to another Member State could keep their original vehicle registration but would have to inform the registration authorities of their new Member State about their new residence. This would also be less burdensome and much lighter than a formal registration procedure, although there might be a minor language barrier.
- Cross-border workers: this option would solve the problem of cross-border workers since it would determine in which Member State the motor vehicle must be registered so that the second Member State could not claim registration on its territory.
- Leasing companies: this option would also be favourable for them since it would determine in which Member State the motor vehicle must be registered.
- Car-rental companies: This option would allow car rental companies to meet seasonal demand as they would be able to move their fleet freely across the European Union. There would be no differences between national and cross-border rentals. Furthermore and as a direct consequence of the removal of the current barriers to the free movement of services, one could expect more competition and lower prices for consumers since car-rental companies could stop repatriating their vehicles in trucks to the Member State of registration. This option would also contribute to a reduction of the CO2 emissions generated by the current repatriation system. One could also envisage that this option would have an indirect positive impact on European tourism.
- Registration authorities. Sub-option 2a (no formalities) would significantly reduce the workload that national authorities currently have as regards re-registration procedures for motor vehicles arriving from another Member State. Sub-options 2b (the holder should inform the Member State of registration) and 2c (the holder should inform the Member State to which he/she moves his/her residence) would slightly reduce the administrative burden for the Member State since the information transmitted by the citizens would not have to be handled.
- **Negative impacts:**
 - Road safety (roadworthiness tests) and traffic enforcement. Since roadworthiness tests must be performed in the Member State of registration, the holders of the vehicles would have to drive back, at regular intervals, to the Member of registration for these tests. The impact on the effectiveness of traffic enforcement would be neutral in all situations, except in the case where people change their residence to another Member State:
 - (a) Sub-option 2a (no formalities): In cases like these, it would be very difficult, sometimes impossible, to find the residence details within another Member State, for invitations to roadworthiness tests and for the prosecution of road offences.
 - (b) Sub-option 2b (the holder should inform the Member State of registration): The objective of the information obligation is to ensure that it would be possible to find the address of the new

residence within another Member State, for the sending of invitations to roadworthiness tests and for the prosecution of road offences.

- (c) Sub-option 2c (the holder should inform the Member State to which he/she moves his/her residence): same impact as sub-option 2b.
- Car taxation. The right of Member States to levy registration tax and circulation tax is generally based on the registration of the car in the Member State where the owner is resident or where the vehicle is permanently used.
 - (a) Sub-option 2a (no formalities): If the holder of the registration certificate moves from one Member State to another, the levy of taxes related to vehicles will also in practice become difficult. Another aspect is that it would be very difficult to levy circulation taxes on these transferred cars. The consequences for taxation of transferring leasing companies and short term rental companies' cars are not foreseeable.
 - (b) Sub-options 2b (the holder should inform the Member State of registration) and 2c (the holder should inform the Member State to which he/she moves his/her residence): The exchange of information between authorities might mitigate the risk that the “taxable event” (i.e. the event or transaction that results in a tax consequence for the party who executes the event) for the levy of registration tax (and circulation tax) remains unknown for the receiving Member State. However, this depends on the efficiency of the administrative systems and collaboration of the owner of the vehicle.
- This option has a negative impact on motor insurance where people change their residence to another Member State. As there would be no need, under this option, to re-register the vehicle, it would be very difficult for insurance companies to apply the localisation of risk principle that is used to calculate their premiums.
 - (a) Sub-option 2a (no formalities): A not notified change of residence would not only affect the calculation of premiums but could also undermine the validity of the insurance contract. The insurer may not be authorised to provide its services in the Member State of destination or may not be willing to do so (due, *inter alia*, to their difficulties to calculate the risk in another Member State). As a consequence the insurance contract may be considered invalid by the insurer, and in case of accident, the victims' damages would be covered by the guarantee fund which is funded by the motor insurers providing their services in that particular Member State. Increased uninsured driving increases motor insurance premiums for law-abiding motorists.

- (b) Sub-options 2b (the holder should inform the Member State of registration) and 2c (the holder should inform the Member State to which he/she moves his/her residence): Without any complementary measure, this option has a negative impact on motor insurance. The simple notification of change of residence without any further requirements (i.e. new registration plate) would not allow insurance companies to easily identify their vehicles, nor to calculate the insurance premiums as they can not apply the localisation of risk principle. The EU insurance system mainly relies on this so-called localisation of risk principle which is used by insurers to calculate their premiums. According to the current European legislation on motor insurance³⁵ the motor vehicle may - provided it is compliant with the national registration rules - be insured by an insurer established in the Member State of registration or by an insurer established in any other Member State. Under this option there is a risk that insurers may not be informed by the insured of the change of residence. However a change of residence would not only affect the calculation of the insurance premium, but also and more importantly, the coverage of insurance services. The insurer may not be authorised to provide its services in the Member State of destination or may not be willing to do so. A failure of notification of the change of residence would suppose that the insurance contract may be considered invalid by the insurer. Moreover, decoupling the Member State of registration and the Member State where the vehicle habitually circulates may be burdensome or even impossible to the functioning of the claims handling system which guarantees the protection of road traffic accident victims, which is one of the main objectives of the Motor Insurance Directive. The reason for this is that the bodies responsible for compensating those victims of accidents caused by uninsured or 'foreign' vehicles may no longer be able to determine which insurer or compensation body is responsible for covering the damages caused. This might cause financial damage to those bodies in Member States with much transit traffic for example.

- **Neutral impact**

- Market of second-hand motor vehicles. This option would not eliminate the current registration barriers that new holders often are confronted with when there is a change of holder. Under this option, vehicles would still be deregistered in the Member State of the previous holder and would have to go through the registration process of the Member State of the new holder. For the second-hand market, this option would be identical to the baseline option.
- Vehicle crime: This option would probably not have any consequences on the functioning of Council Decision 2004/919/EC on tackling vehicle crime with

³⁵

Directive 2009/103/EC of the European parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability

cross-border implications so that this option would not, as an immediate consequence, require new actions to tackle vehicle crime with cross-border implications.

5.3.1.2. Reduction of administrative costs

- Sub-option 2a (no formalities): The simplifications of the procedure eliminating the need for de-registration and re-registration would eliminate the administrative costs for businesses and citizens as well as for public authorities that exist in the baseline scenario. This would deliver savings of EUR 1,500 million annually. The loss of profits would also be eliminated, because the vehicle could in theory be used without interruption. This would allow savings of around EUR 336 million annually. The specific costs for car rental companies would also disappear with this policy option (EUR 636 million) as they would be able to move cars across borders without constraints.
- Sub-option 2b (the holder should inform the Member State of registration): the effective time necessary for the procedure would be significantly reduced compared to the baseline scenario, because the procedure is limited to an information mechanism of the Member State of origin³⁶. This would significantly reduce the administrative costs resulting from the process. In this case the unit cost would be €12 for citizens and businesses and €6 for public authorities. The administrative costs for citizens and businesses would be reduced to around EUR 41 million and EUR 22 million for public authorities. Therefore, savings would be EUR 1,359 million for citizens and businesses and EUR 78 million for public authorities, totalling around EUR 1,437 million annually. Loss of profits would also be eliminated (savings around EUR 336 million) because the vehicle could in theory be used without interruption. Car rental companies would not incur costs presented in the baseline scenario (only in a minimal cost of informing the authorities). The costs derived from the 1-way rental expenditure would be almost completely eliminated allowing saving of EUR 408 million annually. An increase in demand could be expected that would generate an additional annual profit of EUR 188 million. They would also be able to move their fleet freely, which would imply a profit of around EUR 15 million annually.
- Sub-option 2c (the holder should inform the Member State to which he/she moves his/her residence): the time necessary for the procedure would be significantly reduced because the procedure is limited to an information mechanism of the Member State of destination. This option would significantly reduce the administrative costs resulting from the process for the different actors. It is assumed that the time (and derived costs) used to inform the authorities would be a bit longer than in the previous option, because the operator will be dealing with an administration that is different from its own³⁷.

³⁶ For the calculations, the assumption is a reduction of the effective time of the re-registration for companies and citizens of 94% and of 60% for authorities. The additional assumption is that there are no fees to be paid.

³⁷ For the calculations, the assumption is a reduction of the effective time of the re-registration for companies and citizens of 90% and of 45% for authorities. The additional assumption is that there are no fees to be paid.

The time spent by public authorities on the procedure would also be reduced compared to the baseline scenario. Administrative costs for citizens and for businesses would be EUR 40 million and for public authorities EUR 44 million. Therefore the savings in terms of reduction of administrative costs for citizens and for businesses would be EUR 1,360 million and for public authorities EUR 56 million, which totals EUR 1,416 million annually. The loss of profits would also be eliminated because the vehicle could in theory be used without interruption (savings around EUR 336 million). Car rental companies would not incur costs presented in the baseline scenario (only in a minimal cost of informing the authorities). The costs derived from the 1-way rental expenditure would be strongly reduced allowing savings of EUR 407 million annually. An increase in demand could be expected that would generate an additional annual profit of EUR 169 million. They would also be able to move their fleet freely, which would imply a profit of around EUR 15 million annually.

OPTION 2: THE HOLDER KEEPS HIS/HER REGISTRATION BUT THE TRANSFER TO A NEW HOLDER REQUIRES A NEW REGISTRATION			
Estimated annual savings compared to the baseline option (EUR million)			
	Sub-option 2a	Sub-option 2b	Sub-option 2c
Citizens and businesses	1,400	1,359	1,360
Public authorities	100	78	56
Total administrative costs (A)	1,500	1,437	1,416
Profit loss (B)	336	336	336
Savings on one-way rentals costs	418	409	407
Savings on loss of demand	202	188	169
Peak seasonal demand	16	15	15
Total additional savings car rental companies (C)	636	612	591
TOTAL (A+B+C)	2,472	2,385	2,343

The estimated savings vary between from EUR 2,472 million annually (sub-option 2a) and EUR 2,385 million annually (sub-option 2b) to EUR 2,343 million annually.

5.4. Option 3: registration in the Member State of the holder of the vehicle and simplified re-registration

5.4.1.1. Qualitative assessment

This option is as a consequence of the public consultation, during which 54.9% of businesses, 69.7% of citizens and 41.7% of public authorities replied that the current situation could be improved by a new EU system that recognises vehicles already registered in another Member State (option 2). However, for 23.4% of businesses, 15.4% of citizens and 16.7% of public authorities this measure alone would not completely solve the current problems, and should be accompanied by additional measures. Therefore, option 3 was elaborated in order to organise mutual recognition in the context of the re-registration procedure.

- **Positive impacts**
- Citizens bringing their vehicle into the country of residence: Under this option citizens would still have to re-register their motor vehicles when transferring

them on a permanent basis to another Member State. However the re-registration procedure would be significantly simplified at European level. This would bring about an important reduction of time wasting for citizens. The legal uncertainty about where the motor vehicle has to be registered would also be eliminated. Furthermore clarification will be ensured of when it is required to register a vehicle in another Member State and of all the detailed documents that national registration authorities may request for that purpose. By setting up a European level re-registration procedure, clarifying the role of each actor, and harmonising the documents that could be requested during such a procedure, most of the problems that citizens are currently facing when re-registering their motor vehicles would be solved. Thus the burden of proof on the applicant would also be automatically removed. This option would have a positive impact on citizens as it would decrease the administrative burden.

- Cross-border workers: This option would solve the current problem of cross-border workers as it would entirely eliminate the uncertainty of which Member State the motor vehicle has to be registered in.
- Market of second-hand motor vehicles: this option would imply a reduction of time and costs for second-hand motor vehicle traders. The simplification of the registration procedure would suppose that less time would be needed to complete it. As a consequence important savings as regards the baseline scenario would be expected.
- Leasing companies and on car-rental companies: this option would imply a reduction of time and costs for European companies. By simplifying the procedure we can assume that less time would be needed to complete it. The time that the fleet would be non-operational would then be considerably reduced. Therefore important savings as regard the baseline scenario could be expected. If the re-registration procedure is considerably shortened that would solve the current problem of car-rental. Thus car rental companies would be able to temporarily move their fleet across Europe to reply to peak seasonal demand.
- Registration authorities: This option would have a positive impact on registration authorities. During the public consultation, registration authorities highlighted the problems caused by the many differences between the registration procedures of the Member States. Under this option these differences and discrepancies would be automatically removed. The detailed list of registration documents would be harmonised at European level. This would automatically imply a mutual recognition of documents and an improvement of mutual trust among registration authorities. In administrative terms, we could assume that there would be an increase of efficiency and an important simplification of the re-registration procedure.
- Vehicle crime: This option would have a very positive effect on the functioning of Council Decision 2004/919/EC on tackling vehicle crime with cross-border implications since it would imply direct contact between registration authorities so that it would become extremely difficult to register a motor vehicle that was stolen in another Member State.

- **Negative impacts** could not be identified.
- **Neutral impacts:**
 - **Taxation:** this option does not seem to have an impact on tax revenue from the point of view of the loss of tax revenue or from that of the practical applications of tax rules of Member States. However, as de-registration would no longer be required, there is a risk that the application of the refund mechanism for registration taxes would be rendered more difficult.
 - **Traffic enforcement:** This option would not have any impacts on traffic enforcement.
 - **Road safety and motor vehicle insurance:** This option would not have an impact on road safety or on motor vehicle insurance.

5.4.1.2. Reduction of administrative costs

The administrative costs would be reduced because this option would eliminate the need for de-registration and would reduce the time and costs needed for re-registration. In the short term public authorities would still have to do the de-registration procedures³⁸.

The cost per vehicle would be €145 for citizens and businesses and €13 for public authorities. The administrative costs for citizens would be EUR 510 million for citizens and businesses and EUR 47 million for public authorities, which makes a total of EUR 557 million annually. Therefore, this option would result in savings of EUR 943 million annually. One can assume that the whole duration of the procedure would be shorter (up to 2 weeks instead of 5 weeks). Therefore, the time the car is unused will also be shorter. Profit loss would be EUR 112 million. This would imply savings of EUR 224 million annually. If the procedure is simple enough it might help car rental companies to solve the problems they face with peak demands. This would imply profits of EUR 4 million. The other costs from the baseline scenario would remain.

OPTION 3: REGISTRATION IN THE MEMBER STATE OF THE HOLDER AND SIMPLIFIED RE-REGISTRATION	
	Estimated annual savings compared to the baseline option (EUR million)
Citizens and Businesses	890
Public authorities	53
Total administrative costs (A)	943
Profit loss (B)	224
Savings on one-way rentals costs	0
Savings on loss of demand	0
Peak seasonal demand	4
Total additional savings car rental companies (C)	4

³⁸

We assume that the effective time for re registration would be reduced by 50% for citizens and companies. We assume that fees linked to de-registration would also disappear and those related to re-registration would remain the same. Time for public authorities would also be reduced 60%.

TOTAL (A+B+C)	1,171
-----------------------	--------------

This option would allow savings estimated at EUR 1171 million annually.

5.5. **Option 4: Registration in the Member State where the motor vehicle is primarily used and simplified re-registration**

5.5.1. *Qualitative assessment*

The rationale behind this option is that the motor vehicle would be registered in the Member State where the vehicle primarily uses the road infrastructure. This option is a variant of option 3 which was developed as a consequence of the public consultation during which 23.4% of businesses, 15.4% of citizens and 16.7% of public authorities suggested additional measures to organise the mutual recognition of registration certificates. The difference between options 3 and 4 is that the former is inspired by the case-law of the Court of Justice on free movement of goods while the latter is very much inspired by the case-law on free movement of persons and services. According to this case-law, a Member State may impose an obligation to register a motor vehicle leased by a worker living in that Member State from a company established in another Member State where that vehicle is intended to be used essentially in the first Member State on a permanent basis or where it is, in fact, used in that manner. However, the concepts of ‘essential use on a permanent basis’ or ‘actual use on a permanent basis’ are not elaborated in the jurisprudence and depend mainly on a case-by-case assessment.

- **Positive impacts:**

- Car-rental companies: The impacts of this option would be positive for car-rental companies which operate a cross-border fleet management, since they could move a part of their fleet to another Member State without de- and re-registration. In their case, the notion of ‘essential use on a permanent basis’ could be connected to the place from which the vehicles are rented.
- Traffic enforcement: This option would have positive impacts on traffic enforcement. The registration of the motor vehicle in the Member State where that vehicle is intended to be used essentially on a permanent basis would facilitate the recording and processing of traffic violations and make drivers or vehicle holders accountable for the violations.

- **Negative impacts:** The main difficulty of this option is its vagueness and the difficulties that it may cause in practice, especially for persons or businesses that would use vehicles in different Member States. The concepts of ‘essential use on a permanent basis’ or ‘actual use on a permanent basis’ would need further clarification and a very precise definition.

- Citizens: This option is fairly easy to apply to citizens bringing their vehicle into the country of residence which, in most cases, will also be the Member State where that vehicle is intended to be used essentially on a permanent basis. Yet, this option has no positive or negative impacts on them since it corresponds to the current situation. However, it would cause severe difficulties for citizens who live a part of the year in one Member State and the other part in another Member State. Both Member States could then argue that

the motor vehicle is essentially or actually used on a permanent basis on their territory and requires registration by them.

- Cross-border workers: The vagueness and the practical difficulties, and the corresponding administrative burden, would cause a negative impact on them. They could argue that the essential use is situated in the Member State where they work or in the Member State where they live, as they see fit. Obviously, both Member States directly concerned could argue differently. One would have to assess, in each individual case, if a car is mainly used for private or professional purposes, and if home-office commutes count as professional or private use. This assessment would already be very challenging for people who work full-time in another Member State than the one where they live, but could become extremely complicated in other cases, in particular for people employed in another Member State in work which is not their principal employment and who use for business or private purposes a company vehicle registered in the other Member State where their employer's undertaking is established.
- Employers: This option would have a similar negative impact on employers established in another Member State than their employee and who provided them with a company car registered in the country of the employer; the latter would face the same problems in their Member State.
- Leasing companies: Likewise, this option would have a negative impact on leasing firms which would be obliged to register the motor vehicle in the Member State of the client or, where the client is an employer providing a car to a cross-border worker, in one of both Member States.
- Car taxation: The number of de- and re-registrations would diminish thus leading to a reduction of registration taxes. It is impossible to assess the impact on circulation taxes.
- **Neutral impacts:**
 - Registration authorities: This option would have a neutral impact on registration authorities who, on the one hand would see a decrease of their workload, and on the other hand, would be faced with an increasing number of information requests from cross-border workers, employers wishing to provide a company car to employees living in another Member State, and leasing firms.
 - This option would have no impact on vehicle crime or motor vehicle insurance.

5.5.2. Reduction of administrative costs

The quantitative impacts would be identical to those of option 3:

OPTION 4: REGISTRATION IN THE MEMBER STATE WHERE THE VEHICLE IS PRIMARILY USED AND SIMPLIFIED RE-REGISTRATION PROCEDURE	
	Estimated annual savings compared to the baseline option (EUR million)
Citizens and Businesses	890
Public authorities	53
Total administrative costs (A)	943
Profit loss (B)	224
Savings on one-way rentals costs	0
Savings on loss of demand	0
Peak seasonal demand	4
Total additional savings car rental companies (C)	4
TOTAL (A+B+C)	1,171

This option would allow savings estimated at EUR 1,171 million annually.

5.6. Option 5: Optimising the electronic exchange of information among national registration authorities

This option does not envisage the establishment of a new electronic network but the use of an updated version of EUCARIS³⁹ which provides a direct point-to-point architectural model to exchange information on license plates and registered cars. This option only concerns the exchange of information for the purpose of re-registration in another Member State.

During the public consultation, 95.8% of public authorities supported a shared system, linking the different registration authorities in every Member State, which would ensure effective exchange of vehicle data and technical registration information. However, some concerns were expressed as to the timing and costs of introducing such a system. For 80% of citizens and 51% of businesses improving communication and information sharing between national registration authorities would properly address the current problems, though not all consider that this alone would solve the problems. It is worth noting that over 40% of the businesses did not answer the question. The Council invited the Member States already to accede to the EUCARIS Treaty ‘in order to be able to detect stolen vehicles with forged identification numbers by making use of non-existent vehicle identification numbers or the identification papers of seriously damaged vehicles.’⁴⁰

- Positive impacts:
 - Citizens bringing their vehicle into the country of residence: This option would have a positive impact on this group since it would certainly decrease the

³⁹ A detailed description of the electronic exchange of vehicle registration data is set out in Annex 5.
⁴⁰ Council Conclusions on improving the detection of stolen vehicles in the Member States to tackle illegal cross-border trafficking, 3051st Justice and Home Affairs Council Meeting of 2 and 3 December 2010

administrative burden for citizens, since the registration authorities would be able to find the missing vehicle data in the system. They would therefore not have to request this data from the person seeking the re-registration.

- Registration authorities: This option would certainly have a very positive impact on registration authorities since it would increase the efficiency and effectiveness of their operations while providing them with sufficient guarantees about the reliability of the data. During the public consultation, 95.8% of public authorities indicated that they encountered problems when contacting their colleagues in other Member States. This option would have no additional budgetary impact as one of the existing systems would be used.
- Vehicle crime: This option would have a very positive effect on tackling vehicle crime with cross-border implications since registration authorities would be immediately informed about the theft, in another Member State, of a motor vehicle that is presented to them for registration. Consequently, it would become extremely difficult to register a motor vehicle that was stolen in another Member State.
- Market of second-hand motor vehicles: this option would imply a reduction of time and costs for second-hand motor vehicle traders. The simplification of the registration procedure would be a major step forward since many controls and inspections would be abolished. As a consequence important savings as regards the baseline scenario would be expected.
- Negative impacts could not be identified.
- Neutral impacts on cross-border workers, leasing companies and car-rental companies, car taxation, traffic enforcement and motor vehicle insurance.

5.6.1. Reduction of administrative costs

The administrative costs would be slightly reduced because we assume that there would be a small reduction in the effective time⁴¹ for re-registration for citizens, businesses and authorities. The administrative costs would be of EUR 1,267 million for citizens and businesses and EUR 71 million for public authorities, which makes a total of EUR 1338 million annually. This would result in a reduction of around EUR 162 million annually in administrative costs. The assumption is that the duration of the re-registration procedure would be shorter (up 3 weeks instead of 5 weeks). Therefore the time the car is unused will also be shorter. This would imply savings of EUR 112 million. The same costs currently incurred in the baseline scenario would remain.

OPTION 5: IMPROVING THE EXCHANGE OF INFORMATION	
	Estimated annual savings compared to the baseline option (EUR million)
Citizens and Businesses	133

⁴¹ For our calculations we assume a reduction of 40% in the effective time for re-registration for citizens and companies and 55% for authorities. The time for de-registration would remain the same.

Public authorities	29
Total administrative costs (A)	162
Profit loss (B)	112
Savings on one-way rentals costs	0
Savings on loss of demand	0
Peak seasonal demand savings	0
Total additional savings car rental companies (C)	0
TOTAL (A+B+C)	274

This option would allow savings estimated at EUR 274 million.

Member States would have to pay a financial contribution for improving the exchange of information system. As a reference of a system for exchange of information already functioning, the current annual budget of the EUCARIS financed by contributions from Member States amounts is slightly more than €600,000. This includes all costs, operating costs and software development costs⁴². At present different countries are using different modules of the system. Currently there are 30 connections to EUCARIS: 14 countries in the EUCARIS Vehicle and Driving Licence information user group, 27 countries in the Prüm user group, 5 countries in the Vehicle Holder information user group and 2 countries in the Mileage user group. Therefore, if all EU Member States used a similar system to exchange information under option 5, the total necessary budget could be estimated at around €1,000.000 per year for all Member States together.

6. COMPARING THE OPTIONS

6.1. Public consultation

During the public consultation, stakeholders were invited to rank the proposals in order of preference. While public authorities and businesses give preference to improving communication and information sharing between authorities (option 5), the first choice for the majority of citizens is an EU system for mutual recognition of registration (option 2).

	Citizens	Business	Public authorities
Option 1 (European document containing all the necessary information)	34.6%	25.6%	33.3%
Option 2 (EU system for mutual recognition of registration)	54.7%	15.9%	29.2%
Option 5 (Improving communication and information sharing between authorities)	10.7%	58.5%	37.5%

6.2. Administrative burden

The impacts of the various options on the reduction of the administrative burden can be summarised as follows:

⁴² For further details, see Annex 5.

Options	1	2a	2b	2c	3	4	5
Citizens and Businesses	1400	1400	1359	1360	890	890	133
Public authorities	100	100	78	56	776	53	29
Total administrative costs (A)	1,500	1,500	1,437	1,416	943	943	162
Profit loss (B)	336	336	336	336	224	224	112
Savings on one-way rentals costs	418	418	409	407	0	0	0
Savings on loss of demand	202	202	188	169	0	0	0
Peak seasonal demand savings	16	16	15	15	4	4	0
Total additional savings car rental companies (C)	636	636	612	591	4	4	0
TOTAL (A+B+C)	2,472	2,472	2,385	2,343	1,171	1,171	274

The baseline scenario generates significant administrative costs and other costs for citizens, companies and public authorities. From this perspective all options would lead to a significant improvement of the situation and a reduction of costs (especially administrative burden) for all involved actors in a different degree.

6.3. Comparison of the qualitative impacts

The qualitative impacts of the options can be summarised as follows in this qualitative comparison table⁴³:

Options	1	2a	2b	2c	3	4	5
Target groups							
Citizens transferring residence	+	+	+	+	+	0	+
Second-hand market	+	0	0	0	+	0	+
Cross-border workers	+	+	+	+	+	-	0
Leasing firms	+	+	+	+	+	-	0
Car-rental firms	+	+	+	+	+	+	0
Registration authorities	+	+	+	+	+	0	+
Other impacts							
Roadworthiness checks	-	-	0	0	0	0	0
Traffic enforcement	-	-	0	0	0	+	0
Motor insurance	-	-	-	-	0	0	0
Taxation issues	-	-	-	-	0	0	0
Vehicle crime	-	0	0	0	+	0	+
+ = positive impact - = negative impact 0 = neutral impact							

The table shows that none of the options addresses all problems.

6.4. Comparison of all impacts

A comparison of the quantifiable and the non-quantifiable impacts leads to the following results, compared to the baseline option:

Comparison of all impacts

⁴³

These various positive and negative impacts are of different nature and intensity. One positive impact does not necessarily outweigh one negative impact. Adding them to compare the total number of positive and negative impacts for each option would therefore be misleading.

Options	1	2a	2b	2c	3	4	5
Savings (millions €)	2,472	2,472	2,385	2,343	1,171	1,171	274

This leads to the preliminary finding that all options lead to considerable savings but also that, notwithstanding those savings, options 1, 2a, 2b and 4 show very important negative impacts, especially as regards motor insurance and car taxation.

Therefore, it is recommended to select only the policy options that present only positive and neutral impacts, namely:

- Option 3: registration in the Member State of the holder of the vehicle and simplified re-registration.
- Option 5: Optimising the electronic exchange of information among national registration authorities.

The combination of options 3 and 5 would create relatively high savings of at least EUR 1.445 billion and would at the same time have a positive or neutral impact on all target groups.

6.5. Sensitivity analysis

This impact assessment contains several assumptions. In some cases, assumptions and extrapolations were needed to complete data series with missing data points. In other cases, assumptions were needed to run the quantitative analysis of policy options. To verify whether results are robust to changes in the assumptions, a sensitivity analysis has been carried out. For the most important assumed variables (number of de- and re-registrations, leasing rate, one-way cross border transactions and elasticity of demand of cross-border rentals), calculation of total net savings has been re-run based on lower and higher values.

The number of de- and re-registrations is considered as a very conservative estimate (3.5 million). This is due to reporting thresholds under which the economic operators do not have to report. Additionally, there are cars that cross EU borders without complying with the registration formalities. However, it is a fact that part of the vehicles transferred to another Member State would be sold immediately in the country of destination (second hand car trade). These cars would not benefit from the savings derived from option 2 because they would need to be re-registered in any case due to the fact that the ownership changes. However, there are no available statistics showing the percentage that these vehicles represent in the total picture. Therefore, to take this into account the savings values have been recalculated with lower and higher figures of vehicles re-registered (see detailed figures in annex 4 point 8.4.2.6). Leasing rate is used as a proxy for the opportunity cost of capital. Savings have been recalculated assuming lower and higher values. The number of one-way cross border transactions is estimated by the car sector in 837,000 per year. Saving values have been recalculated assuming lower and higher values. The demand for cross border rental is considered inelastic assuming an elasticity of 0.50. Savings have been recalculated assuming lower and higher values.

In any case, the ranking of the combination of options remains the same under each variation, although absolute values of savings vary.

6.6. Form of the legislative instrument

A regulation, being directly applicable upon Member States, would achieve a very high degree of harmonisation of the rules on the registration of motor vehicles that were already registered in another Member State, without the need for transposition into different national laws. It would also eliminate the need for defining criteria for the applicable law in cross-border situations in which the question arises where the motor vehicle should be registered, as the regulation would be the applicable law across Member States. Since the legislative instrument would only apply to cross-border situations within the EU, a regulation would ensure legal certainty and simplification within the internal market. Considering that the current cost of legal fragmentation, only in terms of administrative burden, is incurred by citizens and economic operators operating across borders, a regulation would have the effect of cutting such costs and drastically simplifying the regulatory environment. Furthermore, a regulation is a more effective instrument for organising the electronic exchange of information among national registration authorities.

A very detailed Directive, further harmonising the applicable rules and reducing the room for manoeuvre left to Member States, could also help substantially in cutting the costs and administrative burden in the baseline scenario due to fragmentation. However, this would not eliminate the need for transposition by Member States and the differences in national transposition laws that this might entail. Moreover, there would always be the risk for "gold-plating" from Member States.

7. MONITORING AND EVALUATION

The different problems outlined in this impact assessment are not yet subject to secondary EU law. Therefore, they are governed by the provisions of the TFEU. The different national systems and the problems encountered by citizens and businesses are very different, especially for vehicles that were previously registered in another Member State. Considering these wide differences and the abundant jurisprudence of the Court of Justice, a specific evaluation of all existing vehicle registration systems for motor vehicles previously registered in another Member State was not made.

Therefore, it is important to put in place a coherent monitoring and evaluation scheme without, however, creating an additional administrative burden for citizens, businesses and national registration authorities. In addition, there are hardly any precise statistics about certain target groups directly affected by the current problems on motor vehicle registration, especially on citizens transferring their vehicles across borders or about the second-hand market. There are also no precise statistics about the number of problems encountered by people who encountered problems when they used a motor vehicle registered in another Member State, and about the amount of difficulties and the time required for re-registration in another Member State. However, the 'EUCARIS' software application delivers statistics that could be used as indicators.

It is suggested to use the following indicators and monitoring methods in view of an evaluation of the legislative instrument, within four years following the deadline for its implementation:

Who was affected by the problems?	Indicators/ method for monitoring
Citizens purchasing a second-hand motor vehicle in another Member State	- Number of complaints; - Number of SOLVIT cases; - Number of court cases; - Number of requests to the European Consumers Centres; - Number of re- and de-registrations; -Public consultation in particular on administrative burdens
Citizens moving to another Member State with their vehicle	
Citizens living part of the year in another Member State	
Citizens working across borders with a company car	
Leasing and car-rental enterprises	Survey specifically addressed to this sector
National registration authorities	Survey specifically addressed to national registration authorities
All target groups	EUCARIS statistics.

8. ANNEXES

8.1. Annex 1: Public consultation and surveys

8.1.1. Results of the public consultation

8.1.1.1. General overview

The public consultation on a future initiative concerning the registration of motor vehicles previously registered in another Member State was held between 3 March and 26 May 2011 by DG Enterprise and Industry (DG ENTR)⁴⁴. An online questionnaire, hosted on the European Union's website, was open to various categories of stakeholders. Tailor-made questionnaires for different categories of stakeholders — citizens, businesses and public authorities — were available in all 22 EU official languages. Information on the public consultation was published on several websites⁴⁵ and promoted through business networks, e.g. Enterprise Europe Network; E-Reg network, Industrie- und Handelskammer Frankfurt am Main (IHK), Leaseurope network and G+europe, with a view to reaching as many interested parties as possible.

There were 828 respondents to the public consultation. The vast majority of replies came from citizens (78%), followed by business organisations (19%) and public authorities (3%) (see Figure 1).

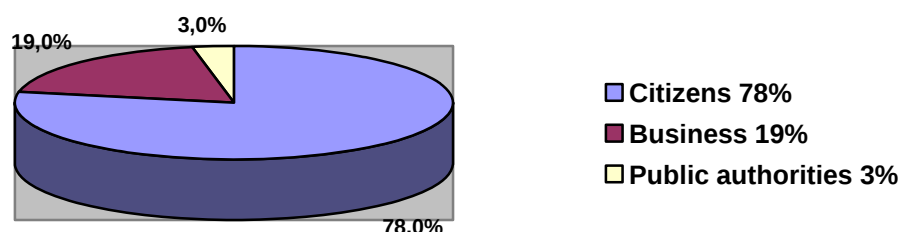


Figure 1: Contributions by category of stakeholders

Of the 651 replies received from **citizens**, most were from Poland (16.4%), Slovakia (15.9%), France (11.4%), Finland (9.6%), Belgium (8.6%) and Germany (5.9%).

Of the 151 replies received from **businesses** (143 replies via the public questionnaire and 8 submitted as separate contributions), the majority were submitted by businesses selling second-hand vehicles (49.0%), followed by leasing companies (2.1%), car rental companies (0.7%), and other types of businesses (35.0%). No contributions were received from businesses in 9 Member States. As regards

⁴⁴ <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=CARREGISTRATION>.

⁴⁵ EUROPA website, E-Reg website, IHK website, Enterprise Europe Network bulletin.

geographical distribution, most replies were from Austria (61), France (15), Poland (16), Slovakia (14), Netherlands (10) and Germany (9).

Only 26 replies (3% of the total) were submitted by **public authorities**, namely 14 central public authorities and 12 local or regional public authorities (23 replies via the public questionnaire and 3 replies via e-mail). The largest proportion of contributions was from regional public authorities in Germany (12).

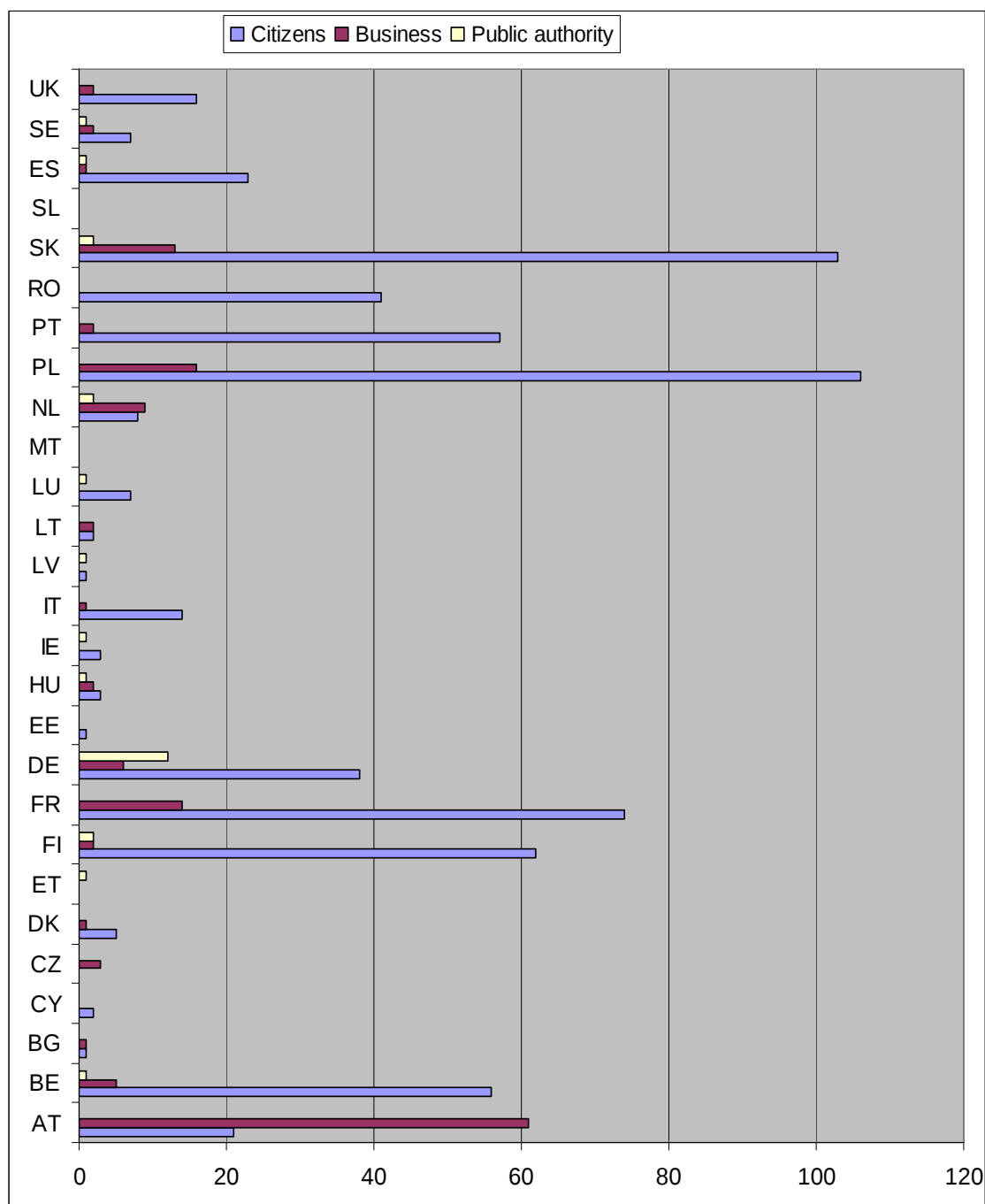


Figure 2: Contributions by category of stakeholder and Member State of origin

Respondents in all stakeholder categories generally welcomed the public consultation. A large majority supported a possible future initiative by the

Commission to simplify and facilitate formalities and conditions for the registration of motor vehicles previously registered in another Member State.

8.1.1.2. Results

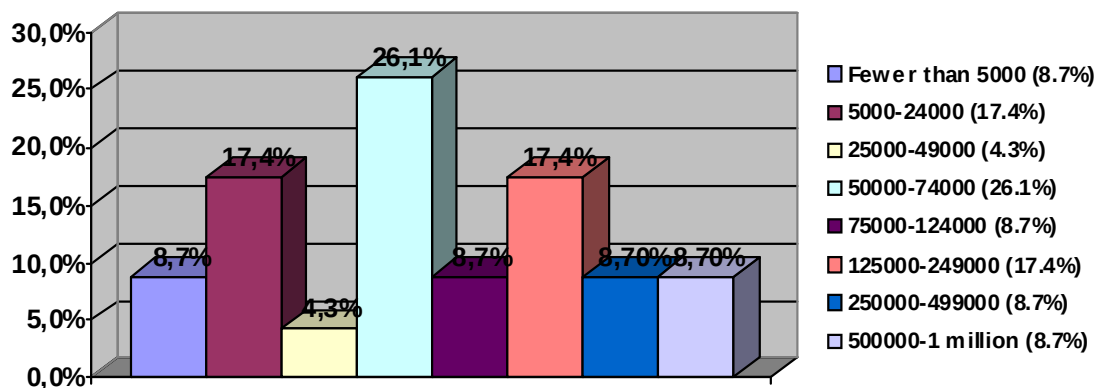


Figure 3: Number of applications to register new vehicles received in the past 12 months

Public authorities were invited to provide both the number of applications for the registration of new vehicles and the number of applications for re-registering previously registered vehicles.

Figures indicate that the public authorities in the Member States deal each year with a considerable number of applications for the registration of both new vehicles and vehicles previously registered in another Member State.

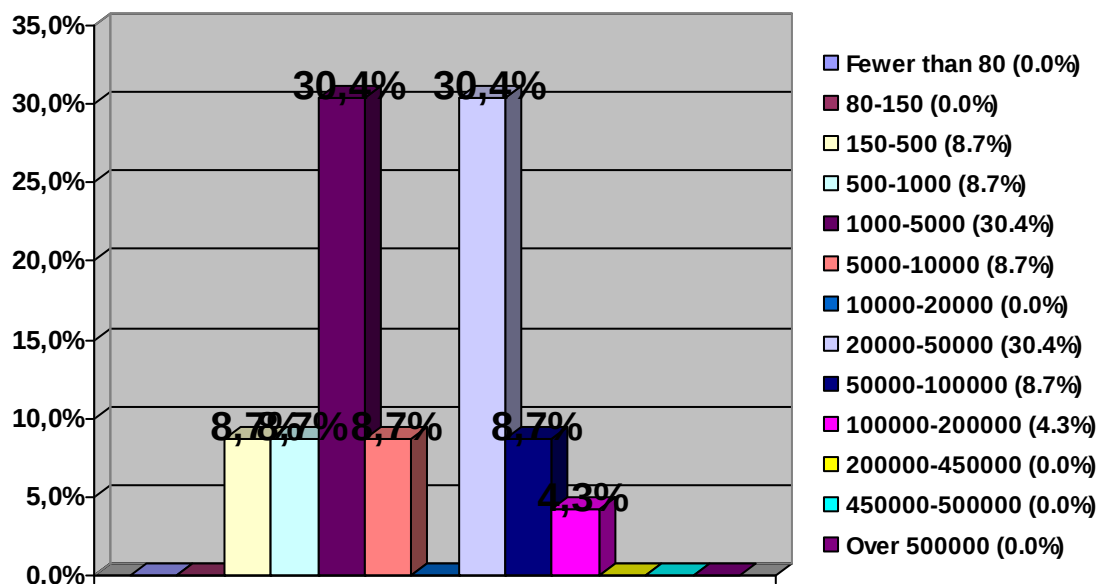
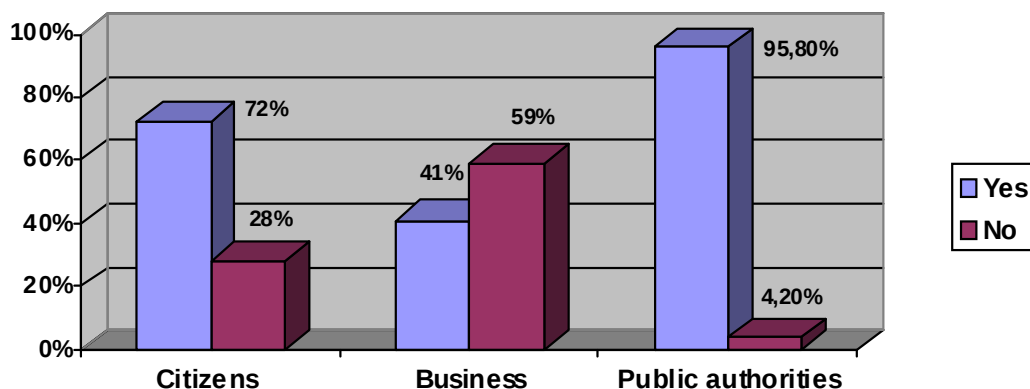


Figure 4: Number of applications to register vehicles that were previously registered in another Member State received in the past 12 months

Question 1: Have you had (procedural) problems when registering vehicles that were previously registered in another Member State?

Re-registration of a vehicle posed problems for a significant majority of citizens, but also for many businesses. The variation in the case of the latter is most probably due to a large number of identical answers from Austria.

The figure for public authorities (95.8%) indicates that almost all faced several procedural problems when requested to register a vehicle previously registered in another Member State.



Question 2: What problems did you have⁴⁶?

Citizens and businesses were requested to specify the types of problems encountered. The figures in the table below are comparable for both categories of stakeholders, thus indicating recurrent problems.

Apart from the listed problems, high registration taxes (Denmark), additional recycling fees (Poland), and problems with proving the identity of historic vehicles (Belgium, the Netherlands) were also mentioned.

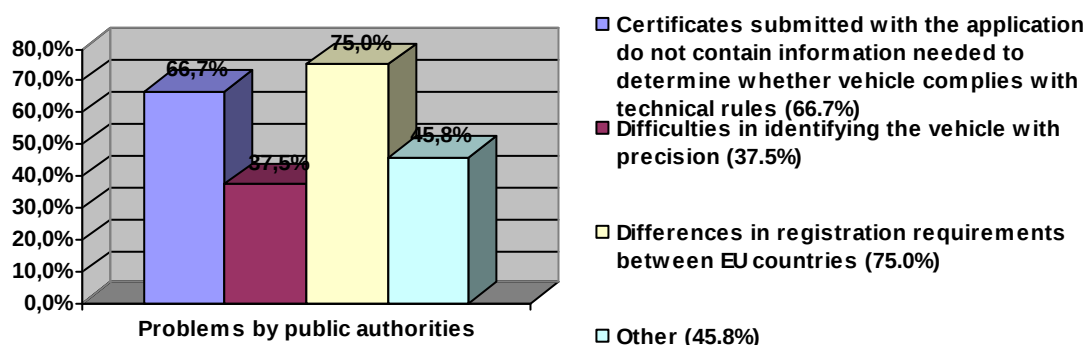
	Problem	Citizens	Business
1	The vehicle reg. authorities required additional technical checks or certificates	67.9%	69.5%
2	The registering country required a new roadworthiness test, even though the vehicle had passed one in another EU country	54.3%	50.8%
3	Long and complicated procedures	81.6%	67.8%
4	Differences in registration requirements between countries	44.7%	37.3%
5	A valid EU type-approval certificate was not recognised by reg. authorities in the receiving country	17.3%	13.6%

⁴⁶

Multiple choice reply.

6	The vehicle was not EU type-approved (new type approval requested)	18.2 %	20.3 %
7	Required to submit an EU type-approval certificate	20.7 %	11.9 %
8	Unable to temporarily transfer a vehicle from one EU country to another	12.4 %	18.6 %
9	Required to supply technical information you did not have	26.7 %	32.2 %
10	The authorities did not recognise some of the technical documentation submitted	15.2 %	30.5 %
11	The authorities refused requests to have the vehicle registered there	8.8 %	27.1 %
12	Other	25.4 %	18.6 %

For public authorities, the main problems relate to differences between Member States in registration procedures and to the exchange of information required for re-registering motor vehicles. In addition, not all Member States de-register motor vehicles automatically after receiving notification, and this leads to even longer and more complicated re-registration procedures for all concerned. Therefore, standardisation of the information exchanged could constitute part of the solution.



Question 3: What is the effect of these problems⁴⁷?

Registration problems have a negative impact on citizens and businesses. Long procedures (for 77.8% of citizens and 83.1% of businesses) and extra costs (for 86.5% of citizens and 81.4% of businesses) are identified as the main effects, with 50.8% of businesses being discouraged from transferring cars from one Member State to another. For 55.9% of the businesses consulted, the problems identified under question 2 above seriously affect productivity. For 64.4%, they also affect growth. Finally, 23.7% of citizens and 28.8% of businesses stated that, in the end, they could not register a vehicle in the Member State concerned.

Effects of the problems	Citizens
-------------------------	----------

⁴⁷

Multiple choice reply.

It creates extra costs	86.5%
The procedure takes too long	77.8%
In the end, you can not register vehicle	23.7%
It discourages you from transferring your car in the EU	-
It affects the productivity of your business	-
It affects the growth of your business	-
Other	-

As regards businesses:

Effects of the problems	Business
The procedure takes too long	83.1%
It creates extra costs	81.4%
It affects the growth of your business	64.4%
It affects the productivity of your business	55.9%
It discourages you from transferring your car in the EU	50.8%
In the end, you can not register vehicle	28.8%
Other	13.6%

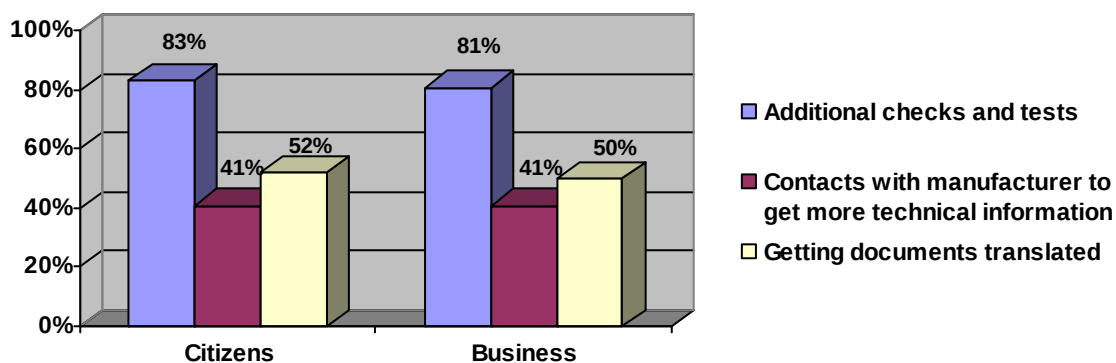
Question 4: What causes these additional costs⁴⁸?

According to the contributions received, most additional costs are generated by requests to undergo additional checks and tests (83.2% of citizens, 81.2% of businesses), to translate documents (52.1% of citizens, 50.0% of businesses) and to contact the manufacturer for additional technical information (41.5% of citizens, 41.7% of businesses).

Citizens and businesses estimated the additional costs as ranging from EUR 200 – 400 in some Member States (France, Poland, Germany) to as much as EUR 10 000 in the Scandinavian countries.

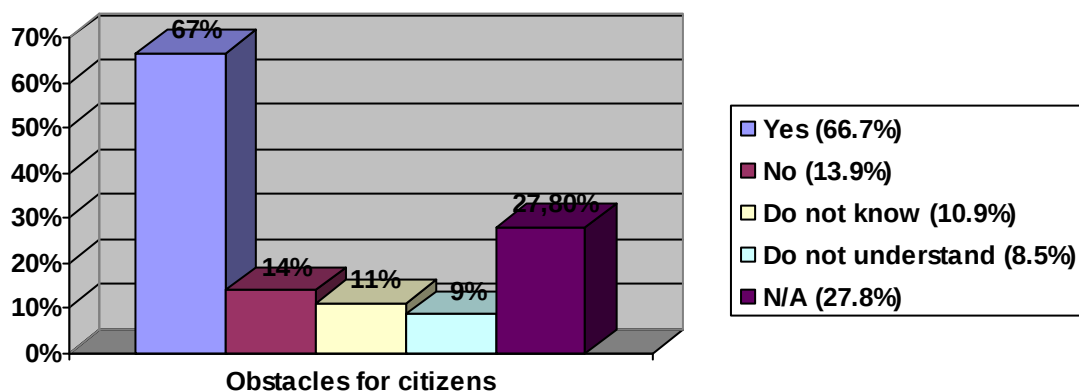
⁴⁸

Multiple choice reply.



Question 5: Are problems with vehicle registration creating obstacles to your commercial choices and /or everyday life?

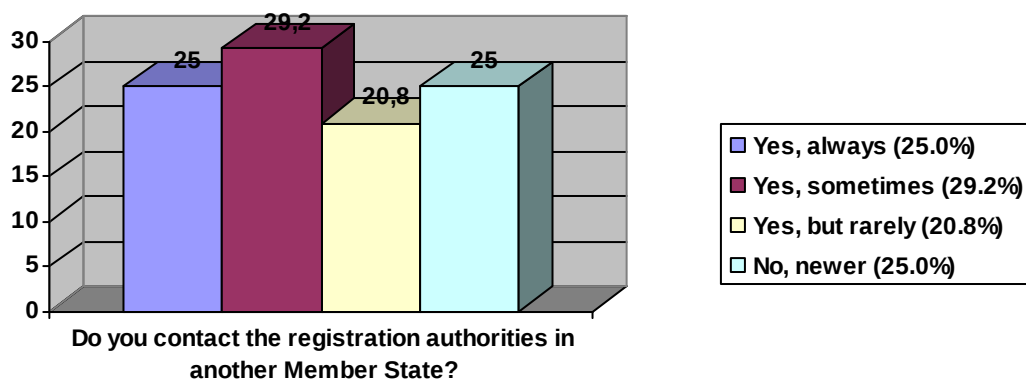
Two out of three citizens consider that problems encountered when transferring a car from one Member State to another result in obstacles to choice.



Question 6: When one of the problems listed in the previous questions arises, do you contact the registration authorities in the EU country where the car was previously registered to get more information?

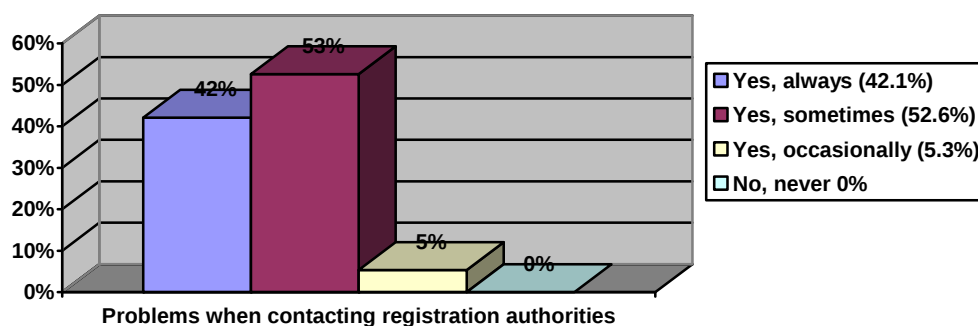
Three quarters of the public authorities say they contact the registration authorities in the Member State where the motor vehicle was previously registered in order to get information needed for re-registration.

However, only one quarter of the public authorities always contact their counterparts in another Member State in such cases.



Question 7: Do you have problems when contacting registration authorities in other EU countries?

Most public authorities frequently face problems when contacting registration authorities in other Member State. 95.8% of public authorities state they have encountered problems.



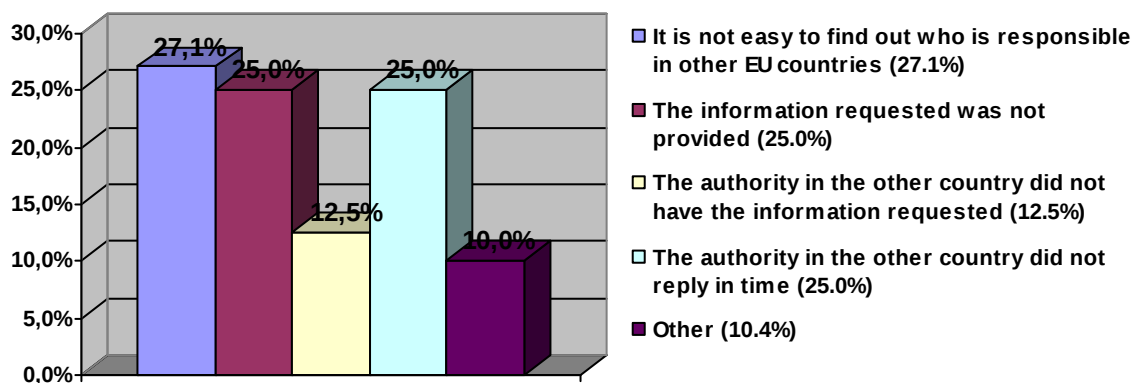
Question 8: What are these problems⁴⁹?

The main problems mentioned by public authorities are identification of the competent public authority in the other Member State (27.1%), not being given the required information (25.0%), late reply from the counterpart (25.0%), their counterparts did not have the information requested (12.5%) .

10% of the public authorities pointed at other problems.

Types of problems

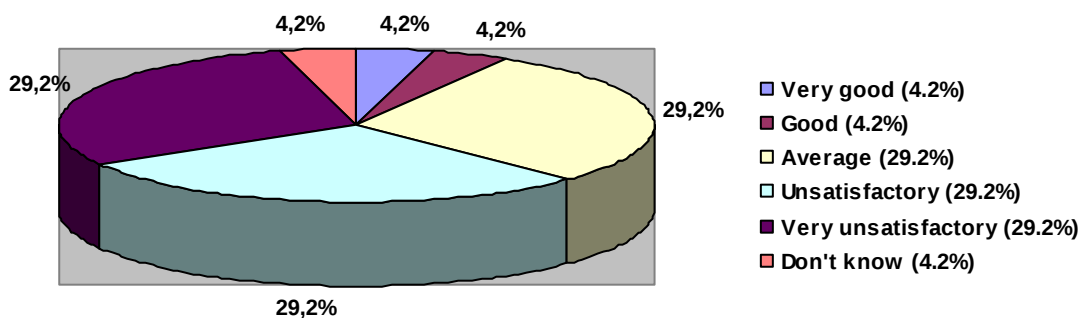
⁴⁹ Multiple choice reply.



Question 9: In your view, is the current system for sharing information between registration authorities in different countries very good/good/average/unsatisfactory/very unsatisfactory?

Almost 60% of the public authorities consider the current system for exchanging information to be unsatisfactory. This figure indicates the importance of tackling the issue of exchanging and sharing information between registration authorities in the EU, in order to facilitate the overall re-registration procedure by decreasing its duration and cost.

In separate written contributions, public authorities from the Netherlands, Ireland and Germany specifically identified EUCARIS (the European Car and Driving Licence Information System) as a useful and practical tool to improve communication and information exchange between registration authorities.

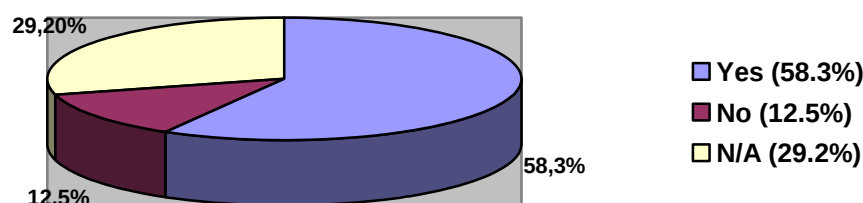


Question 10: Are you aware of the existence of any centralised or local databases?

In general, most public authorities (70.8%) are aware of the existence of centralised or local databases. However, it should be noted that almost one third do not know of such databases, which is bound to affect the duration of the overall re-registration procedure and its effectiveness.

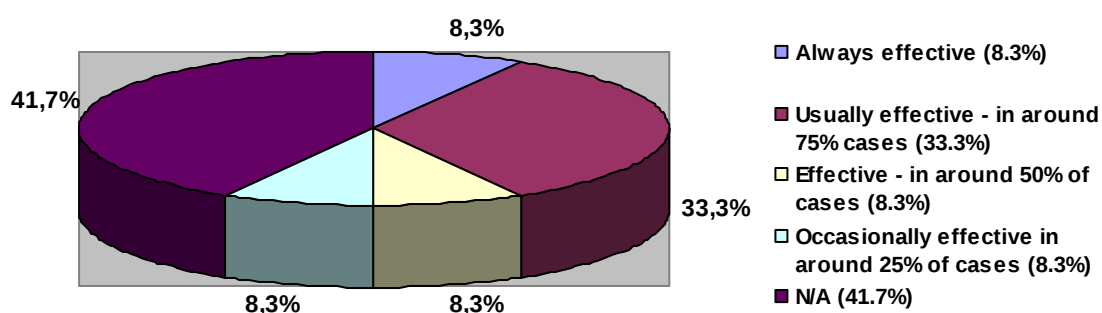
Question 11: If so, have you ever used the database(s) when dealing with an application to register a vehicle previously registered in another EU country?

58.3% of the public authorities aware of the existence of databases stated that they make use of them, but the overall figure is not encouraging and reflects a need to improve communication and information exchange. Moreover, the respondents also admit there is still room for improving their effective use (see also question 12).



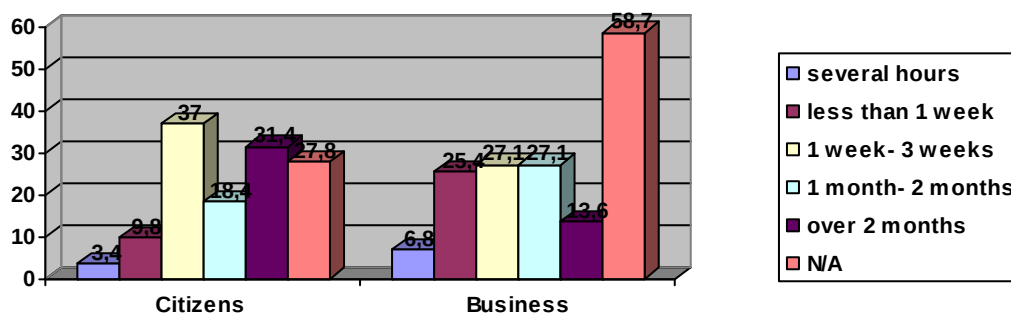
Question 12: Do you think this method is effective?

The majority of public authorities that use the databases available consider them to be a very effective tool, significantly facilitating their work. It is worth noting, however, that 41.7% of public authorities did not reply to this question.



Question 13: How long did the registration procedure take in the receiving country?

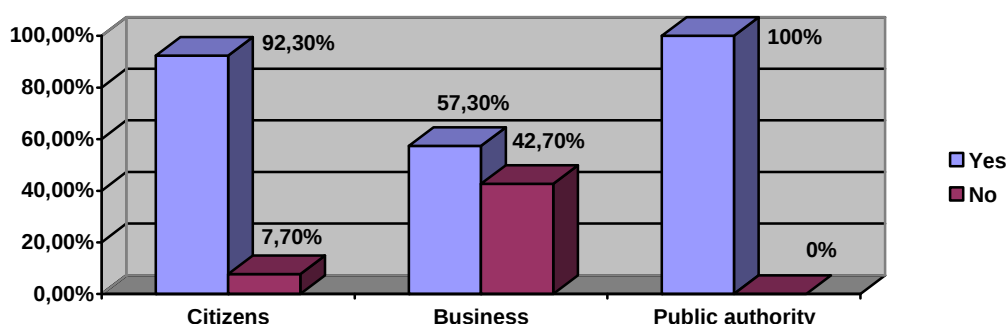
Replies from citizens and businesses illustrate a large variation in the duration of registration procedures. Thus, almost half of the consulted citizens said registration took more than 1 month. The figure for businesses is similar (for 27.1%, registration took over 1 month and for 13.6% more than 2 months). It is worth noting that almost 60% of businesses and 30% of citizens did not reply to this question.



The respondents were given the opportunity to express their view on a possible EU action to improve the current situation, as well as their preference on different proposals.

Question 14: Should action be taken at EU level to improve the situation?

As shown in the table below, for all categories of stakeholders, a significant majority believe that action should be taken at EU level to improve the current situation. Most importantly, all public authorities that contributed to the consultation are in favour of action been taken at EU level.



Question 15: Could the situation be improved by a new EU system that recognises vehicles already registered in another EU country?

54.9% of businesses, 69.7% of citizens and 41.7% of public authorities replied that the current situation could be improved by a new EU system that recognises vehicles already registered in another Member State.

For 23.4% of businesses, 15.4% of citizens and 16.7% of public authorities this measure alone would not completely solve the current problems, and should be accompanied by additional measures. In the case of Austria, the majority of stakeholders (70%) considered that this issue should preferably be addressed through national legislation.

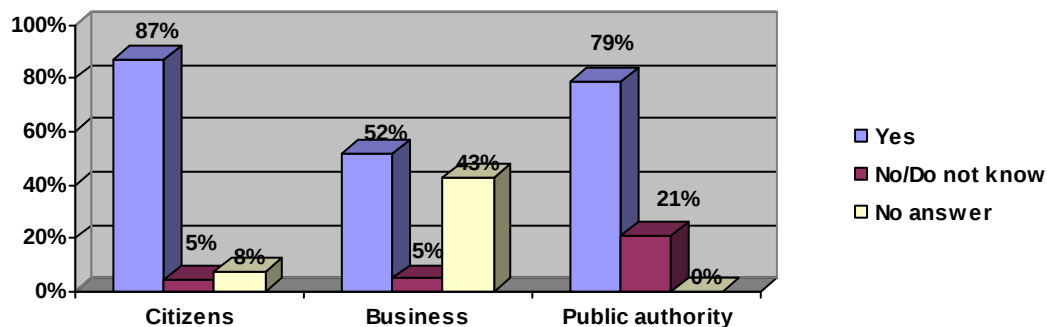
	Citizens	Business	Public authorities
Yes, definitely	69.7%	54.9%	41.7%

Yes, it could help although the problem would not be totally solved	12.0%	13.4%	16.7%
Yes, but only if combined with other measures	15.4%	23.2%	16.7%
No, it would not improve things	0.4%	2.4%	8.3%
No, it could create administrative problems between different countries	0.2%	1.2%	0.0%
No, it could create conflicts with national registration requirements	0.3%	1.2%	4.2%
Do not know	1.8%	3.7%	12.5%
N/A	7.7%	42.7%	0.0%

Question 16: Would it be useful to introduce an EU registration certificate, which would not need to be replaced when a vehicle is transferred from one Member State to another?

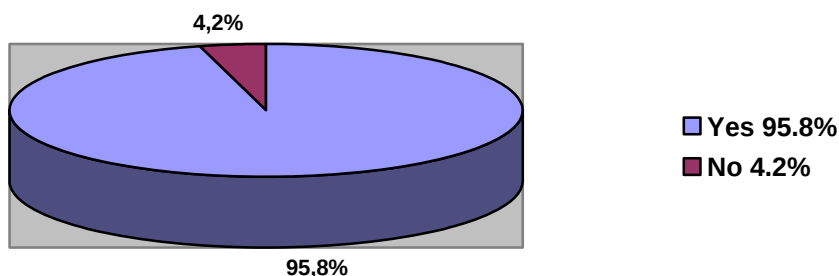
A significant majority of stakeholders would like to see an EU registration certificate: 87.7% of citizens, 52.4% of businesses and 79.2% of public authorities.

Moreover, they welcome the idea that this new certificate would not need replacing when a vehicle is transferred between Member States and would contain all the necessary technical and personal information in a unique format, recognised in all Member States.



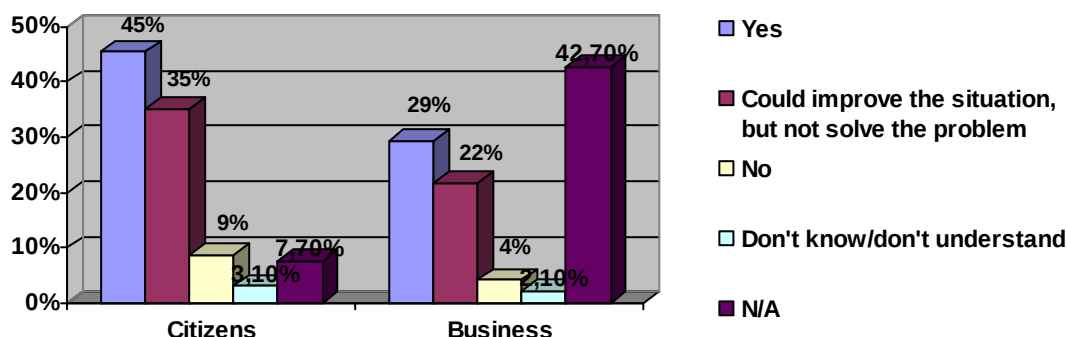
Question 17: Would the situation be improved by a shared system linking the different registration authorities in every EU country and enabling them to exchange vehicle data and technical registration information?

A vast majority of public authorities supported a shared system, linking the different registration authorities in every Member State, which would ensure effective exchange of vehicle data and technical registration information. However, some concerns were expressed as to the timing and costs of introducing such a system.



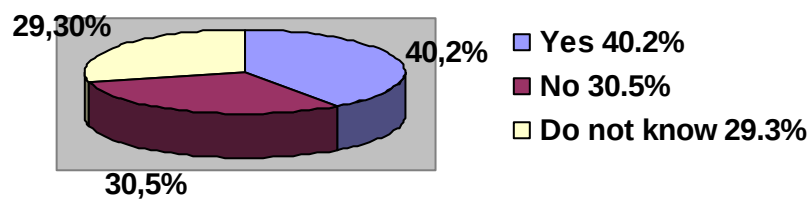
Question 18: Could problems be solved by improving communication and information sharing between national registration authorities?

For 80% of citizens and 51% of businesses improving communication and information sharing between national registration authorities would properly address the current problems, though not all consider that this alone would solve the problems. It is worth noting that over 40% of the businesses did not answer the question.



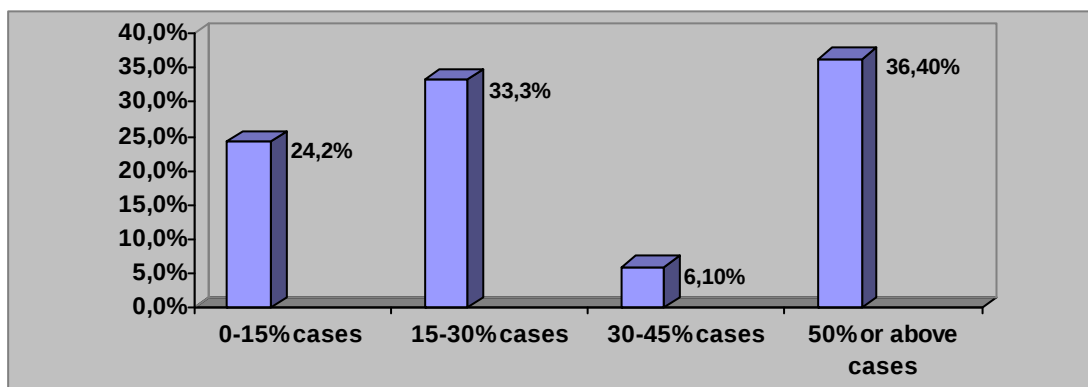
Question 19: Would it help your business if we introduced a temporary authorisation for transferring vehicles already registered in one EU country, provided they are used for commercial purposes (e.g. car rental, leasing)?

40.2% of businesses would welcome the introduction of temporary registration for businesses at EU level, given that registration procedures vary from one Member State to another, resulting in legal uncertainty. However, for a significant number of businesses (30.5%) a temporary authorisation for transferring vehicles would be of no help.



Please estimate by how much:

36.4 % of businesses in favour of temporary registration for businesses at EU level⁵⁰ expect this to help their business in 50 % or more of cases and for 6.1% of them only in up to 45% of cases.



Question 20: Please rank the following proposals in order of preference

Following on from questions 14-16, stakeholders were invited to rank the proposals in order of preference. While public authorities and businesses give preference to improving communication and information sharing between authorities, for the majority of citizens the first choice is an EU system for mutual recognition of registration.

Worth observing is that, while the preferences of public authorities are evenly balanced between the three proposals, for citizens and businesses the preference is strong for their respective first options.

	Citizens	Business	Public authorities
--	----------	----------	--------------------

⁵⁰

See above, Question 19.

Improving communication and information sharing between authorities	10.7%	58.5%	37.5%
European document containing all the necessary information	34.6%	25.6%	33.3%
EU system for mutual recognition of registration	54.7%	15.9%	29.2%

Some public authorities included additional comments when answering the questionnaire. An important point relates to the need to improve the system for the detection of stolen vehicles in the EU to tackle illegal cross-border vehicle trafficking, considering the magnitude of the phenomenon (approx. 800 000 vehicles a year are stolen in the EU). Furthermore, problems could arise with registering motor vehicles built and designed in series for third country markets where requirements are less strict than in the EU (e.g. lower safety and environment performance).

8.1.1.3. Conclusion and subsequent steps

A conference on the re-registration of vehicles previously registered in another Member State was held on 21 June 2011 in Brussels. The conference was well attended by stakeholders (including businesses and the European association of national registration authorities) from 22 Member States. One of the objectives of the conference was to present the preliminary results of the public consultation on car registration. It also provided a forum for debate and exchange of information between the different stakeholders. The Commission presented the preliminary results of the public consultation and the conclusions of the impact assessment preceding adoption of a future instrument by the European Commission.

The main issues raised by participants from Member States concerned: the need to improve and standardise the exchange of information between national authorities; the importance of a traceable legal status for vehicles (including for stolen and scrapped vehicles); the proper use of existing databases (e.g. EUCARIS); the need to improve Commission supervision and enforcement of existing EU legal instruments; the importance of harmonised certificates for vehicles, from placing on the market to end of life; the need to harmonise the registration procedure at EU level in order to resolve certain problems that create obstacles.

Businesses mainly called for facilitating the temporary transfer of vehicles in order to meet seasonal demands and to ensure the genuine free movement of goods and services.

According to the contributions received during the public consultation and the conference, consideration should be given to simplification of the formalities and facilitation of the requirements for the registration of motor vehicles in the EU and action should be taken at EU level.

8.1.2. Survey of national registration authorities

During the first semester of 2011, national registration authorities were consulted by an external contractor on the following policy options to simplify the formalities and conditions for the registration of motor vehicles previously registered in another EU Member State:

- Option 1: no policy change;
- Option 2: an improvement of the implementation of the existing EU law through additional guidance and enhanced administrative cooperation (for example through increased efforts to establish common IT solutions);
- Option 3: self and co-regulation by the registration authorities in view of an agreement on common registration principles facilitating the permanent intra-EU transfers of motor vehicles;
- Option 4: an amendment of Council Directive 1999/37/EC on the registration documents for vehicles and/or Council Regulation (EC) No 2411/98 on the recognition in intra-EU traffic of the distinguishing sign of the Member State in which motor vehicles and their trailers are registered, in view of an automatic recognition, throughout the EU, of the registration issued in another Member State;
- Option 5: a new legislative instrument on motor vehicle registration in the EU, setting out the conditions for the national registrations of motor vehicles and the subsequent rights and obligations of drivers and national authorities, including the establishment of a European registration certificate, issued by national licensing authorities.

The national authorities were asked which of the abovementioned policy options they preferred. The results were the following:

Member State	Preferred policy option(s)	Reason why	Expected benefits
Austria	1		
Belgium	2, 4 and 5	Harmonisation of European rules	Time and cost savings
Bulgaria	5	Reduction of disparities in registration of motor vehicles in the EU and creation of facilities re-registrations	Ease of activities national authority and time reductions for citizens and businesses
Czech Republic	2	Harmonise the process to EU standards	Reduce the administrative burdens for "both sides of the counter".
Germany	5		
Denmark	political issue		
Estonia	2	Security and speed	Client services take less time and improve their convenience
Finland	2	Existing solutions can be used (EUCARIS), which is the quickest and safest solution	Requires more thorough analysis and more information
Hungary	1	Cannot support options 4 and 5 because of the importance of registration tax.	

Ireland	every policy option has its pro's and cons.	It is important to note that much work is done by EReg, for example the development of EUCARIS. This work has to be supported. As for the other options they require extensive consultation and close cooperation and unanimous agreement.	New initiatives distract national authorities and expose them to unnecessary expenses and may not address the issues they have.
Italy	5	Reduction of the number of re-registrations, time saving for national authorities and also for citizens and businesses	Reduction of the number of re-registrations, time saving for national authorities and also for citizens and businesses
Lithuania	2 and 3	Would simplify motor vehicle re-registration procedures in other Member States.	Reduce administrative work for the national authority.
Luxembourg	2, 3, 4 and 5	Could be used with pragmatism, progressively and with common sense to keep control of the responsibilities involved in car registrations	Simplifications and costs savings
Latvia	2	Current administrative system is sufficient enough. Plus involvement of all EU Member States in the EUCARIS system	Changes improve the combat of all kinds of fraud including stolen vehicle registered in other Member States.
Malta	2	Agrees with this policy option	-
Netherlands	2 and 3	To reduce the administrative burdens of citizens and businesses. Connection to the existing system (EUCARIS) is quick and would be relatively cheap.	When the decision is taken to use EUCARIS, the use of this system has to become an obligation. Such a system only has advantages/benefits for all stakeholders.
Poland	5	To improve the current situation, simplification. Consequences: change to EU and national laws, leads to burdens for administrations, but can give benefits for citizens and businesses.	Depends on final solutions taken in European and national laws, at this moment in time difficult to evaluate the costs.
Romania	5 and until adoption option 2	To make the registration certificates and procedures in the EU Member States uniform.	Benefits: better public services and time saving. Disadvantages: probably some IT investments.
Sweden	1	The current system in Sweden is a good one, but it is good to do more at EU level to harmonise the rules and administrative cooperation. It is also necessary to remember that it is important to fight fraud and criminality.	-
Slovenia	5	Harmonise the procedures in the EU	Less burdens for citizens when selling vehicles to other Member States
Slovakia	2	Want to stress the existing relatively high requirement referring to re-registration as we want to avoid becoming a target country for old technically underperforming vehicles that can cause problems.	-
United Kingdom	1	Current procedures are satisfactory and changes could mean unwanted costs for the taxpayer and for vehicle manufacturers.	Implementation of any policy changes would result in increased administrative and expensive IT systems development costs as well as potentially placing a greater burden

			on customers and business.
--	--	--	----------------------------

Two national authorities did not know exactly which policy option they preferred at that moment. According to the Danish authority, it is a political issue to make this kind of decisions. The Irish authority mentioned different pros and cons of all policy options. Furthermore, four authorities preferred no further action, because they thought that their current procedures were sufficiently addressing the problem. The implementation of the other options could mean unwanted costs and more administrative burdens on citizens and businesses.

Eleven out the twenty National Registration Authorities mentioned policy option 2 as the preferred one. Some of them would like to implement it in combination with other options. The reason why these national authorities preferred option 2 was the possibility to use existing solutions, such as EUCARIS. Mandating the use of EUCARIS is deemed the cheapest, safest and quickest way to reduce the administrative burden on citizens and businesses.

Policy options 3 and 4 were mentioned by respectively three and two National Registration Authorities and always in combination with other options.

Seven National Registration Authorities mentioned policy option 5. The most important reason for that was to achieve harmonisation of European rules, i.e. a reduction of existing disparities in the registration procedures. National authorities that were in favour of this option expected benefits to their citizens and businesses as result of better public services and time savings. They argued that the initial phase could bring some costs for National Registration Authorities, because norms had to be amended and IT systems set up.

8.1.3. *Understanding Citizens' and Businesses' Concerns with the Single Market: A View from the Assistance Services*

The Commission requested Ramboll Management Consulting to conduct an analysis of questions and problems handled by five EU information and assistance services: Europe Direct Contact Centres (EDCC), Your Europe Advice (YEA, former Citizens Signpost Service), European Consumer Centres (ECC), Enterprise Europe Network and SOLVIT in 2009. The objectives of this study⁵¹ were to give feedback to policy officials on the practical functioning of the single market, as seen by information and assistance services, and to act as a feasibility study for further in-depth analysis of the Internal Market policies based on the queries and complaints (also referred to as “cases”) received by such services.

The following section is an extract from chapter 12 of this study, about vehicles (p. 188-193):

‘Summary of findings

The main findings from this section on issues that potentially hamper the functioning of the Internal Market are as follows:

- Procedures for registering a vehicle or seeking recognition of driving licences in another Member State involve different administrative procedures with different authorities. The large majority of enquiries relevant to the vehicle section are comprised of information and clarification requests, reflecting difficulties in understanding the legislation and in accessing appropriate information, rather than misapplication of EU law and/or structural legal problems. As a result, a number of citizens still avoid buying a vehicle in another Member State as they fear facing unreasonable paper work and extra costs in their home country. Moreover, the transfer of motor vehicles to another Member State is also a source of complaint in some cases, in particular due to burdensome type-approval and registration procedures. This issue presents a significant obstacle to the free movement of goods and to the functioning of the Internal Market.
- The complexity of the coordination system combined with the low level of harmonisation, especially in the areas of vehicle registration and vehicle taxation, often results in administrative difficulties caused by competent authorities. This can lead to administrative mistakes or impose unnecessary administrative burdens on citizens. Further difficulties encountered by the citizens are in many cases due to a lack of cooperation from and among competent authorities of the Member States. This in turn leads to unnecessary delays and financial losses. Reviewed cases also revealed that police and customs officers are often not aware of the EU legislation and hence might infringe the law by requiring fines and unnecessary documents from the citizens.

⁵¹ The report was delivered in May 2011 and can be found on http://ec.europa.eu/internal_market/strategy/docs/20concerns/feedback_report_en.pdf

- The low level of harmonisation often comes as a surprise to many citizens. This transpires from the enquiries of the citizens, but also from the large number of unjustified complaints about violations of EU law which are seemingly rooted in a misunderstanding of the rules. The reviewed cases detected many unjustified complaints where citizens are surprised that there is no EU legislation regulating their matter or that their issue is subject to the legislation of the particular Member State. Consequently, citizens fail to comply with national laws of the individual Member States. Thus, they have to pay vehicle taxes twice or have their vehicles confiscated by police officers because they fail to register it within the required deadline. This complexity is also reflected in cases submitted to the support services, where citizens often fail to provide the necessary information to determine whether the law has been breached. All this suggests a serious burden on the free movement of goods as well as on the functioning of the Internal Market.
- The issue of discrimination on the basis of nationality also constitutes an obstacle to the functioning of the Internal Market. The discrimination is primarily due to private parties' illegal practices. Such cases include driving schools refusing access to driving education to non-nationals by posing unreasonable requirements, or insurance companies suddenly terminating insurance of vehicles that had been previously imported from another Member State. [...]
- Sources

Table 13 Overview of sources

Database	Category level 1	Category level 2	Nbr of cases in database
ECC	Transport services	Car-rental	376
SOLVIT	Driving licence		41
SOLVIT	Motor vehicle registration		128
YEA	Motor-vehicles	Driving licences	324
YEA	Motor-vehicles	Import type-approval and registration	714
YEA	Motor-vehicles	Insurance	95
YEA	Motor-vehicles	Taxes	220

12.1 Registration of vehicles

Most relevant cases under this section usually refer to the following legislation:

- Council Directive 1999/37/EC on the registration documents for vehicles⁵².
- Council Directive 96/96/EC on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers⁵³.

⁵² Council Directive 1999/37/EC of 29 April 1999 on the registration documents for vehicles (OJ L 138, 1.6.1999, p. 57);

⁵³ Council Directive 96/96/EC of 20 December 1996 on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers (OJ L 46, 17.2.1997, p. 1);

- Directive 2007/46/EC of the European Parliament and of the Council establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles⁵⁴.
- Articles 34 and 36 TFEU, which ensure operational cooperation between the competent authorities, including the police, customs and other specialised law enforcement services of the Member States.

12.1.1 Most common problems encountered

It should also be mentioned that a large number of requests are simple information requests about the relevant authorities for car registration and the correct formalities and procedure for registering or moving a vehicle to another Member State. More specific information requests also concern the technical inspection of vehicles in the host Member State and the formalities and procedures for selling or buying a vehicle abroad.

Apart from information requests, the most common problems encountered in this section concern:

- **Lack of awareness and misunderstanding of the rules on the registration of vehicles due to the predominant role of the national level:** Beyond simple information requests, cases reveal a lack of awareness and misunderstanding of the predominant role of the national level in regulating vehicles registration. Citizens would expect more harmonisation or coordination between the national administrations, and the procedures they have to comply with come as a surprise. Also, the procedures citizens have to comply with appear to be complex. A consequence of this is the frequent unjustified complaints about violation of the law which are seemingly rooted in a misunderstanding of the rules. Also, complaints usually lack important information which prevent the EU information and support services from providing a clear answer.
- **Flawed administrative practices and unreasonable requirements:** Recurring YEA and SOLVIT cases reveal that the competent authorities violate the EU law by refusing registration or provision of certain documents. On several occasions, authorities impose unreasonable administrative or technical burdens on citizens without any specific reason. It is however difficult to say whether these are systematic practices or administrative mistakes due to a lack of awareness in the national administrations.

12.1.2 Application of EU law on the ground

Member States applying the law incorrectly

As the registration of motor vehicles is not entirely harmonised on the EU level, the registration to a great extent remains subject to relevant national legislation and

⁵⁴

Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (OJ L 263, 09.10.2007, p. 1);

formalities. So most complaints from citizens against misapplication of the EU law fall under one of the following situations:

- In many situations, it is not possible to identify any EU law that applies to cases, and thus they fall under national law.
- In other cases, EU law applies but citizens often do not provide sufficient information in order to determine whether the law has been infringed or not⁵⁵.
- Finally, there are cases that reveal a possible breach of EU law. These cases include:
 - **Unreasonable administrative requirements for the registration of vehicles already registered in another Member State:** Alleged misapplication of Directive 1999/37/EC occurs when the Member States require unreasonable documents for registering vehicles or refuse registration of a vehicle that was already approved and registered in another Member State for invalid reasons. Citizens also complain that technical controls made in one Member State are not recognized in another. The issue of resistant vehicle approval and registration is most recurring in France and Italy where a large number of citizens complain about unreasonable administrative burdens when registering their cars. In particular, citizens importing motor vehicles from non-EU countries and from the United Kingdom to France face difficulties from the administration. The issue is demonstrated by a SOLVIT case:

A Danish citizen attempted to register his car, manufactured in the UK, in France. The vehicle was previously registered and approved in Denmark. The citizen was requested to provide several documents including British type approval from the manufacturer. However, these documents were refused by the relevant French authority and his car could not be registered in France. The citizen was advised by SOLVIT that the British type approval was sufficient for the registration and he was signposted to contact the French authority.

- **Lack of cooperation between competent approval bodies:** Flawed cooperation between competent authorities and administrative mistakes sometimes results in a failure to deregister the vehicle in one Member State while it has already been registered in another Member State. Thus, the vehicle is registered in two Member States at the same time, which is against Article 5 of Directive 1999/37/EC.

A SOLVIT case related to a Belgian citizen who registered his Belgian car in Slovenia and at the same time asked the competent Belgian authority to deregister his car there. However, the authority failed to remove his registration from its database and thus the citizens' vehicle

⁵⁵

For this reason, the number of cases that were analysed as infringement of the EU law results from a very conservative approach and may constitute an underestimation of the number of cases involving infringement of EU law. Unclear cases have been coded as uncertain infringement of EU law and are mentioned below in other barriers to the exercise of single market rights.

was registered in two Member States simultaneously. The case was resolved after SOLVIT intervention.

- **Administrative mistakes:** According to SOLVIT, such flawed practices by the administration lead to delays and possibly breach of the EU law.

This issue is exemplified by a Romanian citizen who wanted to register a vehicle in Romania that was previously registered in Belgium. The citizen had all of the necessary documents; however the Belgian original registration certificate was lost in the process of vehicle deregistration by the competent Belgian authority. Consequently, the process was prolonged and the requested document was sent to the citizen only after SOLVIT intervention.

Other mistakes relate to citizens who are prevented from driving their vehicle with a temporary number plate in order to move it to the Member State of origin. This issue is illustrated by a YEA case:

A French citizen bought a vehicle in Germany that he intended to import to France. For this purpose, he acquired transit number plates marked with a yellow stripe in Germany that were valid for five days. When driving with these number plates in France the citizen was pulled over and subsequently arrested by French police officers who claimed that the plates were not valid in France.

- **Difficulties in being granted access to the national markets for modified cars:** Cases also refer to a small extent to companies that specialize in modifying cars. They report that they have restricted access to markets of some Member States, although their vehicles are in conformity with EU legislation. This is mainly due to administrative burdens imposed on the companies by the relevant authorities.

12.1.3 Other barriers to the exercise of single market rights

- **Lack of awareness and misunderstanding of the rules on the registration of vehicles.** A large number of citizens enquire about the formalities of registration procedures. Beyond numerous simple information requests, many cases reveal that the citizens are unaware of the fact that registration of their vehicle is subject to the Member State of their residence and thus they are obliged to register their vehicle when they move permanently to another Member State. Quite frequently, it is by chance that they are informed about the necessity to register their car in their country of residence, for instance during a police control.
- **Perceived gap in Directive 1999/37/EC in the case of cross-border or posted workers.** Due to a low level of harmonisation on registration of vehicles in the EU combined with the complexity of this procedure, cases tend to indicate a gap in Directive 1999/37/EC. Although the EU law limits the registration period when importing a vehicle to another Member State to six months, individual Member States may impose their own registration deadlines on imported vehicles. Consequently, citizens who move to another country fail

to comply with national laws of these Member States, which require registration of vehicles within a certain period of time. This is in some Member States much shorter than the six month period required by the EU. Citizens are often unaware of the low level of harmonisation and as a result their vehicles and registration documents are often confiscated by the national authorities. This issue is particularly related to posted workers who do not register their vehicles in the host Member State because they do not intend to stay in the host Member State for more than six months. Also, frontier and non-resident workers reported cases where they have been asked to re-register their vehicles when they are stopped and checked by police officers in the Member State of employment.

- **Difficulty in accessing information on the competent national authorities and the formalities for the registration of vehicles:** Citizens often end up in difficult situations because relevant authorities of both Member States refuse to register their vehicle. This often occurs when citizens, while living in another country, lose their registration documents that were issued by the Member State of origin. When seeking replacement of the lost documents, citizens often do not know where to apply. Also, some cases describe situations where the citizens have difficulties identifying the relevant authority for approval, and obtaining clear information on the required documents and the procedures to comply with when registering their vehicles in another Member State. Such situations can be rooted in contradictory information from different authorities.
- Cases where violation of the EU law was not explicit were analysed as **uncertain violation of EU law**. In such cases, citizens often do not provide sufficient information about why their vehicles are not approved or registered in another Member State. Cases falling into this category include:
 - administrative burden and unreasonable technical tests sometimes far away from the place of possible registration when registering a vehicle in France
 - confiscated cars due to failure to register in another Member State
 - uncertainty of citizens about vehicle registration in another Member State when the vehicle belongs to a relative or a friend
 - misinterpretation of country of residence (in case of posted workers)
 - very high registration fees

Nevertheless, the large number of complaints filed by the citizens indicates a high burden when registering or buying a car abroad.’

[...]

8.2. Annex 2: legal context of car registration in the internal market

8.2.1. Type-approval of new motor vehicles

8.2.1.1. New motor vehicles and their trailers

Directive 2007/46/EC⁵⁶ establishes a harmonised framework containing the administrative provisions and general technical requirements for approval of all new vehicles within its scope and of the systems, components and separate technical units intended for those vehicles, with a view to facilitating their registration, sale and entry into service within the EU.

The requirement for EC type-approval applies to all categories of motor vehicles designed and constructed in one or more stages for use on the road and also to the systems, components and separate technical units designed and constructed for such vehicles. More precisely, the Directive is aimed at commercial vehicles (vans, lorries, semi-trailers, trailers), buses and coaches.

The EC type-approval system is based on the principle that manufacturers must issue a certificate of conformity for each vehicle manufactured, attesting that it conforms to the approved type. EC type-approval procedures are compulsory and replace the national procedures with which they have co-existed up until now.

It is enough for one Member State to type-approve a vehicle in order for all new vehicles of that type to be registered throughout the EU solely on the basis of their certificate of conformity.

The Directive obliges Member States to register, and permit the sale or entry into service of, vehicles only if they are accompanied by a valid certificate of conformity.

8.2.1.2. New two or three-wheeled motor vehicles

Directive 2002/24/EC⁵⁷ applies to two or three-wheeled motor vehicles, whether twin-wheeled or otherwise (each wheel fitted with a separate tyre), intended to travel on the road, and to the components or separate technical units of such vehicles.

This Directive establishes a similar type-approval system for the EU. After the type-approval, the certificate of conformity is completed by the manufacturer or his authorised representative for each vehicle produced in conformity with the approved type and for each non-original technical entity or component manufactured in conformity with the type that has been component type-approved.

⁵⁶ Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers and of systems, components and separate technical units intended for such vehicles.

⁵⁷ Directive 2002/24/EC of the European Parliament and of the Council of 18 March 2002 relating to the type-approval of two or three-wheeled motor vehicles and repealing Council Directive 92/61/EEC.

Type-approval is a requirement for registration since Member States may not prohibit the registration of new vehicles complying with the Directive. Only vehicles complying with the Directive may be presented for initial registration.

8.2.1.3. Agricultural or forestry tractors

Directive 2003/37/EC⁵⁸ applies to tractors with a maximum design speed of not more than 40 km/h, any trailer and any interchangeable towed machinery, whether incomplete or completed, which is intended to be used in agriculture or forestry.

The EC type-approval procedure guarantees permanent monitoring that vehicles comply with EU technical requirements. In the first instance, a Member State certifies that a type of vehicle, system, component or separate technical unit presented by a manufacturer conforms to the technical prescriptions imposed by Directive 2003/37/EC. It then issues an EC type-approval certificate to the manufacturer. The manufacturer then ensures that each vehicle, system, component or separate technical unit built is accompanied by a certificate of conformity, thus proving that it is manufactured in conformity with the approved vehicle type.

The Directive also obliges Member States to register a new type-approved vehicle on grounds relating to their construction and functioning only if they are accompanied by a valid certificate of conformity. Each Member State must permit the sale of incomplete vehicles but may refuse their permanent registration and entry into service until such time as they are completed.

8.2.2. *Registration of motor vehicles*

Directive 1999/37/EC⁵⁹ applies to the documents issued by the Member States at the time of registration of vehicles. It does not prevent Member States to use, for the temporary registration of vehicles, documents which may not meet the requirements of the Directive in every respect.

The Directive applies to motor vehicles which are subject to Directives 2007/46/EC and 2002/24/EC, and not to agricultural or forestry tractors.

It obliges Member States to issue a registration certificate for vehicles that are subject to registration under their national legislation. The certificate must consist of either a single part in accordance with Annex I of the Directive or two parts in accordance with Annexes I and II. The data given in the registration certificate, in accordance with Annexes I and II, must be represented by the harmonised EU codes shown in those Annexes.

The Directive specifies that a registration certificate issued by a Member State must be recognised by the other Member States for the identification of the vehicle in international traffic or for its re-registration in another Member State. For the

⁵⁸ Directive 2003/37/EC of the European Parliament and of the Council of 26 May 2003 on type-approval of agricultural or forestry tractors, their trailers and interchangeable towed machinery, together with their systems, components and separate technical units and repealing Directive 74/150/EEC.

⁵⁹ Council Directive 1999/37/EC of 29 April 1999 on the registration documents for vehicles.

identification of a vehicle in road traffic, Member States may require that the driver carry Part I of the registration certificate.

The harmonised registration certificate should facilitate the re-registration. When the re-registration is sought for a motor vehicle previously registered in another Member State, the following steps have to be followed:

- The competent authorities in the receiving Member State have to require the submission of Part I of the previous registration certificate in every case and the submission of Part II if it was issued.
- The competent authorities in the receiving Member State have to withdraw the part(s) of the previous registration certificate submitted and keep it for a minimum of six months.
- Within two months, they must inform the authorities of the Member State which delivered the certificate of its withdrawal. They have to return the certificate which they have withdrawn to the authorities of the Member State which delivered the certificate if they request so within six months of its withdrawal.

Where the registration certificate consists of Parts I and II, and Part II is missing, the competent authorities in the Member State where the new registration has been requested may decide, in exceptional cases, to re-register the vehicle, but only after having obtained confirmation, in writing or by electronic means, from the competent authorities in the Member State where the vehicle was previously registered, that the applicant is entitled to re-register the vehicle in another Member State.

According to the Directive, Member States may exchange information at bilateral or multilateral level in particular so as to check, before any registration of a vehicle, the latter's legal status, where necessary in the Member State in which it was previously registered. The Directive provides for the possibility of using an electronic network.

The Court of Justice confirmed that the harmonisation effected by Directive 1999/37/EC was not exhaustive. The Court refers, in that regard, to Point II.7 in Annex I to that directive, according to which Member States may include, in Part I of the registration document, information in addition to that which it is compulsory to include pursuant to Annex I. Therefore, the Court of Justice concluded that, in accordance with Point II.7, Directive 1999/37/EC does not preclude national provisions which include, in Part I of the registration document, information in addition to that which it is compulsory to include, provided that they do not infringe the provisions of the TFEU, including Articles 34 TFEU and 36 TFEU (Judgment of the Court of 6 October 2011, *Philippe Bonnarde v Agence de Services et de Paiement*, Case C-443/10).

8.2.3. *The role of registration in the field of transport*

8.2.3.1. Hiring of vehicles for the carriage of goods

In the EU legislation on the internal market for the transport of goods, the registration of the vehicle is sometimes a relevant factor, for example for the hiring

of vehicles for the carriage of goods. Each Member State must allow the use within its territory of vehicles (i.e. motor vehicles, trailers, semi-trailers, or a combination of vehicles intended exclusively for the carriage of goods) hired by undertakings established on the territory of another Member State provided, inter alia, that the vehicle is registered or put into circulation in compliance with the laws in the latter Member State⁶⁰.

8.2.3.2. Periodic roadworthiness tests

Directive 2009/40/EC⁶¹ specifies that, in each Member State, motor vehicles registered in that State and their trailers and semi-trailers must undergo periodic roadworthiness tests in accordance with the Directive. Annexes I and II of the Directive set out the categories of vehicles to be examined, the frequency of these checks and the parts to be tested.

The minimum testing frequency for the different categories of motor vehicles and their trailers is:

- One year after the date on which the vehicle was first used, and thereafter annually for motor vehicles used for the carriage of passengers and with more than eight seats, excluding the driver's seat, motor vehicles used for the carriage of goods and having a maximum permissible mass exceeding 3,500 kg, trailers and semi-trailers with a maximum permissible mass exceeding 3,500 kg, taxis and ambulances;
- Four years after the date on which the vehicle was first used, and thereafter every two years for motor vehicles having at least four wheels, normally used for the road carriage of goods and with a maximum permissible mass not exceeding 3,500 kg, excluding agricultural tractors and machinery, and motor vehicles having at least four wheels, used for the carriage of passengers and with not more than eight seats excluding the driver's seat.

The tests covered by Annex II should be undertaken using techniques and equipment available without the use of tools to disassemble or remove any part of the vehicle. Where the motor vehicle is found to be defective with regard to a specific list of test items, the competent authority must set specific conditions under which the particular vehicle may be used before passing another roadworthiness test. The test must cover the items listed in the annex, provided that these are related to the equipment of the vehicle being tested in the EU country concerned.

The vehicle operator or driver must be informed in writing of any defects, the result of the test and the legal consequences. All Member States have to mutually recognise the proof issued in another EU country showing that a vehicle registered in that other EU country, together with its trailer or semi-trailer, has passed a roadworthiness test in compliance with the provisions of this Directive.

⁶⁰ Directive 2006/1/EC of the European Parliament and of the Council of 18 January 2006 on the use of vehicles hired without drivers for the carriage of goods by road.

⁶¹ Directive 2009/40/EC of the European Parliament and of the Council of 6 May 2009 on roadworthiness tests for motor vehicles and their trailers.

However, Member States are allowed to bring forward the date for the first compulsory roadworthiness test and, where appropriate, require the vehicle to be submitted for test prior to registration. They may also shorten the interval between two successive compulsory tests, make the testing of optional equipment compulsory and increase the number of items to be tested. In addition, Member States can extend the periodic test requirement to other categories of vehicles, prescribe special additional tests and require vehicles registered on their territory to have higher minimum standards for braking efficiency under certain circumstances.

8.2.3.3. Recommendation 2010/378/EU (Periodic inspections of vehicles)

Commission Recommendation of 5 July 2010 addresses certain issues regarding the assessment of defects during roadworthiness testing in accordance with Directive 2009/40/EC. The Recommendation provides a guideline on standards and testing methods referred to in 2009/40/EC for inspectors conducting vehicle tests in order to ensure a harmonised assessment of the failures listed in Annex II of the Directive. The Recommendation is seen as a step towards a uniform assessment of the deficiencies identified during roadworthiness testing within the EU.

Three categories of failure are introduced, to reflect the seriousness of the defect, with the consequences for the use of the vehicle in that condition given as shown in the following table.

Type of defect	Definition	Action
Minor	Technical defects that have no significant effect on the safety of the vehicle and other minor non-compliances.	The vehicle does not necessarily have to be re-examined as it can reasonably be expected that the detected defects will be rectified without delay.
Major	Defects that may prejudice the safety of the vehicle or put other road users at risk and other more significant non-compliances.	Further use of the vehicle on the road without repair of the detected defects is subject to conditions. The competent authorities in the Member States must adopt a procedure for setting the conditions under which the vehicle may be used before passing another roadworthiness test.
Dangerous	Defects that constitute a direct and immediate risk to road safety.	The vehicle should not be used on the road under any circumstances.
Note: A vehicle having defects falling into more than one defect group is classified according to the most serious defect. A vehicle showing several defects of the same group can be classified in the next more serious group if their combined effect makes the vehicle more dangerous.		

Current frequencies of period roadworthiness tests (Table 1)					
	Private cars	Goods vehicles < 3,500 kg	Goods vehicles > 3,500 kg	Passenger vehicles < 8 passengers	Passenger vehicles > 8 passengers
Belgium	4/1/1	6m/6m/6m	6m/6m/6m	6m/6m/6m	3m/3m/3m
Bulgaria	3/2/1/1	-	1/1/1	-	1/1/1
Czech Republic	4/2/2	4/2/2	1/1/1	4/2/2	1/1/1
Denmark	4/2/2	4/1/1	1/1/1	1/1/1	1/1/1
Germany	3/2/2	2/2/2	1/1/1	1/1/1	1/1/1
Estonia	3/2/2/2/1	1/1/1	1/1/1	1/1/1	1/1/1
Ireland	4/2/2	4/2/2	1/1/1	1/1/1	n/a
Greece	n/a	n/a	n/a	n/a	n/a
Spain	4/2/2/1	2(x3)/1(x4)/6m	1(x10)/6m	2/1/1/1/6m	1(x5)/6m
France	4/2/2	4/2/2	1/1/1	4/2/2	-
Italy	4/2/2	4/2/2	1/1/1	4/2/2	1/1/1
Cyprus	4/2/2	-	1/1/1	-	1/1/1
Latvia	2/2/2	1/1/1	6m/6m/6m	6m/6m/6m	1/1/1
Lithuania	3/2/2	-	1/1/1	-	1/1/1
Luxembourg	3.5/1/1	1/1/1	6m/6m/6m	3.5/1/1	6m/6m/6m
Hungary	4/3/2/2	2/2/1/1	1/1/1	3/3/2/2	1/1/1
Malta	1/1/1	-	1/1/1	-	1/1/1
Netherlands	4/2/2/1	3/1/1	1/1/1	1/1/1	1/1/1
Austria	3/2/1	1/1/1	1/1/1	1/1/1	1/1/1
Poland	3/2/1	3/2/1	1/1/1	1/1/1	1/1/1
Portugal	4/2/2/1	2/1/1	1(x7)/6m	1(x7)/6m	1(x7)/6m
Romania	2/2/2	-	1/6m/6m	-	1/1/1
Slovenia	3/2/2	3/1/1	1/1/1	3/1/1	1/1/1
Slovakia	3/1/1	-	1/1/1	-	1/1/1
Finland	3/2/1	3/1/1	1/1/1	1/1/1	1/1/1
Sweden	3/2/1	1/1/1	1/1/1	1/1/1	1/1/1
United Kingdom	3/1/1	3/1/1	1/1/1	3/1/1 1/1/1	1/1/1

Source: AUTOFORE Study on the Future Options for Roadworthiness in the European Union: WP540 – Analysis of pass/fail rates and accidents for different vehicle types in relation to PTI – frequency and vehicle age; DEKR

Current frequencies of period roadworthiness tests (Table 2)				
	Trailers < 3,500 kg	Trailers > 3,500 kg	Agricultural tractors	Motorcycles
Belgium	1/1/1	6m/6m/6m	6m/6m/6m	n/a
Bulgaria	-	1/1/1	-	-
Czech Republic	4/2/2	1/1/1	4/4/4	4/2/2
Denmark	n/a	1/1/1	n/a	n/a
Germany	3/2/2 (<750kg) 2/2/2 (>750kg)	1/1/1	2/2/2 1/1/1	2/2/2
Estonia	3/2/2/2/1	1/1/1	2/1/1/1	3/2/2/2/1
Ireland	1/1/1	n/a	n/a	n/a
Greece	n/a	n/a	n/a	n/a
Spain	2(x3)/1(x4)/6m	1(x10)/6m	1(x10)/6m	5/2/2
France	-	-	-	-
Italy	1/1/1	1/1/1	-	4/2/2
Cyprus	-	1/1/1	-	-
Latvia	1/1/1	1/1/1	n/a	1/1/1
Lithuania	-	1/1/1	-	-
Luxembourg	3.5/1/1	6m/6m/6m	3.5/1/1	3.5/1/1
Hungary	2/2/1/1	1/1/1	3/3/2/2	3/3/2/2
Malta	-	1/1/1	-	-
Netherlands	-	1/1/1	-	-
Austria	3/2/1	1/1/1	3/2/1	1/1/1
Poland	3/2/1	1/1/1	3/2/2	3/2/1
Portugal	n/a	1(x7)/6m	1(x7)/6m	n/a
Romania	-	1/1/1	-	-
Slovenia	3/1/1	1/1/1	3/1/1	3/1/1
Slovakia	-	1/1/1	-	-
Finland	2/2/2	1/1/1	n/a	n/a
Sweden	4/2/2	1/1/1	n/a	4/2/2
United Kingdom	n/a	1/1/1	n/a	3/1/1
Source: AUTOFORE Study on the Future Options for Roadworthiness in the European Union: WP540 – Analysis of pass/fail rates and accidents for different vehicle types in relation to PTI – frequency and vehicle age; DEKR				

8.2.3.4. Technical roadside inspection of the roadworthiness of commercial vehicles

For commercial vehicles, Directive 2000/30/EC⁶² organises roadside roadworthiness checks on commercial vehicles that are intended to carry passengers or goods. It supplements Directive 2009/40/EC. These roadside checks are unannounced checks on a commercial vehicle travelling within a European Union (EU) country. They are carried out by the authorities on roads, in ports, or anywhere else considered appropriate.

A technical roadside inspection may comprise a visual check on the state of maintenance of the vehicle running on the road network, a check on the documents relating to the compliance of the vehicle with a technical roadside inspection and if the driver presents it a recent roadside technical inspection report, and/or a check to uncover poor maintenance (smooth tyres, faulty braking system, etc.). In this instance, the inspector should take the most recent documents and any other safety certificate into consideration.

Appropriate roadside checks have to be carried out without discrimination as to the driver's nationality or vehicle registration. They should cover a significant, representative cross-section of commercial vehicles of all categories.

If the results of a roadside check show that a commercial vehicle does not meet the standards set out in the Directive, or if it is not shown to comply with Directive 2009/40/EC during a subsequent roadworthiness test at an approved testing centre and if it therefore constitutes a major risk to its occupants or other road users, the use of that vehicle on the public highway will immediately be banned.

Serious or repeated offences by a vehicle belonging to a non-resident must be reported to the authorities in the EU country where the vehicle or company is registered. The country in which the offence has been repeated may then request that action be taken against the offender. Where such action is taken, the country of vehicle or company registration has to inform the country in which the offences have been noted of the action taken against the carrier or company concerned.

8.2.3.5. Recommendation 2010/379/EU (Roadside checks)

Commission Recommendation of 5 July 2010 deals with certain issues, regarding the risk assessment of deficiencies detected during technical roadside inspections (of commercial vehicles) in accordance with Directive 2000/30/EC.

The Recommendation provides a guideline on standards and testing methods for the assessment of deficiencies listed in Annex II of Directive 2000/30/EC for inspectors conducting technical roadside inspections, in order to achieve a more harmonised roadside testing system and to avoid unequal treatment at technical roadside inspections.

⁶² Directive 2000/30/EC of the European Parliament and of the Council of 6 June 2000 on the technical roadside inspection of the roadworthiness of commercial vehicles circulating in the Community.

8.2.4. *Motor insurance*

The EU Motor Insurance Directive 2009/103/EC⁶³ obliges all motor vehicles in the EU to be covered by compulsory third party insurance and ensures the abolition of border checks on insurance so that vehicles can be driven as easily between Member States as within one country.

All compulsory motor insurance policies should cover, on the basis of a single premium and during the whole term of the contract, the entire territory of the Union, including for any period in which the vehicle remains in other Member States during the term of the contract.

In addition, the EU Motor Insurance Directive provides for a mechanism to compensate the local victims of accidents caused by vehicles from another Member State. The Directive builds in this respect upon the private sector network of 'national insurers' bureau' and the Green Card System set up by insurers which handle the victims' claims. The Directive also establishes an efficient mechanism for the quick settlement of claims where the accident takes place outside the victim's Member State of residence (the so-called 'visiting victims').

Motor vehicles may – provided that they are in a regular situation with respect to the national registration rules – be insured by an insurer established in the Member State of registration or by an insurer established in any other Member State. Insurers willing to provide cross-border insurance services must fulfil certain formalities following on from the relevant EU insurance legislation. They also need to be willing to offer a contract (according to the fundamental EU principle of commercial freedom, neither an insurer nor a consumer can be forced to enter into a business relationship).

8.2.5. *Cross-border car crime*

- Council Decision 2008/615/JHA⁶⁴ provides for the possibility of information exchange between Member States for the prevention and investigation of criminal offences and in dealing with other offences coming within the jurisdiction of the courts or the public prosecution service in the searching Member State, as well as in maintaining public security. Member States have to allow other Member States' national contact points access to certain national vehicle registration data, with the power to conduct automated searches in individual cases, namely data relating to holders or operators and data relating to vehicles. Searches may be conducted only with a full chassis number or a full registration number. Searches may be conducted only in compliance with the searching Member State's national law. The exchange of information and the supply of data take place between the national contact points designated by the Member States.

⁶³ Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability.

⁶⁴ Council Decision 2008/615/JHA of 23 June 2008 on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime.

- The details of technical arrangements for the procedure are laid down in Council Decision 2008/616/JHA⁶⁵. For automated searching of vehicle registration data, Member States use the European Vehicle and Driving Licence Information System (EUCARIS) software application especially designed for the purposes of Article 12 of Decision 2008/615/JHA, and amended versions of this software. The information exchanged via the EUCARIS system is transmitted in encrypted form. The data elements of the vehicle registration data that are exchanged are set out in Chapter 3 of the Annex to this Decision. Each Member State has to bear the costs arising from the administration, use and maintenance of the EUCARIS software application.
- The objective of Council Decision 2004/919/EC of 22 December 2004 on tackling vehicle crime with cross-border implications is to achieve improved cooperation within the European Union with the aim of preventing and combating cross-border vehicle crime, whereby particular attention is given to the relationship between vehicle theft and the illegal car trade. The Decision obliges each Member State to ensure that its competent authorities take the necessary steps to prevent abuse and theft of vehicle registration documents. The Decision obliges national vehicle registration authorities to be informed by law enforcement authorities of whether a vehicle that is in the process of being registered is known to have been stolen. The Decision also aims at preventing the abuse of vehicle registration certificates: each Member State must ensure that its competent authorities take the necessary steps to recover a vehicle owner's or vehicle holder's registration certificate if the vehicle has been seriously damaged in an accident (total loss). A registration certificate must also be recovered where, during a check by the law enforcement agency, it is suspected that there has been an infringement concerning the vehicle's identity markings, such as the vehicle identification number. Regulation (EC) No 1160/2005⁶⁶ authorises the services responsible for issuing registration certificates for vehicles to consult the 'Schengen Information System' (SIS) before registering a vehicle. As the SIS contains, in particular, information about stolen, hijacked or lost motor vehicles, this should reinforce the fight against vehicle theft.

8.2.6. *End-of life vehicles*

Directive 2000/53/EC⁶⁷ obliges the Member States, inter alia, to take the necessary measures to ensure that all end-of life vehicles are transferred to authorised treatment facilities.

⁶⁵ Council Decision 2008/616/JHA of 23 June 2008 on the implementation of Decision 2008/615/JHA on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime.

⁶⁶ Regulation (EC) No 1160/2005 of the European Parliament and of the Council of 6 July 2005 amending the Convention implementing the Schengen Agreement of 14 June 1985 on the gradual abolition of checks at common borders, as regards access to the Schengen Information System by the services in the Member States responsible for issuing registration certificates for vehicles authorises the services responsible for issuing registration certificates for vehicles.

⁶⁷ Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles.

According to the Directive, Member States must set up a system according to which the presentation of a certificate of destruction is a condition for deregistration of the end-of life vehicle. This certificate is issued to the holder and/or owner when the end-of life vehicle is transferred to a treatment facility. Treatment facilities that have a permit may issue certificates of destruction.

Member States may permit producers, dealers and collectors on behalf of an authorised treatment facility to issue certificates of destruction provided that they guarantee that the end-of life vehicle is transferred to an authorised treatment facility and provided that they are registered with public authorities.

8.2.7. Jurisprudence of the Court of Justice on car registration since 2000

The following overview does not include judgements with respect to the fiscal treatment of car registration (i.e. jurisprudence concerning the interpretation of Articles 30 and 110 TFEU, and Directives 83/182/EEC, 2009/55/EC, 1999/62/EC and 2006/112/EC) which falls outside the scope of this impact assessment:

Case	Summary
Judgment of 12 October 2000 Snellers Auto's BV v Algemeen Directeur van de Dienst Wegverkeer Case C-314/98	National rules which provide that the date on which an imported vehicle was first authorised for use on the public highway is to be fixed at the date on which its registration certificate was issued only where the vehicle has not been registered for more than two days in another Member State constitute a measure having an effect equivalent to a quantitative restriction on imports for the purposes of Article 28 EC (now Article 34 TFEU). Such national rules may, in spite of their restrictive effects on the free movement of goods, be justified by imperative requirements such as road safety and/or protection of the environment if it can be shown that the resulting restriction is necessary to ensure road safety and/or protection of the environment and that the restriction is not disproportionate to those objectives, particularly in the sense that no other, less restrictive, measures are available.
Judgment of 21 March 2002 Cura Anlagen GmbH v Auto Service Leasing GmbH (ASL). Case C-451/99	<i>The provisions of the EC Treaty on the freedom to provide services (Articles 49 EC to 55 EC – now Articles 56 and 62 TFEU) preclude legislation of a Member State, such as that at issue in the main proceedings, requiring an undertaking established in that Member State which takes a lease of a vehicle registered in another Member State to register it in the first Member State in order to be able to use it there beyond a period that is so short, in this case three days, that it makes it impossible or excessively difficult to comply with the requirements imposed. The same provisions of the Treaty preclude legislation of a Member State, such as that at issue in the main proceedings, requiring an undertaking established in that Member State which takes a lease of a vehicle registered in another Member State to register it in the first Member State and imposing on it one or more of the following conditions:</i> - a requirement that the person in whose name the vehicle is registered in the Member State of use reside or has a place of business there, in so far as it obliges a leasing undertaking either to have a principal place of business in that Member State or to accept registration of the vehicle in the name of the lessee and the consequent limitation of its rights over the vehicle; - a requirement to insure the vehicle with an authorised insurer in the Member State of use, if that requirement implies that the insurer must have its principal place of business in that Member State, as the home State within the meaning of the non-life insurance Directives, and

	have official authorisation there; - a requirement of a roadworthiness test when the vehicle has already undergone such testing in the Member State where the leasing company is established, save where that requirement is aimed at verifying that the vehicle satisfies the conditions imposed on vehicles registered in the Member State of use that are not covered by the tests carried out in the Member State where the leasing company is established and/or, if the vehicle has in the meantime been used on the public highway, that its condition has not deteriorated since it was tested in that latter Member State, provided similar testing is imposed where a vehicle previously tested in the Member State of use is presented for registration in that State; - payment, in the Member State of use, of a consumption tax the amount of which is not proportionate to the duration of the registration of the vehicle in that State.
Judgment of 2 October 2003. Criminal proceedings against Hans van Lent Case C-232/01	Article 39 EC (now Article 45 TFEU) precludes national rules of a Member State, such as those in the present case, which prohibit a worker who is domiciled in that Member State from using on its territory a vehicle registered in another neighbouring Member State, belonging to a leasing company established in that second Member State, and made available to the worker by his employer who is also established in the second Member State.
Judgment of 2 October 2003. Criminal proceedings against Marco Grilli. Case C-12/02	Article 29 EC (now Article 35 TFEU) precludes the rules of a Member State which prohibit a national of another Member State, on pain of criminal penalties such as imprisonment or a fine, from taking to that other State a vehicle purchased in the first Member State bearing a temporary number plate issued, for the purpose of the export of the vehicle to that other Member State, by the competent authorities of the latter State, if those rules are of such a kind as to restrict export patterns, create a difference in treatment between a State's domestic trade and its external trade and give rise to an advantage for national trade at the expense of another Member State, provided that those rules cannot be justified under Article 30 EC (now Article 36 TFEU). It is for the national court to ascertain whether that is so in the main proceedings. If the rules at issue in the main proceedings are held to be contrary to Article 29 EC (now Article 35 TFEU), the penalties for which they make provision are inapplicable.
Judgment of 15 September 2005. Commission of the European Communities v Kingdom of Denmark	In so far as - its legislation and administrative practice do not allow workers resident in Denmark and employed in another Member State in work which is not their principal employment to use for business or private purposes a company vehicle registered in that other Member State where the undertaking of their employer is established, and - its legislation and administrative practice allow employees resident in

Case C-464/02	Denmark and employed in another Member State to use for business purposes or business and private purposes a company vehicle registered in that other Member State in which their employer has its registered office or principal establishment, the vehicle neither being intended to be essentially used in Denmark on a permanent basis nor being actually so used, only subject to the condition that the employment with that employer is their main employment and that a tax is paid for that purpose, the Kingdom of Denmark has failed to fulfil its obligations under Article 39 EC (now Article 45 TFEU).
Judgment of 15 December 2005. Criminal proceedings against Claude Nadin, Nadin-Lux SA (C-151/04) and Jean-Pascal Durré (C-152/04).	It is contrary to Article 43 EC (now Article 49 TFEU) for the domestic legislation of one Member State, such as the legislation at issue in the cases in the main proceedings, to require a self-employed worker residing in that Member State to register there a company vehicle made available to him by the company for which he works, established in another Member State, when it is not intended that that vehicle should be used essentially in the first Member State on a permanent basis and it is not, in fact, used in that manner.
Judgment of 23 February 2006. Commission of the European Communities v Republic of Finland Case C-232/03	By preventing cross-frontier workers residing in Finland and employed in another Member State from benefiting from the use of company vehicles which are made available by their employers established in another Member State and registered in the latter State on the sole ground that the cross-frontier workers concerned reside on Finnish territory, into which the vehicles belonging to their employers have been imported; and by preventing the cross-frontier workers concerned from benefiting, for professional and private purposes, from the use of company vehicles which are made available by their employers established in another Member State and registered in the latter State, while those vehicles are neither intended to be used mainly in Finland on a permanent basis nor, in fact, used in that way, on the sole ground that those workers reside on Finnish territory, into which the vehicles belonging to their employers have been imported, the Republic of Finland has failed to fulfil its obligations under Article 39 EC(now Article 45 TFEU).
Order of the Court of 2 May 2006. Criminal proceedings against Henri Léon	Article 43 EC (now Article 49 TFEU) precludes national legislation of one Member State, such as the legislation at issue in the main proceedings, which obliges a self-employed person residing in that Member State to register a company vehicle provided to him by the company which employs him and which is established in another Member State, when the company vehicle is neither actually intended

Schmitz Case C-291/04	to be used permanently in the first Member State nor is in fact used in that way.
Order of 30 May 2006. Criminal proceedings against Sébastien Victor Leroy. Case C-435/04	Articles 49 EC to 55 EC (now Articles 56 to 62 TFEU) do not preclude the domestic legislation of a Member State, such as that at issue in the main proceedings, from prohibiting a person who resides and works in that State from using, in that State, a vehicle which he has rented from a leasing company established in another Member State, when that vehicle has not been registered in the first State and it is intended that it should be used there essentially on a permanent basis or is, in fact, used in that manner.
Order of 27 June 2006. G. M. van de Coevering v Hoofd van het District Douane Roermond van de rijksbelastingdienst. Case C-242/05	Articles 49 EC to 55 EC (now Articles 56 to 62 TFEU) preclude national legislation of a Member State, such as that at issue in the main proceedings, which requires a natural person established in that Member State who leases a vehicle registered in another Member State to pay the full amount of a registration tax when the vehicle is first used on the highway in the first Member State, without taking account of the duration of the use of that highway and without the person in question having any right to an exemption or a refund, where the vehicle is neither intended to be used essentially in the first Member State on a permanent basis nor in fact used in that way.
Judgment of 15 March 2007. Commission of the European Communities v Republic of Finland Case C-54/05	By requiring a transfer licence for the putting into circulation of vehicles lawfully registered and used in another Member State, [...], the Republic of Finland has failed to fulfil its obligations under Articles 28 EC and 30 EC (now Articles 34 and 36 TFEU).
Judgment of 20 September 2007. Commission of the European Communities v Kingdom of the Netherlands. Case C-297/05	Intra-EU trade is not capable of being hindered, directly or indirectly, actually or potentially, by national legislation which: - requires a vehicle to be identified before it is registered; - requires, pursuant to Articles 2(b) and 4 of Directive 1999/37, that such identification be carried out, where a vehicle previously registered in another Member State is imported, by means of the registration certificate issued by that other Member State; and - includes the obligation to present the vehicle to a control body, thereby allowing verification as to whether the vehicle is actually present in the territory of the Member State of importation and corresponds to the data in the registration certificate issued by the other Member State. Since that is a simple administrative formality, which

	does not introduce any additional check, but which is integral to the actual processing of the registration application and also to the conduct of the associated procedure, the manner in which the tests are carried out is not capable of having any deterrent effect whatsoever on the import of a vehicle into that Member State or of making such importation less attractive. 2. A Member State which, generally and systematically, submits all vehicles which are more than three years old and have previously been registered in other Member States for testing as to their physical condition prior to registration in that State, without taking any account whatsoever of tests that may have already been carried out in other Member States, fails to fulfil its obligations under Articles 28 EC and 30 EC (now Articles 34 and 36 TFEU). Such a control procedure, which may deter some persons concerned from importing into the Member State in question vehicles which are more than three years old and which have previously been registered in other Member States, cannot be justified on the ground that it safeguards road safety and the protection of the environment where the Member State in question does not specifically show that the restriction on the free movement of goods at issue is proportionate to the objective pursued.
Judgment of 24 April 2008. Commission of the European Communities v Grand Duchy of Luxembourg. Case C-286/07	By requiring, in accordance with the practice in issue, for the purposes of the registration of vehicles in Luxembourg, the submission of an excerpt from the commercial register or a comparable document proving that the seller of the vehicle is registered as a dealer, except for dealers on the register of the Société Nationale de Contrôle Technique, the Grand Duchy of Luxembourg has failed to fulfil its obligations under Article 28 EC (now Article 34 TFEU).
Judgment of 5 June 2008. Commission of the European Communities v Republic of Poland. Case C-170/07	By subjecting imported second-hand vehicles previously registered in other Member States to a roadworthiness test prior to their registration in Poland, the Republic of Poland has failed to fulfil its obligations under Article 28 EC (now Article 34 TFEU).
Order of 24 October 2008. Marc Vandermeir v Belgian State - SPF Finances. Case C-364/08	Articles 43 EC and 49 EC (now Articles 49 and 56 TFEU) are to be interpreted as precluding national legislation of one Member State, such as that in question in the main proceedings, under which a self-employed person residing in that Member State is required to register there a vehicle leased from a company established in another Member State, when it is not intended that that vehicle should be used essentially in the first Member State on a permanent basis and it is not, in fact, used in that manner.

Judgment of 11 December 2008. Commission of the European Communities v Republic of Austria. Case C-524/07	By requiring, for the purposes of their first registration in Austria, that motor vehicles previously registered in other Member States which have not undergone, because of their age, a EU type-approval procedure, comply with limit values in respect of pollutant emissions and noise which are stricter than those they initially had to comply with, in particular, the values laid down in Council Directive 93/59/EEC of 28 June 1993 amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by emissions from motor vehicles and Council Directive 92/97/EEC of 10 November 1992 amending Directive 70/157/EEC on the approximation of the laws of the Member States relating to the permissible sound level and the exhaust system of motor vehicles, although vehicles having the same characteristics and which are already authorised to use the roads in Austria are not subject to that requirement in cases of their re-registration in that Member State, the Republic of Austria has failed to fulfil its obligations under Article 28 EC (now Article 34 TFEU).
Judgment of 6 October 2011. Philippe Bonnarde v. Agence de Services et de Paiement. Case C-443/10	Articles 34 and 36 TFEU preclude legislation of a Member State from requiring, for the award of the subsidy known as the ‘bonus écologique – Grenelle de l’environnement’ to imported demonstration motor vehicles at the time of registration in that Member State, that the first registration document of those vehicles bear the words ‘demonstration vehicle’.

8.3. **Annex 3: Summary of national rules and practices with respect to motor vehicle registration**⁶⁸

8.3.1. *Belgium*

Registration system

Motor vehicles are registered by the DIV which is part of the General Directorate for Mobility and Road safety within the Federal Public Service (FPS) for Mobility and Transport.

Belgium has a person-based registration system. This means that a person may keep the same registration plate for life and that he or she may take it from vehicle to vehicle. When the vehicle is registered, the new holder declares whether or not he or she has an available registration plate. If not, a new number is allocated to the person and a stamped rear registration plate is delivered.

The register contains information on both the vehicle and the holder. Details of stolen vehicles are not part of the vehicle registration; these are registered separately by the Police. The vehicle register keeps a record of the relevant police files, which are consulted during transfers. Personal details (name, address etc) are kept up-to-date through a subscription to the National Register or to the "Crossroad bank of enterprises".

Procedures

New vehicles are supplied by the importer to the dealer with all technical data printed on the application form. The technical data has previously been passed on electronically to the DIV. In the case of an individual import, the importer must obtain a 705 Customs sticker.

When a vehicle is first registered, the technical information is printed on the application form. The dealer also provides a VAT sticker and a stamp confirming the technical data. The applicant completes the personal details, indicates whether he wants a new number and provides an insurance sticker. The applicant brings the application form to the DIV. Registration certificates and/or registration plates are sent by B-post (postal service).

The DIV has an interactive "on-line" computer system allowing it to issue registration certificates and registration plates immediately. In order to speed the process, the DIV has decided to enable online registration on the Internet. Since May 2002, some insurance and leasing companies are registering their customers' vehicles by means of WebDIV.

⁶⁸

The information in this section is partly an extract of 'The Vehicle Chain in Europe 2011' published by Ereg, the Association of European Vehicle and Driver Registration authorities, and partly a summary of information that was found on various websites in September 2011. The objective of this section is to give a succinct overview. It does not contain a detailed or exhaustive description of national motor vehicle registration systems.

A registered vehicle must pass a technical control before a new registration can be issued. The control results in a test sticker, valid for two months, stuck onto the application form. An insurance sticker is also included. As part of the registration process, the registration number of the previous holder is blacked out. The previous holder is expected to remove the plates, because he will need them for his next car.

Documents

An application form available at the DIV, car dealers, technical control centres and insurance companies must be completed by the applicant with all the necessary details and stickers.

The registration certificate and (if needed) the registration plate is/are delivered by Bpost (postal service).

The registration certificate new model A4, delivered since 16 November is in one part. It is prepared centrally by the DIV and issued by Bpost. It includes details concerning the vehicle and the applicant. The registration certificate has to be presented by the driver at any request and has to be kept with the vehicle till the end of its life.

No decision has been taken until now about the introduction of the smartcard registration document.

8.3.2. Bulgaria

Registration system

In Bulgaria the licensing activities are performed by the Traffic Police. The Traffic police are part of the Ministry of Interior and function under the chief directorate for Public Order and Security Police.

Bulgaria has a vehicle-based licensing system. All vehicles must be presented regularly for technical inspection where insurance and outstanding traffic infringements are also checked. Stickers are also used to check the insurance and periodical technical inspections ('PTI') obligations.

It is possible to suspend a vehicle in Bulgaria, however vehicle taxes have to be paid.

Documents and procedures

The two part vehicle registration certificate is issued by the Traffic police. The first part contains the technical vehicle data. The second part contains the ownership details. In case of vehicle modifications or re-registration of the vehicle a new registration certificate is issued. The registration document is issued by the regional offices of the Traffic police (formally known as KAT).

When the registration document is issued, the personal details of the person claiming to be the owner are included in part two of the registration. During the process of registration the Traffic police makes checks on the Schengen Information System and with Interpol (ASF). Additionally checks are made by examining the contract

made between the seller and the buyer to verify that this person is the actual owner. For vehicles that are already registered, the contract has to be signed by a notary.

If the certificate of conformity ('COC') is missing or not available, the customer is sent to a Technical Service like Dekra. There a technical admittance test is performed mainly based on permanent PTI requirements. The report is sent to KAT.

After obligations like insurance, PTI, tax, payment of inspection costs are checked a vehicle license plate is issued and directly mounted (in a safe way) to the vehicle by a mechanic from the licence plate manufactures.

8.3.3. *Czech Republic*

Persons who will stay in the Czech Republic for more than one year have to register their car there. According to Czech law, one can only register cars that are less than 5 or 8 years old, depending on the type of the car.

Prior to the registration of a motor vehicle that was brought into the Czech Republic, the vehicle must be inspected by the Technical Inspection Unit (STK). The certificate issued by this Unit remains valid for three months for the purpose of registration.

When importing five or less vehicles of the same type per year, individual inspection is required for each vehicle based on the request of the individual importer (usually a person). If more than five vehicles are imported in one year, the inspection of the respective type of vehicle is executed at the request of the producer or importer (usually a legal entity) and no further inspections are necessary for other imports of the same type that has been already approved.

If the vehicle meets the requirements set out in Regulation No. 102/1995 Coll., it may then be registered by the Transport Inspectorate of the Czech Police. The basic requirements for the registration of a motor vehicle in the Czech Republic include a low emission rate (a catalytic converter is not mandatory), the technical specification of the vehicle and the vehicle operating manual.

Various special requirements apply for vehicle registration in the Czech Republic, for example mirrors on both sides of vehicles, a gasoline tank with a lock, a steering wheel on the left side only, etc. The registration of a vehicle is not valid until its technical conditions meet all these requirements.

8.3.4. *Denmark*

The registration of motor vehicles is managed by SKAT, the Danish Tax authority.

Persons bringing a vehicle to Denmark and taking up residence in Denmark, must register their motor vehicles in Denmark within 14 days of arrival, and pay registration tax. Persons residing in Denmark are not allowed to use motor vehicles registered in another country, with the exception of students or persons residing in another Member State but working in Denmark if they obtain a permit for using a motor vehicle registered in another country.

Before the vehicle can be registered in Denmark, the Danish authorities require an ordinary technical inspection and a customs inspection by the vehicle inspection

authority to determine the identity, the number of kilometres on the clock, features and general condition of the vehicle. When the vehicle has passed the inspection, the applicant must visit the nearest tax centre and submit a file containing the vehicle inspection form and the customs inspection form issued by the vehicle inspection authority, the registration certificate issued in the Member State of origin, cash to pay the registration tax and the registration form (form no. 21.016).

SKAT will then calculate the registration tax based on the vehicle's market price inclusive of registration tax if sold to a person in Denmark. This price will be compared to the vehicle's original cost and loss in value. The decision concerning the valuation of the vehicle is then sent to the applicant (form no. 21.043).

When the registration tax is paid, the number plate desk at the tax centre will issue Danish number plates provided that the following documents are submitted: the vehicle inspection form, the registration certificate issued by the other Member State, the insurance certificate, the decision concerning valuation, the receipt for the payment of the registration tax and cash to pay for number plates⁶⁹.

8.3.5. *Germany*

Registration system

In Germany, the federal 16 states carry out the actual vehicle registration. In comparison with similar organisations in other countries, the central German registration organisation, the Kraftfahrt-Bundesamt (KBA), has a relatively small range of tasks. It is the type approval authority for motor vehicles in Germany, and it maintains and operates the four federal registers, one of which relates to the vehicle chain. There are 420 vehicle licensing offices in Germany.

The licensing system is vehicle and district based. The 420 licensing offices across the federal states are authorized to issue licence numbers. These offices maintain their own registers of all vehicles for which they have issued licence numbers. The KBA also records all vehicles with their technical data and their holder data in a central vehicle register, called ZFZR (Zentrales Fahrzeugregister).

Vehicles (and their trailers) which on the basis of their construction can reach a speed of more than 6 kilometres per hour may be used on the public roads if they are licensed and registered. These vehicles must have a national approval or an EU type approval and a compulsory third-party insurance. Passenger vehicles, commercial vehicles and lorries, motorcycles, mopeds, agricultural tractors, road-construction and maintenance machines and trailers are licensed and registered.

Procedures

When a vehicle is sold, the buyer or dealer has to show the Part II document to the licensing office. Additionally the existence of third-party insurance has to be proved. This is done electronically by the licensing office who make an online request to a database containing proof of insurance operated by the association of insurance companies (see also section 2.4). If all preconditions for registration are fulfilled the

⁶⁹

[HTTP://WWW.SKAT.DK](http://www.skat.dk)

license authority allocates a licence number to the vehicle. The holder then has to buy the number plates. A supplier is usually located near the licensing office. The holder then takes the number plates to the licensing office. In the meantime, the holder and vehicle details have been recorded in the district register. For mass-produced vehicles, the registration relies on a register with type data information (technical data of a vehicle type). The KBA updates this type data register daily.

The registration certificate Part II includes the holder's details. The licensing office prepares a registration certificate Part I and attaches a sticker on the number plates. The licensing office then informs the KBA, for registration in the ZFZR central vehicle register, the tax office and the insurance company.

Motor vehicles registered in another Member State must be inspected by the TÜV or another similar body. The owner then takes the approval declaration to the licensing office. This ascertains whether the applicant has the right to have the vehicle, on the basis, for instance, of a purchase contract. The vehicle licensing office checks, via the KBA, that the vehicle does not already have a registration certificate Part II and that it has not been stolen. The vehicle licensing office also consults the EUCARIS system and the Schengen Information System (SIS) via the KBA. If the vehicle proves to be stolen, the vehicle licensing office or the KBA calls in the police and informs the applicant accordingly. If everything is in order, the licensing office prepares a registration certificate Part II.

Documents

The registration certificate consists of two parts: the Registration Certificate Part I and the Registration Certificate Part II. The first part has the function of the former vehicle certificate (in German called “Fahrzeugschein”) and the second part has the function of the former vehicle letter (in German called “Fahrzeugbrief”). The new registration certificates are issued since 1 October 2005. Old documents remain valid until a change occurs that makes it necessary to issue new documents.

In principle in Germany a vehicle is accompanied throughout its life by a registration certificate Part II (in German it is called “Fahrzeugbrief”), which lists the holder’s and vehicle’s details. The registration certificate Part II provides proof of the holder’s right to have the vehicle. The holder keeps the document at home or in a safe-deposit box. In contrast to the former vehicle letter the new registration certificate Part II that is issued according to Council Directive 1999/37/EC since 1 October 2005 does not contain all but only the main technical vehicle details and at maximum two holder entries. If no registration certificate Part II is available, the holder must obtain documentary evidence of the right to have the vehicle in some way or another, for instance by submitting a copy of a purchase contract.

Registration certificates Part II are items of value. Quite a number of security features is incorporated in the registration certificate Part II. They are printed by the Bundesdruckerei GmbH in Berlin on security paper and issued with a number, on the basis of which the KBA monitors distribution. The documents are distributed from KBA among manufacturers, importers and licensing offices.

In most cases the manufacturer or importer allocates a registration certificate Part II to a vehicle and prints the vehicle details (including the vehicle identification number

(VIN)) on the document. They report the number of the document as well as the vehicle identification number (VIN) to the KBA. In this way the vehicle and the registration certificate Part II are linked to each other at an early stage and stored in the ZFZR central vehicle register.

The holder must present the registration certificate Part II at the licensing office when the vehicle is licensed and when any details are changed. It is impossible in Germany to prove rightful ownership of the vehicle without the accompanying registration certificate Part II. For that reason this document serves as a kind of ownership protection, although it is not an ownership title as such.

The holder can use the registration certificate Part II as collateral for loans. In that case the lender will retain the Part II document until the final loan repayment. During this time the holder cannot sell the vehicle.

The registration certificate Part I (in German it is called “Fahrzeugschein”) provides proof of correct licensing. This document is issued by the licensing office. It contains the following in particular, the name of the vehicle holder, the technical details, which (in part) are also listed on the registration certificate Part II and the location of the vehicle, in case this differs from the holder’s residence.

In contrast with the Part II document, the registration certificate Part I must be kept in the vehicle when it is being used, so that drivers can present it to the authorities on request (at roadside checks, for instance). In case of a change, such as a transfer, the licensing office prepares a new registration certificate Part I.

The information on the Part II document and Part I document must be kept up-to-date. The owner or holder is obliged to report any changes to the licensing office. If he or she fails to do so, the licence office has the power to prohibit further use of the vehicle until the duty to report has been fulfilled. In the event of changes, the owner or holder must always present the registration certificate Part II. Failure to present the Part I document is usually not an insurmountable problem. Changes that must be reported to the licensing offices include changes to holder details (e.g. name and address), vehicle category (e.g. through conversion), engine power, loads and weights, emission values and change of location (in case of a move to another district, a vehicle normally receives a new licence number). When the vehicle is transferred to another district, it receives a new licence number.

The licensing office records changes on the registration certificate Part II. If there is no place free for new entries a new Part II document is issued. The licensing office also retains the old registration certificate Part I and prepares a new one. And it informs the KBA and, if applicable, the tax office and the insurance company.

8.3.6. *Estonia*

Maanteeamet (the Estonian Road Administration) is responsible for the registration of motor vehicles, issuing vehicle registration documents, number plates and managing the national road vehicle register. It also provides data on road vehicles, their legal status and owners as well as other related information.

The licence system is vehicle-based but there are possibilities in certain cases to retain the number plates and use them on another vehicle.

Passenger cars, motorcycles, commercial vehicles, trailers, tractors, mobile machinery and all terrain vehicles are registered. Registering a moped is compulsory since 2011.

Before the registration process can start, the vehicle must pass the pre-registration inspection. The vehicle documentation as well as the vehicle's compliance with the national technical requirements are verified. After the inspection, the owner of the vehicle or holder presents an application and a document certifying the acquisition of the vehicle, in the absence of this any other document certifying the ownership of the vehicle, the registration certificate (in case of an used vehicle), the certificate of conformity (in case of a new vehicle) and other documents when needed.

After registration, the registration certificate and number plate(s) are issued immediately to the applicant. The owner must insure the vehicle for use on public roads and a technical inspection must be passed.

Owners of vehicles must apply for the change of registration data in case of transfer of ownership, change of recorded data of an owner (name, address), data of a vehicle (colour, engine, etc) or in case of loss or theft of the registration certificates.

8.3.7. *Ireland*

Registration system

The Revenue Commissioners are the registration authority in Ireland. They register vehicles, collect Vehicle Registration Tax (VRT) and assign registration numbers. The Department of Transport issues registration certificates for vehicles and are responsible for the collection of Circulation Tax on behalf of the Department of the Environment, Heritage and Local Government through online services and local authorities.

The licensing system in Ireland is vehicle-based.

Procedures

Authorized distributors deliver new vehicles to dealers. The dealer is provided with a partially completed registration declaration document on which relevant vehicle details (partly taken from the type approval details) are already entered.

When the vehicle is sold, the dealer amends the document with the new holder's details. The dealer then electronically (in about 95% of registrations) declares the transaction to Revenue and arranges payment of the VRT due, usually via their current account. The dealer will be informed of the registration number allocated to the vehicle and will supply the vehicle to the customer with the registration plate attached.

Private importations or registrations of used vehicles must be completed at a National Car Testing Centre. The new keeper (registered owner) of the vehicle must pay the first Circulation Tax either directly online or at a local authority Motor Tax

Office. Transport department will post the registration document to them after payment.

Transfers of ownership and other changes to the holder details are indicated on the Registration Certificate. The old and the new holder sign the document, which is sent to the responsible department where the changes are registered. A new Registration Certificate is then produced and sent to the new holder. Details of motor dealers involved in holder changes are also recorded in the central register and motor dealers become the registered owners of the vehicles while in their possession, however a new Registration Certificate is not issued in these circumstances.

An internet based facility which allows approved motor dealers to notify changes in ownership for vehicles purchased and sold by them was introduced in May 2008 and provides an additional channel to notify changes. Where dealers use this service they are required to retain the signed documents for a period of three years. Modifications to the vehicle, particularly those that may impact on the registration tax or the annual motor tax must be notified to the relevant authorities, whether Revenue or Transport. In some cases, where the change is significant and may compromise the vehicle type approval, it is planned that a certification process, whether individual vehicle approval or a more simple certification process be put in place to ensure that the vehicle modification has not compromised the safety of the vehicle.

Documents

The main document in the system is the Registration Certificate, which contains details of the vehicle and the registered owner. It is issued by Transport after registration of the vehicle by Revenue and payment of the first annual Circulation Tax. This document was introduced in 2004 to replace two documents previously issued for each vehicle, the Vehicle Registration Certificate and the Vehicle Licensing Certificate.

The new document was introduced to improve customer service and to comply with Council Directives 1999/37/EC and 2003/127/EC. The document does not need to be present in the vehicle when it is on the road.

In the case of individual importation of vehicles, all original documents are returned to the country of origin via the appropriate embassy or vehicle licensing authority.

8.3.8. Greece

EU citizens may circulate in Greece in their EU state registered car during six months. After six months the car must leave the country or be registered in Greece. The car registration document is always required. Travellers should at all times be able to prove to the authorities when the car was brought into Greece.

To qualify for a second period of tax free circulation: either both the car and the owner should be out of Greece for at least 185 days or while the owner is away, the vehicle can remain at a special Customs compound in Greece for the period stated. Greek circulation tax is payable for all additional periods of circulation. The entitlement to circulate on foreign plates is strictly personal, consequently only the wife/husband or children may use the car in addition to the owner. After the expiry

of the period granted by the customs authorities, the person concerned will be required to re-export the car, or to seal it with the customs for a period of at least 6 months (but no more than 12 months) after which time, provided the owner can show that he/she has been out of Greece for at least 6 months during this time, another 6 month circulation period will be granted, or clear it through customs.

In general, the car dealer who sells a new car will register it temporarily for the buyer. If not, the dealer will supply the buyer with the appropriate documents required for registration.

New cars are registered at the local Citizen Service Centre (Κέντρο Εξυπηρέτησης Πολιτών - KEP). The buyer submits the necessary documents to the KEP and the application is forwarded to the competent institution. A receipt, the Βεβαίωση υποβολής αιτήματος, is issued. The buyer is notified when the final document is ready to be collected.

The following documents are required to register a private passenger vehicle: certified copy of proof of identity, the residence permit for foreign residents (Αδεια παραμονής), a document from the manufacturer, the application for registration of a new passenger car, a copy of certificate in accordance with the JMD 31949/2725/99 (V330) issued by the Department of Transport and the EU certificate of conformity.

For motor vehicles that are already registered, the following documents are required for the transfer of ownership and registration: a certified copy of proof of identity of both the buyer and seller, a receipt of payment by the seller (an invoice marked paid), a request for transfer and registration of the car ownership (document Aitisi), the previous vehicle registration document, certified by the local tax office proving that the annual vehicle tax was paid, a power of attorney, if registration is carried out by a third party and the residence permit for foreign citizens (Αδεια παραμονής). The documents have to be submitted to the local Citizen Service Centre (Κέντρο Εξυπηρέτησης Πολιτών - KEP). The buyer will be notified once the documents are ready for collection. Car insurance should be taken out before registration of the vehicle. Vehicles entering Greece are also required to undergo a test at a Vehicle Technical Control Centre (KTEO).

8.3.9. *Spain*

Registration system

The registration of motor vehicles is managed by the DGT (Dirección General de Tráfico).

Spain has a vehicle-based licensing system. Cars, buses, motorcycles, trailers weighing more than 750 kg, lorries and mopeds are all registered and bear licence plates. Agricultural tractors are registered as special vehicles.

Procedures

The regular importation of new vehicles is carried out in an automated way through certified importers and manufacturers.

Vehicles imported by individuals and homemade vehicles must be registered at a provincial office after the vehicle has been taken to an ITV station for at least an identity check. Requisite documents include the certificate of conformity, certificates to prove that the municipal tax and the registration tax have been paid, and proof of identity. A proof of insurance is not required. The application form can be filled in on location or on the internet. The vehicle document can be picked up the next day, after which the licence plates can be purchased.

The procedure for transfers of ownership is the same as for individual importation, with the understanding that instead of the COP the valid vehicle document must be produced. In principle, both the buyer and the vendor must register the transfer, but given the elaborate administrative procedure people often call in a service company and authorise it to register the transfer.

Documents

The European harmonised vehicle document was introduced in 2005 as a one-part document. No new additions are made to the document – that is, a new document is issued if any changes have to be made. Drivers need to have the document on them when they are on the road. A smartcard registration document is being prepared.

8.3.10. France

Registration system

France adopted a new, nationwide vehicle registration system in 2009. This is the ‘Système d’Immatriculation des Véhicules’ (SIV). The registration is done at the Préfecture or Sous-Préfecture.

France has a vehicle-based licensing system (‘un numéro à vie’). The vehicle is issued with a registration number at the first point of registration. This remains with the car until it is destroyed or exported, regardless of its location of registration in France. An owner need not change the registration of a vehicle bought in a different ‘département’. An owner need not change the registration if they move ‘département’, although they are required to report a change of address. A sticker will be sent by post which must be placed in the registration document (there is no charge)

It is not obligatory to register a foreign vehicle in France unless the owner is resident in France. A resident is someone who is domiciled in France for more than six months (183 days) per year, or who is employed in France.

A private vehicle must be re-registered in France if it is owned and used by a resident of France.

Procedures

For the registration of motor vehicles previously registered in another Member State, the vehicle's original registration documents and receipt of sale should be transmitted to the Centre des Impôts where a fiscal certificate (Quitus Fiscal) or tax clearance form will be issued.

The motor registration department at the Préfecture or Sous-Préfecture will start the registration process on the basis of a ‘Demande de certificat d’immatriculation d’un véhicule’. The applicant will have to provide the registration department with the following documents:

- Proof of identity;
- Proof of residence/address (property title deeds, rental contract, utility bill, insurance certificate);
- A copy of the foreign registration certificate;
- Copy of the Certificat de Conformité Européen (issued by the manufacturer or their agent) or an Attestation RTI (Reception à Titre Isolé). There are two ways to identify that the car is of a recognised type in France or in the EU. Either by the identification number given by the manufacturer for cars produced in series (Certificate de Conformité Européen) or with a ‘Attestation RTI’ (Reception à Titre Isolé) from DREAL (Directions Régionales de l’Environnement, de l’Aménagement et du Logement);
- A copy of the certificate of purchase and customs clearance certificate (issued by the Centre des Impôts);
- Contrôle technique certificate if required: if the car is more than four years old it will need to pass a ‘contrôle technique’, the French roadworthiness test; this must have occurred less than six months before (two months if a contre-visite or re-test is required). Roadworthiness certificates from other countries are usually not accepted as an alternative - the car must pass a French ‘contrôle technique’.

The Préfecture or Sous-Préfecture will detail where the documents should be sent. The DREAL (Directions Régionales de l’Environnement, de l’Aménagement et du Logement) might ask for additional documents.

The car owner is notified when they should return to the Préfecture or Sous-Préfecture, where the registration document, and new registration number are issued. Next, new number plates (plaques d’immatriculation) must be ordered, made and fitted.

8.3.11. *Italy*

Registration system

In Italy, the licensing activities are performed by two organisations, the Ministry of Transport and Infrastructure (‘DG V&T’) and the Automobile Club Italy (‘ACI’). These organisations are statutorily appointed to carry out the various tasks. The ACI’s tasks focus primarily on the ownership aspects of licensing and providing related legal information. The DG V&T carries out, inter alia, the licensing of data relating to vehicles and supplies information for tracing and enforcement.

DG V&T and ACI regularly exchange their respective files in an attempt to avoid discrepancies in the database. The Italian system is based on continuous registration.

Vehicles are included, without interruption, in the registers of the DG V&T and ACI from first registration until they are scrapped. At the end of the vehicle's life (i.e. when it is scrapped) or on export, the history is checked. Any gaps must then be accounted for.

The registration number is specific to the vehicle.

Documents

There are two official vehicle documents. The registration document is issued by DG V&T. This must be present in the vehicle whenever it is used. The ownership document is issued after ratification of ownership and may be kept at home. In both cases, modifications to the document are made using stickers that must be pasted over the details that have changed.

From 2002 both the documents (the registration document and the ownership certificate, the so-called "certificate di proprietà") are issued in real time by ACI or DG V&T.

Upon initial registration, the registration document is issued by the provincial offices of the DG V&T. The document primarily contains data relating to the vehicle. When the registration document is issued, the personal details of the person claiming to be the owner are included in addition to the technical data. No check is made by the DG V&T as to whether this person is the actual owner (a photocopy of a registration document is sufficient). The registration form has recently been modified in line with the EU requirements that came into effect from 2004.

Upon receipt of the number plates, the applicant must inform the ACI about his ownership with a declaration ratified by a notary or by an official. The ACI processes this in the PRA (Public Register Automotive) and checks who the actual owner is.

Vehicles that do not have a certificate of conformity or which enter via parallel import (about 5%) have to be submitted to one of the 90 provincial inspection centres.

Procedures

Transfer of ownership can be processed via agencies or directly by ACI or DG V&T. Changes in vehicle ownership have to be accomplished by means of a contract legalised by a notary or an official.

Changes of address are notified by the municipal authorities to the DG V&T. The DG V&T send the information to ACI.

Vehicle owners notify any technical changes, insofar as these affect items on the registration document, at one of the provincial offices of the DG V&T. Depending on the nature of the modification, the vehicle may then be inspected at one of the inspection centres. The owner subsequently receives a special sticker showing the updated details. This is pasted over the old details.

8.3.12. Cyprus

Right hand drive, used vehicles, with first registration or purchase in a European Union Member State

The applicant must submit the following documents to the registration authorities:

- Registration certificate (indicating that the vehicle's first registration was in an EU Member State)
- Invoice or sales contract, if the vehicle is not registered to the person importing and registering the vehicle (from now on referred to as the "owner" of the vehicle)

If the above documents are in a language other than Greek or English, the owner must produce verified translated documents issued by the Press and Information Office. The documents must be properly stamped at the Stamp Duty Section of the Ministry of Finance.

The owner must submit all above documents to the District Vehicle Examination Centre of the Road Transport Department (R.T.D.) to have a certificate confirming the vehicle's CO₂ emissions, issued. The owner should then acquire the vehicle according to the procedure of the Department of Customs.

The owner must then apply for a roadworthiness certificate by presenting the vehicle to an authorized Private Vehicle Examination Centre (accompanied with Customs documents and other required documents as described in paragraphs A1-A2 above) for inspection. Provided that all paperwork is correct and the vehicle is in proper working condition, a roadworthiness certificate will be issued. The owner must then present the vehicle to a District Vehicle Examination Centre of R.T.D. (accompanied with all above documentation) for inspection for registration.

Upon successful completion of these procedures, the owner will have to submit all the above documents to one of the Motor Car Registry offices of R.T.D. for registration of the vehicle.

Left hand drive vehicles

Left hand drive, saloon type vehicles, can be registered in Cyprus, provided that:

- The procedure above is followed,
- the vehicle is submitted to a test for single vehicle left hand drive vehicles, undergoes any necessary modifications and certificate TOM 139(β) is issued;
- the vehicle is accompanied by any of the following documents: an approved SVA certificate, a registration certificate from an EU member state indicating proof of EU type approval, or the Certificate of Conformity from an EU Member State.

8.3.13. *Latvia*

Registration system

The registration is done by the CSDD (Road Traffic Safety Directorate).

Latvia has a vehicle-based licensing system. All vehicles must be presented annually for technical inspection. In this way, registrations are kept up to date and obligations with regard to inspection, insurance and taxation are enforced.

Cars, lorries, buses, motorcycles and all trailers are registered and bear licence plates.

Transfers of ownership are dealt with at the CSDD offices. CSDD registers about 750 transfers of ownership per day. There are two ways transfer of ownership can be performed:

- Based on an ownership document (purchase agreement, grant agreement etc.) In this case, the presence of the vendor is not necessary;
- Based on an ownership's transfer application, which is executed at the CSDD office and signed both by buyer and vendor.

All vehicles are inspected individually. Documents and licence plates are issued immediately after the inspection.

Documents

The registration document is a tamper-proof certificate. This is generated based on the vehicle register. People are required to have this document with them when driving a vehicle.

8.3.14. *Lithuania*

Registration system

Motor vehicles are registered by the public enterprise REGITRA. It was established by the Ministry of the Interior and within the framework of the Law of the Republic of Lithuania "On State and Municipal Enterprises" is subordinate to the Ministry. REGITRA registers passenger cars, buses, coaches, lorries, their trailers (irrespective of their weight), motorcycles and mopeds. Administrations of municipalities carry out registration of tractors, self-propelled and agricultural machinery and their trailers, they issue registration certificates and number plates.

Lithuania has a separate Register of Tractors, Self-Propelled and Agricultural Machinery and their Trailers ('Register of Tractors'). It is different from the Register of Road Vehicles which falls under the responsibility of the Ministry of Agriculture. The state enterprise Agricultural Information and Rural Business Centre is the institution responsible for the administration of the information system of the Register of Tractors.

Procedures

There are four main types of vehicle registration procedures in Lithuania: the first registration, temporary registration, change of registration data and deregistration.

The vehicle identification inspection is a compulsory initial stage of procedures of the first registration and change of vehicle data. Personal ID and vehicle documents are checked in the course of all types of registration procedures. Registration documents and licence plates in all cases are issued on the spot at the final stage of the registration procedures.

The following documents must be submitted for the first registration: an application, a personal identification document of an applicant, a document certifying the right to represent an owner (power of attorney, proxy, etc.) where an applicant is not the owner, an acquisition document (invoice, purchase agreement, etc), a foreign vehicle registration certificate (where appropriate), a contract of compulsory insurance against civil liability in respect of the use of motor vehicles (Motor Insurance) and a certificate of conformity (where appropriate).

There is a possibility for dealers to register new vehicles for their customers. In this case a representative of the retailer should also submit the purchase agreement where an authorization to register the vehicle on behalf of the owner is indicated.

Owners of vehicles must apply for the change of registration data in the following cases: upon transfer of ownership, change of recorded data of an owner (name, address), data of a vehicle (colour, engine, etc) and the validity period of temporary registration, when there is a need to change number plates and/or the registration certificate (badly damaged, stolen or lost). The application has to be submitted within 30 days or immediately if a certificate or number plates are stolen or lost.

Documents

Currently there are 5 models of valid Lithuanian registration certificates in use:

- The 1992 model, issued 01/10/1992 – 31/01/2001. It is currently quite rare in traffic. The issued certificates were folded in the middle, sealed in protective film and they have a shape of a plastic card;
- The 2001 model (green), issued 01/02/2001 - 27/04/2004 ;
- The 2004 model (green), issued 27/04/2004 - 24/07/2006;
- The 2006 model (green), issued from 17/07/2006;
- The 2010 model (green), issued from 06/01/2010.

The above documents are intended, inter alia, for the re-registration of vehicles.

There are also 2 models of another type of documents - vehicle user certificates (blue). Those documents were intended for the vehicle users other than owners, were not compulsory, issued alongside registration certificates upon request of an owner and valid for 5 years. It should be noted that the user certificates do not confirm the holder's proprietary right to the vehicle and therefore are not intended for the re-registration. The user certificates are no longer issued since 07/2006 as the data of

vehicle users can be (on application of an owner or his legitimate representative) indicated on the reverse side of the newest Registration Certificate. The data of the vehicle user/holder of the certificate are provided in conformity with Directive 1999/37/EC under the codes (C.1.1) surname or business name; (C.1.2) other name(s) or initial(s); (C.1.3) address in the Member State of registration on the date of issue of the document and (C.4.b) is not the vehicle owner. All the documents consist of one part only.

8.3.15. *Luxembourg*

Registration system

The SNCH, the ‘Société Nationale de Certification et d’Homologation’ is the managing the car registration in Luxembourg.

Luxembourg has a vehicle-based licensing system. Cars, motorcycles, lorries, trailers (regardless of weight) and mopeds are registered and bear licence plates.

Procedures

Registration takes place at one of the three SNCT stations and is preceded by either a technical inspection or a conformity inspection involving the physical check of the identity of the vehicle (stamped VIN Number). For vehicles coming from countries that are EUCARIS participants, every vehicle is checked via EUCARIS. As soon as the inspection has been successfully completed, and payment has been made, the new documents are issued.

In addition to the completed registration form, one must submit a proof of purchase, proof of insurance and proof of identity. The previous owner/keeper has to hand in both parts of the old registration document.

The procedure to be followed for the change of ownership of a vehicle is quite similar to that described for a new vehicle. On 1 August 2004, the technical inspection of a vehicle in case of change of ownership was made voluntary, if the previous inspection certificate remains valid for at least 6 weeks.

In case of technical modifications on a vehicle, the relating administrative procedure is also done in the premises of our three SNCT inspection centres, where the identification of the vehicles can be done as well as the eventual check of the technical modifications (colour, fuel...).

Documents

Since December 2006, Luxembourg has a two-part registration document, of grey and yellow colour (before only one part document in grey colour), containing information both on the vehicle as well as on the owner and the keeper (holder). The document does not constitute a historical record. If any changes occur, a new document is made out. The registration document has to be in the car when it is being driven.

8.3.16. Hungary

Registration system

The COAEPS (Central Office for Administrative and Electronic Public Services – Vehicle and Driving Licence Administration and Registration Department) is responsible for the central registration and therefore has a role in the licensing and during tracing and enforcement.

The licensing system and the tax system are not integrated. The local tax authorities get a monthly update database on the basis of the changed data registered by the local authorities. The licensing system is linked with the central personal database, with the vehicle originality inspection system and with the Customs.

Procedures

The licensing system is vehicle-based, though it is possible in some cases to keep the number plates and use them on another vehicle. The Hungarian vehicle register includes data both on the holder and on the owner.

Passenger cars, buses, coaches, lorries, trailers, motorcycles and agricultural vehicles have to be registered. The vehicles appear in the Vehicle Registration from the first registration until 10 years after the de-registration.

The registration takes place in the document service centres. There are over 300 document service centres in Hungary which are part of the local government office. COAEPS is their professional supervisor, gives professional support and regularly controls their work.

There are some differences in the procedures and the required documents for the first registration of a vehicle, depending on the origin of the vehicle (EEA, third country, new). As the vehicle is registered, the data appears immediately in the central register system so all document service centres can check the new records at once. Some of the required documents must be attached to the application and these will be sent by the document service centre to the central file department of COAEPS.

For the first registration of the vehicle the applicant must transmit the following:

- The Technical Data Sheet which is a certification of the technical eligibility of the vehicle by the transport authority;
- Payment receipt of the fee for the registration certificate and the ownership booklet;
- Certification of ownership by an original document or by a copy which has been officially authenticated as identical with the original document, or if the original document has not been issued in the Hungarian language, an officially authenticated Hungarian translation is to be attached to the request as well;
- The payment receipt for the fee of the number plates and the payment receipt for the fee of the license plate validity sticker.

- In addition, the following documents must be presented:
- A special national document called „járműkísérő lap” that is issued for the trader when the vehicle is sold;
- If there is no „járműkísérő lap”, the originality inspection should be completed within 60 days;
- Proof of the payment of the third-party liability insurance;
- Certification of the payment of the registration tax in case of vehicles determined by law and the verification of the originality of this certification has been checked by the road traffic authority in the register;
- Certification of the payment of property acquisition tax if the acquisition and the possession took place in the territory of Hungary;
- The client’s identification has to be verified by a document.

Any changes considering data in the Vehicle Registration and/or the documents to both the vehicle’s and the keeper’s details must be registered by the document service centres.

Documents

The registration certificate of Hungary consists of only one part. Although Hungary has used the harmonised EU vehicle Registration Certificate since 1st July 2004, there are still other valid types of Registration Certificates in Hungary:

- Type “A” Registration Certificate was issued until 31/12/1998. The Document was made of green card, it was filled in by hand and was split into two. The number of these Registration Certificates are steadily decreasing as they must be exchanged to the type “C” Registration Certificate whenever the holder starts a procedure in the document service centre.
- Type “B” Registration Certificate was issued from 01/01/1999 until 30/06/2004. This document looks similar to the type “C” Registration Certificate though it contains the data descriptions in Hungarian and not with EU codes and the print is different. These documents will have to be exchanged to the type “C” when data of the vehicle or the holder has changed.
- Type “C” Registration Certificate has been issued since 1st July 2004 following Directive 1999/37/EC. This document is green and folded into three. On the front side there are the data of the vehicle (with codes) and name, address and legal status (holder, owner, lessee etc.) of the holder. On the back there are the stickers of the technical inspection, date, signature and stamp of the issuing authority and space for possible authorised remarks.

The Registration Certificate is to be held in the vehicle while using it on public roads.

In Hungary it is not necessary that the holder and the owner should be the same person. If the owner and the holder of the vehicle are different persons they are both registered in the Vehicle Registration. As proof of ownership, a green plastic card (size of a credit card) is issued by the document service centre. This card, called “ownership booklet” has a very important role in the Hungarian registration procedure but is not Part II of the Registration Certificate in the sense of Directive 1999/37/EC. The ownership booklet is withdrawn and re-issued at every change of owner and in some other cases.

The vehicle originality inspection is a compulsory check of the vehicle documents and the vehicle originality data thus avoiding forgery. It must be processed before registering a new owner.

8.3.17. *Malta*

Registration system

The registration process is managed by the Malta Transport Authority.

Procedures

For new motor vehicles, the dealer must login to the Online Registration system www.vehicleregistration.gov.mt to register and license the vehicle accordingly. After registering the vehicle he will be requested to present the documents listed below, at the Land Transport Directorate in Hall C between 7.30 and 12.00, Monday to Friday, except Public Holidays.

In the case of New Private (M1) Vehicles, Chauffeur Driven and Taxis, the following documents must be presented:

- Deposit Form VEH 03;
- Duly filled Application Forms, VEH 01 and VEH 02 for one time importers and VEH 25 for authorized motor car dealers, downloaded from website WWW.TRANSPORT.GOV.MT;
- New vehicles must comply with Directive 2007/46/EC, i.e.: Only vehicles with an engine complying to emission level standards of EURO 5 or higher may be registered;
- The original Certificate of Conformity (Item 46.1 on the Certificate of Conformity must read 715/2007/EEC/692/2008. Only vehicles having such description may be registered);
- The invoice;
- The freight note and Marine Insurance (if applicable);
- A valid insurance policy;
- Copy of ID card of purchaser (front only);

- Customs Inspection Form VEH 04 for vehicles coming from Non-EU countries;
- Board resolution if the vehicle will be licensed on behalf of an Organisation

In the case of new Goods Carrying Vehicles (N1, N2, and N3), besides the above documents, the agent/dealer must also present a declaration for:

- N1 vehicles (Class 1) with Reference Mass between 0 and 1,305kg require a declaration by the manufacturer confirming that the vehicle complies with the emission level standards established under Regulation (EC) No 715/2007 as amended (Euro 5/V);
- N1 vehicles (Class 2) with Reference Mass between 1,306kg and 1,760kg and N1 (Class 3) with Reference Mass between 1,761 and 2,610kg require a declaration by the manufacturer confirming that the vehicle complies with the emission level standards established under Directive 70/220/EEC (Euro 4/IV) or higher;
- N2 and N3 vehicles with a maximum authorised Mass over 3,500kg having heavy duty engines require a declaration by the manufacturer confirming that the vehicle complies with the emission level standards established under Directive 2005/55/EC, (Euro 5/V);
- Engineer's report (in the case of chassis cab);
- Certificate from the Public Health Authority (in the case of refrigerated vehicle).

All new N1 vehicles manufactured after 29 October 2011, are required to have a Certificate of Conformity and all N2 and N3 vehicles manufactured after 29 October 2012 will also be required to have a Certificate of Conformity. In the case of new Motorcycles and M1 vehicles the same documents as for Private vehicles are required.

Prior to registration, all M1 vehicles will be inspected by Technical Unit to confirm if the vehicle may be used on the road.

The invoice must be issued by the manufacturer or by an authorized agent of the manufacturer showing the cost of the vehicle and in the case of a goods vehicle or an off road vehicle the engine capacity and gross vehicle weight, and the other documents showing the CIF (Cost, Insurance and Freight) value. (Motor Vehicles Registration and Licensing Act, Cap 36, Article (d)).

Used vehicles transferred from other EU countries must be inspected and verified. Persons bringing a used vehicle from an EU Member State have to make an appointment for the Inspection and Verification of the vehicle.

On the appointed day, the client has to take the vehicle to the Technical Unit of the Land Transport Directorate in Floriana. The following is the list of documents required for Inspection and Verification of the vehicle:

- Foreign Registration Certificate (Logbook) of vehicle signed by foreign Seller and the new Buyer;
- A print out from the Transport Malta website with Vehicle Registration Value WWW.VEHICLEREGISTRATION.GOV.MT;
- For Goods vehicles and ATV's the car dealer or individual must submit a duly filled Application Form VEH 01.

On the appointed day, the Technical Unit will verify that the details on the logbook tally with the valuation printout and with the actual vehicle.

The valuation printout will be signed and stamped by the Technical Unit, and returned to the customer to be used during registration.

After that the vehicle is inspected and verified by the Technical Unit, the client may register the vehicle at Hall B at the Land Transport Directorate between 7.30 and 12.00.

In the case of Used Private (M1) Vehicles the following documents must be presented:

- Deposit form VEH 03;
- Duly filled Application Forms, VEH 01 and VEH 02 for individuals and VEH 25 for motor car dealers, downloaded from website WWW.TRANSPORT.GOV.MT;
- Valuation printout signed by Technical Unit;
- Original Foreign Registration Certificate (logbook) signed by the foreign owner and the new buyer;
- For vehicles brought into Malta as of the 1 April 2011, or thereafter an Odometer Certificate of Authenticity issued by a body approved by the Authority (JEVIC) showing the vehicle's authentic odometer reading. Details: JEVIC UK LTD, Building 46, Dunsfold Park, Cranleigh, Surrey, GU6 8TB, United Kingdom;
- Foreign Plates;
- Valid insurance policy certificate, starting from date of registration (however owner must have the vehicle insured whilst the vehicle is used in Malta);
- VRT passed certificate (should be done prior to inspection);
- Board resolution by company secretary if the vehicle will be licensed on behalf of a company

In the case of Used Goods Carrying Vehicles (N1, N2 and N3), the above documents are required together with:

- Engineer's report (in the case of chassis cab);
- Certificate from the Public Health Authority (in the case of refrigerated vehicle).

In the case of Used Motorcycles and ATV's the same documents as for Private vehicles are required, except for the VRT and JEVIC certificate which is not required for a Motorcycle.

Clients whose vehicles have not been supplied for more than 6 months from date of first entry into service or have not travelled more than 6,000 km must supply an invoice issued by the manufacturer or by an authorized agent of the manufacturer showing the cost of the vehicle and in the case of a goods vehicle or an off road vehicle the engine capacity and gross vehicle weight, and the other documents showing the CIF (Cost Insurance and Freight) value (Motor Vehicle Registration and Licensing, Cap 368 Article 4 (d)).

8.3.18. *Netherlands*

Registration system

The registration is performed by the RDW. It is an independent administrative body under the Ministry of Transport, Public Works and Water Management. The minister of transport, public works and water management carries political responsibility for the RDW's activities and sets its responsibilities. The RDW is a non-profit organization dedicated to executing statutory tasks. In principle it is financed by its cost-covering charges.

The Netherlands Postal Service is a major partner for the RDW in the execution of its tasks in the vehicle chain. Through 600 post offices, it arranges transfers and suspensions. Furthermore, around 23,000 car dealers and garages and demolition firms record many changes on-line in the spheres of change of ownership, PTI, business stock and demolition.

The Netherlands has a strictly vehicle-based licensing system. Its underlying principle is continuous registration, that is to say, a vehicle must appear in the registration system without interruption from the cradle (admission) to the grave (demolition or export). Central to the system is what is called the 'holdership' concept in the Netherlands. This means that the vehicle obligations in terms of taxation, inspection and insurance and related to holding the vehicle, not its use. Hence, registration provides the basis for the vehicle obligations in the Netherlands.

Passenger vehicles, commercial vehicles and lorries, motorcycles, mopeds and trailers over 750 kg are licensed and registered.

Procedures

The RDW registers around 650,000 new vehicles every year. Every day authorized dealers/importers report around 2,700 new vehicles with a European or national type approval to the RDW. These vehicles are given a licence number on the same day, and the RDW sends the vehicle registration document part IA to the importer.

In case of individual imports or home build vehicles, the RDW inspects around 12,500 motor vehicles every month at one of its inspection centres. The RDW then generates a licence number centrally, prepares the documents and sends them out. If an imported vehicle is not older than 3 years, comes from an EU Member State and has the required documents, an identity and a limited technical inspection is mandatory.

Around 6.5 million changes of ownership in the vehicle register are entered every year, including the transfers, which are processed at one of the 600 post offices or, since the April 2002, at one of the 4.500 dealers who are authorised for this purpose. These dealers are connected to authorised providers who have connection to the vehicle register of the RDW. The new owner or a dealer acting on the new owner's behalf presents the part IB document and the transfer document and provides proof of identity with a valid driving licence or passport. The transfer process is computerized, executed on-line and in real time with the RDW registers. The driving licence is checked on line, as are the presented vehicle documents. At the same time the vehicle register is checked to detect any irregularities, whether the vehicle is stolen, for instance. If everything is in order, the vehicle is registered in the new owner's name. A new part IB document, showing the details of the new owner, is then printed at the post office or authorized dealer.

Vehicles transferred to an authorized car dealer or accredited garage for inclusion in its stock can be reported as such to the RDW electronically. In this case the vehicle obligations are temporarily suspended. Potential buyers and staff may then only drive the vehicle when it carries a green trade number plate. RDW inspectors make periodical and random checks to ensure compliance with the rules.

The owner reports any changes to the vehicle directly to the RDW. Depending on the changes, the RDW inspects the vehicle and adjusts the vehicle register. The owner then receives a new part IA document with the updated vehicle details.

Documents

Vehicle registration is based on three documents. The part IA document includes the technical data; this is issued at first registration and when the specifications are changed. The part IB document includes the holder details; this is issued each time the vehicle is reregistered. The part II document includes the transfer details; this is issued to the owner/holder only at the time of first registration; in case of transfers it serves as proof of holdership.

Drivers must have parts IA and IB on them when driving the vehicle; part II is kept at home. None of the documents have a historical character. That is to say, every time a change is made, a new document is prepared.

8.3.19. Austria

Registration system

In Austria, insurance companies play an important role in the licensing authority. A cooperation of insurance companies maintains one of the two central registrations for vehicles. Transfer of ownership, tax collection and of course insurance related

services are also provided by the insurers. The licensing system is specific to individuals and regions. Insurance and tax obligations are highly integrated into the licensing system.

Austria has two central vehicle registers:

- One register is maintained by the Verband der Versicherungsunternehmen Österreichs (VVO). Its primary purpose is to assist the Zulassungsprozess (admissions process), assist with recalls and assist with the production of statistical information and information for the government (e.g. the Ministry of Defence). In principle, no information is given to the public from this register. However, information concerning insurance is provided by licence number via the website.
- The other vehicle register is maintained at the Ministry of the Interior. Its purpose is to assist the tracing and enforcement agencies. This register is periodically updated from the register of the VVO. Personal information in this register is updated by means of a link with the register of persons, a notification register to which the municipalities are affiliated. Police reports, including those relating to stolen vehicles, are also included in this register.

Cars, lorries, motorcycles, mopeds, agricultural tractors and motorized equipment and trailers are registered and bear licence plates.

Documents

The ‘Zulassungsbescheinigung’ (admission certificate) has two parts, one of which is to be kept in the car and the other at home. In addition there is the ‘Typenschein’, a type of ‘Fahrzeugbrief’ (vehicle logbook) with all the (historical) technical information. In January 2011 the smartcard registration document was introduced in Austria on an optional basis.

In the case of regular imports, the importer supplies the ‘Typenschein’ with the vehicle. Otherwise – in the case of imports by individuals, for example – the vehicle has to be inspected.

One can transfer the ownership of a vehicle at any of the 870 offices of the 25 affiliated insurance companies. To do this, one must submit the ‘Zulassungsbescheinigung’, the ‘Typenschein’, proof of insurance, the number plates and proof of purchase. Central registration is performed online and in real time, and a new ‘Zulassungsbescheinigung’ is created on the spot. Number plates are supplied from stock (unless a ‘Wunschkennzeichen’, i.e. a personalized number plate is involved), together with one inspection sticker. The transfer costs amount to 172 euro.

There is no distinction between the changes of the ownership and the changes of the vehicle. Both need a new registration.

In the event of suspension, one must hand in the number plates and Part 1 of the ‘Zulassungsbescheinigung’ at one of the insurance offices. The obligation to insure and tax the vehicle is then suspended. No fee is charged for suspension.

The number plates and the Zulassungsbescheinigung must be handed in during de-registration. Number plates are kept, the registration certificate part 1 and part 2 are marked as invalid and are given back to the former car holder. There is no charge for this.

8.3.20. *Poland*

Registration system

There are 400 local authorities responsible for motor vehicle registration. The rules of registration of vehicles and issuing of driving licenses are established in the Law on road Traffic of 20 June 1997 (Journal of 2005 No 108, item 908 with further modification).

Motor vehicles, agricultural tractors, mopeds and trailers may be allowed for traffic if they meet the technical requirements and are registered.

Procedures

Following the application for the registration of a motor vehicle with the required documents, the responsible authority verifies the documents, checks the vehicle and holder in the central register of motor vehicles, following which the registration authority issues the registration plates and the temporary certificate of registration (valid for 30+14 days, if required).

During that period, the registration authority may make further investigation about the vehicle and the holder, for example through a question to SI Schengen, a confirmation by another EU country when Part II of the registration certificate is missing, etc. Next, the registration authority orders the registration certificate that is issued centrally by one unit (the producer of registration certificates). Within 7 days of registration, the certificate is produced for transmission by the registration authority (upon receipt from the producer) to the holder. The registration data are then transmitted to the Central Register of Vehicles.

The following documents are necessary for the registration of motor vehicles:

- The title of ownership;
- The vehicle card, if it was issued;
- The certificate of conformity, if it is required;
- The certificate of technical inspection, if it is required;
- The certificate of registration, if the vehicle was previously registered;
- In addition, the following documents must be transmitted for the first registration of a vehicle in Poland:
- Proof of excise, if a passenger vehicle or category L6 and L7 was exported from EU Member States and it is registered the first time in Poland;

- Proof of tax on goods and services, if the imported vehicle from Member States is registered the first time;
- Proof of recycling payment, if the vehicle is registered the first time.

8.3.21. *Portugal*

Registration system

The Institute for Mobility and Land Transport (Instituto da Mobilidade e dos Transportes Terrestres, IMTT) is responsible for vehicle registration.

It is not obligatory to register a foreign vehicle for private use in Portugal for the first 180 days of a visit in any one calendar year, unless the owner intends to live permanently in Portugal.

However the following conditions must be met:

- The vehicle is registered in the name of a person who is not a resident in Portugal;
- The vehicle is brought into Portugal and driven there by its registered owner or keeper;
- The vehicle is for private use only.

Procedure

Before registering a vehicle in Portugal on a permanent basis the owner must apply for a Residency Card (Cartão de Residência) from the Portuguese immigration authorities, SEF (Serviços de Estrangeiros e Fronteiras).

An imported car or bike must conform to the Portuguese road standards under what is termed "homologation" (Homologação) before it can be registered. The complexity of the process can vary according to age, make and origin of the vehicle.

The process is different for classic and collectable vehicles. It is also different and more complicated for modified vehicles which must be examined at an authorised inspection centre to ensure the work was carried out correctly and adheres to EU safety standards.

Registration is recorded at both the local customs office and the IMTT.

The following documents are usually needed:

- A fiscal certificate or tax clearance form issued by customs. In some instances, there are customs and tax charges payable (depending on the model, power, age and mileage of the vehicle);
- Original receipt of purchase showing taxes paid;
- A Certificate of Compliance (Form Model 9) issued by the IMTT confirming that the vehicle has undergone an inspection;

- A certificate of "homologation" (Homologação) from the vehicle manufacturer or certified representative in Portugal to identify that the vehicle is of a recognised type in Portugal or the EU;
- Copy of the foreign vehicle registration certificate;
- Certificate of conformity, COC (Certificado de Conformidade CEE);
- A certificate of roadworthiness (IPO);
- The technical inspection (Inspecção Periódica Obrigatória, IPO) is made at an IMTT approved garage. This checks vehicle identification, brakes, tyres, emissions, noise levels, lights, steering, windscreen and wipers, and chassis condition (inside and out).

The following owner's documents are usually required:

- Driver's licence (Cartão de Condução);
- Proof of identity (passport, identity card (Bilhete de Identidade));
- Proof of residency (Cartão de Residência), evidence of application for residency, or proof of residence (property title deeds, rental contract, utility bills, insurance certificate);
- Taxpayer's identification card (Cartão Fiscal de Impostos or Cartão de Contribuinte) and number plus three year's tax returns or a declaration from the tax office stating income earned (in Portugal or elsewhere) over the previous three years;
- A certificate of cancellation of residence issued by the former country of residence or their Consulate in Portugal

Original documents and one copy must be supplied. Once the application has been submitted, customs may issue a limited-validity authorisation (Guia de Circulação) which means the vehicle may be used while the application is in process.

The details of the vehicle's registration are recorded on the DUA (Documento Único Automóvel) or "All-in-One Card". This replaces the Vehicle Ownership Registration (Título de Registo de Propriedade), Licence Plate (Matrícula) and Log Book (Livrete) card. Vehicle registration documents must be carried in the car at all times.

DUAs - and the registration of new or second hand vehicles can be done at a local civil registry office, the IRN (Instituto dos Registos e Notariado).

8.3.22. *Romania*

Motor vehicles are registered by the Department for Driving Licenses and Vehicles Registration (DRPCIV). The registration is carried out only for vehicles that are approved by the Romanian Automobile Register (Registrul Auto Roman (RAR)) and require the following documents:

- The vehicle registration form which should contain the necessary data and carry the stamp of the competent tax body of the local government authority;
- The vehicle identity document, original and copy;
- A document that proves the applicant's ownership of the motor vehicle or trailer, original and copy;
- The identity document of the applicant, original and copy;
- Evidence that the technical periodical inspection was carried out and is still valid, except for new motor vehicles and trailers;
- A valid mandatory third party liability insurance document;
- Proof of registration tax payment;
- Proof of special tax for cars and motor vehicles payment;
- Proof of registration certificate issuance payment;
- Proof of registration plates issuance payment;
- Authenticity certificate of the vehicle, except for new vehicles, motor vehicles used at sport competitions, and historical vehicles;
- Special power of attorney, if appropriate.

Cars belonging to foreign citizens working in Romania should be temporarily registered with the local police department. In order to qualify for temporary registration in Romania, the car should first be registered abroad, even if such registration is only temporary. To obtain temporary registration plates, foreign nationals need to provide the police department with the identity card of the car, a notarised translation of the foreign registration certificate, the registration form from the tax authorities, the Romanian insurance policy and copies of their passport and residence permit/registration certificate (as applicable).

The Registrul Auto Roman (Romanian Automobile Register) issues the Vehicle Identity Card (VIC) which sets out the technical data and the data for the identification of the vehicle which are used afterwards by the registration authority. The Vehicle Identity Card can be issued only for the vehicles which can be identified, respectively the ones for which the representatives of DIA establish a valid identification number.

Vehicles which have been last registered in a Member State of the European Union and the configuration of which has not been modified can receive the identity card without being subject to individual approval. Nevertheless, since they are before their first registration in Romania, these vehicles are checked, especially with respect to the authenticity of the elements of identification and the document proving the prior registration, as well as their technical condition.

The road vehicle authenticity certification is performed by RAR:

- For used vehicles which have not been previously registered in Romania and which are subject to approval;
- For vehicles which were previously registered in a Member State of the European Union and which are imported or introduced in Romania;
- For the vehicles which are or have been previously registered in Romania, the owner of which changes.

During the authenticity certification, the RAR checks whether:

- The main identification elements of the vehicle are original and/or were not subject to unauthorized changes;
- The standard form of the document confirming the previous registration of the vehicle, issued by the competent authorities in the country of origin, is authentic.
- The vehicle does not appear on the wanted list at national or international level, according to the databases to which RAR has access based on the protocols concluded with the authorities managing these databases.

8.3.23. *Slovenia*

Registration system

The Slovenian Traffic Safety Agency (Javna agencija Republike Slovenije za varnost prometa) is managing the registration of motor vehicles.

Slovenia's licensing system is a vehicle-related system. Cars, buses, lorries, motorcycles, mopeds, agricultural tractors and trailers of over 750 kg are registered and bear licence plates. Light trailers (under 750 kg) are not registered, but should bear the "third" licence plate from the towing vehicle.

Procedures

When privately importing a vehicle one must report with the vehicle to one of the 61 private roadworthiness test organisations (under the Slovenian Traffic Safety Agency). Based on the COC and an identification and assessment of technical condition of the vehicle, a national COC is drawn up. This costs about 100 €. Once in possession of a national COC one can apply to one of the vehicle licensing organisations (regional government offices or roadworthiness test organisations or car sellers with authorisation of Slovenian Traffic Safety Agency) for first registration in Slovenia.

When applying for registration, one must also produce proofs of vehicle insurance, tax payment, ownership, and identity. In the case of used vehicles the relevant foreign documents must also be produced.

Applications to register vehicle ownership must be made to one of the vehicle licensing organisations. A condition for registering vehicle ownership is residence in

Slovenia. This must be evident from the proof of identity. Proof of ownership, the most recent vehicle document and the national COC must be submitted.

When applying the vehicle must be taxed and insured and have passed inspection. The deed of sale must be signed by new and the previous owner. The signature of the previous owner must be legally verified. The previous owner is only required to present himself in person and must hand over the previous vehicle document. The new vehicle document and the number plates are issued on the spot.

From 1 July 2011, the vehicle ownership change requires the presence of the previous and the new owner (in the case of natural persons) at the vehicle licensing organisation, where the identities of both persons are verified.

Documents

Slovenia has introduced a one-part vehicle document that conforms to the harmonised European model. The document does not constitute a historical record. If any changes are necessary, a new document is issued.

The vehicle document is produced in the Slovene language; in certain municipalities (border zones), it is bilingual - also in Italian or Hungarian.

Drivers must have their vehicle documents with them when driving a vehicle.

8.3.24. Slovakia

In order to register a car in Slovakia, applicants must provide the original Vehicle Title (which must contain the technical specifications), a document showing the vehicle was de-registered in the Member State of origin, documented proof of ownership, an ID Card or Passport, a residence permit, a certificate of conformity proving the vehicle complies with the specifications for the EU market and a new car insurance.

The car registration form must be filed at the Motor Vehicle Register at the Transport Inspectorate. The applicant will then report to the district office, department of transport in the place of residence, which shall submit an application for approval of individually imported vehicle or the request for recognition of type approval of an application for recognition or approval (so-called national approval) of individually imported vehicle. The application must contain particulars of the applicant. The application must be accompanied by proof of ownership. This could include the purchase contract, invoice, or deed of gift. The registration certificate (technical passport) or proof of disposal of vehicle registration in the country of origin is needed too.

The application will then receive a fiscal stamp according to the Transport Inspectorate's current price list. With this administrative decision and the copy of an application form, the new owner must bring his motor vehicle to the technical control station (TCS).

After inspection, the applicant must hand over the technical inspection report and proof of payment of the recycling fee to the Recycling Fund to the District Office.

The Traffic Office will issue a decision on approval of individually imported vehicle and issue the vehicle registration certificate.

Subsequently, the vehicle owner chooses the insurance company to insure the car. The insurance company will provide the owner with a certificate of insurance.

Finally, the applicant has to visit the Transport Inspectorate (DI), where he should show the decision and submit the registration certificate from the District Transport Office, proof of acquisition, a certificate of insurance contract and its identification documents. The DI will register the vehicle and will assign a registration number (license plate number of the former).

Documents in other than Slovak or Czech language must be translated into Slovakian. Where the documents are bilingual, it is necessary that both languages are translated to Slovakian. Translation can be done only by a translator who is registered in the list of official interpreters.

Since 1 January 2008, applicants importing a new or used vehicle registered have to submit the following documents:

- The proof of ownership, such as the invoice, the purchase agreement or the donation agreement;
- The certificate of registration;
- A document to remove the vehicle from the vehicle registration in a Member State; submitted only if the record of the disposal is not listed on the certificate of registration under the second point;
- The expertise to check the originality of the vehicle;
- The valid protocol on technical vehicle inspection or a valid implementation of roadworthiness issued in a Member State, such as a certificate of roadworthiness, referred to the documents shall be submitted only if a vehicle is subject to inspection;
- The valid protocol on emission control of motor vehicle pursuant to § 67 paragraph 2 point a) the results of the fit to road traffic or a valid execution of emission on vehicle issued in a Member State, for example, issue a certificate of inspection you need only if the record of emission control is not part of the document for technical inspections by the fifth point specifying the documents to be submitted only in case of a used vehicle when the vehicle is subject to a control;
- The proof of payment of contribution to the Recycling Fund for imported vehicles.

8.3.25. *Finland*

Registration system

The Liikenteen turvallisuusvirasto Trafi (i.e. the ‘Transport Safety Agency Trafi’) is in charge of all the tasks formerly handled by the Finnish Vehicle Administration (AKE). Trafi is a central government office working under the Ministry of Transport and Communication.

Trafi is in charge of vehicle registration and maintains the Vehicular and Driver Data Register. Trafi arranges vehicle registration by obtaining the services necessary from service providers, i.e., contractual registration authorities. Registrations are done by inspection companies, insurance companies, car dealerships and financing companies. Private customers can also perform some registration-related tasks in the online registration service provided by Trafi. Apart from registering diplomatic vehicles, Trafi does not perform registrations.

The licensing system in Finland is vehicle based and licensing is integrated to the registration system and the prior notification system. A vehicle can receive a license plate number and actual plates in the prior notification process or in the first registration process.

Passenger vehicles, commercial vehicles and lorries, motorcycles, mopeds, agricultural tractors, motor-driven working machines, snow mobiles and trailers are all registered. Some road maintenance and harvesting motor-driven working machines and trailers do not have to be registered.

Documents

The registration document is the pivot in the system and includes all relevant details about the vehicle and the owner/holder. The registration document is issued at the time of the first registration, and continues to be used for all subsequent administrative changes. Every time there is a change of information, a new document is produced.

Trafi introduced a new Vehicle Traffic Data System (ATJ) on 12 November 2007. At the same time, the look and part of the content of the previous registration certificate was also renewed. The current certificate is in two parts (as was the former one). The technical part (part I) contains the vehicle’s technical information and name and address information of the owner(s) and holder(s).

The driver must always carry with him/her the technical part when operating the vehicle. The notification part (part II) of the certificate contains related sections for making notifications of changes. Both parts are printed on A4-size security paper. The security paper used is the same for both part of the document. The certificate’s parts can be identified by the name and number of the part, which are printed on the upper right hand corner of each part.

The new certificate contains information on the intervals between scheduled inspections and suggestions for repair issued at the annual inspection. Customers are given a new technical part (part I) at each inspection. On all registrations, both parts of the certificate are printed for the customer. The old registration certificate is valid until the customer receives a new certificate from the registration partner or by mail, but no more than 30 days from the time a registration notification was made. If a new

certificate has not been received within 30 days, the customer must request a new one from the nearest inspection station.

The registration for new vehicles is organised via vehicle importers and car dealers in a way that is very similar to the accelerated procedure in the Netherlands. In case of individual imports the registration document and the licence plates are issued on the spot at registration time at the inspection station.

The following requirements apply to the first registration of a vehicle:

- The vehicle must pass a registration inspection, or a pre-registration certificate or single approval certificate valid for registration must have been granted for the vehicle;
- The vehicle must comply with all valid Finnish requirements;
- A certificate of destruction as specified in Section 18 I of the Waste Act may not be issued for the vehicle;
- Documentation for payment of all taxes and other fees regarding the vehicle must be submitted;
- A report on the vehicle's proprietary rights and holder must be submitted;
- The vehicle must be covered by a motor liability insurance policy.

If a private person imports a vehicle from abroad to be used in traffic in Finland, the following documents are required for the first registration:

- A valid registration inspection certificate;
- Customs registration permit (submitted electronically by the Vehicular and Driver Data Register);
- Customs certificate, if a tax-free vehicle is imported from a non-EU country;
- An ownership report starting from the last owner outside of Finland (if the customer submits a vehicle taxation decision, an ownership report beginning with the first person liable to pay taxes in Finland is required);
- Motor liability insurance policy.

8.3.26. *Sweden*

Registration system

The Traffic Registry (Trafikregistret or TR), a department of the Swedish Transport Agency, STA (Transportstyrelsen) is responsible for the registration of motor vehicles.

The licensing system in Sweden is vehicle-based. Passenger vehicles, commercial vehicles and lorries, motorcycles, mopeds, agricultural tractors, trailers and scooters are all registered and numbered.

Procedures

The initial registration of a vehicle requires:

- Documents related to a vehicle's origin;
- Normally a certificate of conformity, but for privately imported vehicles a general certification (by a Vehicle Inspection Company)
- Proof of insurance;
- Proof of tax payment, when put in traffic;
- Declaration of a number of technical details.

The registration documents and the number plates are issued by the Traffic Registry. The plates are produced by a private company. The registration of most new vehicles is organized via accredited importers and manufacturers by means of file transfers.

In case of changes of ownership, both the buyer and the seller must sign the vehicle registration document. After registration the buyer will receive a new registration document. The seller receives a certificate stating that he or she is no longer the owner or holder the vehicle. Transfer of ownership can also be completed at 3,000 accredited car dealers and garages.

When the verification of origin has been approved the vehicle needs to undertake a registration inspection and technical identity verification by a Vehicle Inspection Company. They report the changed data to TR who then issues a new vehicle registration document to the owner.

If a vehicle has been re-built or changed in other ways the vehicle might need to undertake an inspection by a Vehicle Inspection Company. They report the changed data to TR who then issues a new vehicle registration document to the owner.

Documents

The pivot in the system is the vehicle registration document, which includes all relevant details about the vehicle and the owner/holder. This EU-harmonised document in two parts is issued at the time of the first registration, and continues to be used for all subsequent administrative changes. It is not a historical document, but is issued every time some facts are changed, except for changes of address of the owner. Drivers and riders do not need to bring the registration document when driving or riding their vehicle.

The owner can, beside the vehicle registration document, use the Internet – or telephone-based services for reporting certain administrative changes of the vehicle using a smartcard.

8.3.27. United Kingdom

Registration system

The motor vehicle registration system is managed by the Driver and Vehicle Licensing Agency (DVLA) which is the largest of the four Agencies of the Safety, Service Delivery and Logistics Group (SSDL) within the Department for Transport (DfT). Each agency works under the authority of the Secretary of State for Transport who is assisted by three Ministers. DVLA is an Executive Agency of DfT. It undertakes registration services for Drivers in Great Britain and Vehicles in the UK (Great Britain and Northern Ireland) and the necessary operational and development costs are funded through fees charged to the motoring public.

The licensing system in the United Kingdom is vehicle-oriented.

DVLA register vehicles such as cars, buses, commercial vehicles, lorries, motorcycles, mopeds, agricultural tractors and all other mechanically propelled vehicles for use on the public road.

Procedures

At first registration an authorized dealer or DVLA local office requires presentation of a registration application form (V 55), the Certificate of Conformity (or alternative documentation) and proof of insurance. Vehicles not covered by a type approval must undergo an inspection before being admitted on the public highway.

Any changes and amendments to both the vehicle's and the keeper's details must be indicated on the registration certificate and sent to DVLA. The Agency then records the information, prepares a new certificate and sends this to the keeper.

When a vehicle is imported for use in Great Britain (GB), it must be registered with the Driver and Vehicle Licensing Agency (DVLA). This must be done as soon as possible as the vehicle cannot be used or kept on public roads.

A 'brand new' vehicle can be driven to GB and registered as 'new' provided the vehicle:

- Is registered within two weeks of collection - this may be extended to one calendar month at peak periods, e.g. before 1 March and 1 September;
- Only has reasonable delivery mileage - DVLA considers reasonable delivery mileage to mean the vehicle being driven from the pick up point to home using a direct route;
- Has not been previously permanently registered;
- Has been stored before registration and is a current model or is a model that has ceased production within the last two years.

The DVLA recommends importers to transport rather than drive vehicles from the port to the first destination.

New vehicles must have a certificate of conformity as proof of type approval from the supplier or vehicle manufacturer.

Left-hand-drive vehicles from within the EU will need a certificate, issued by the Vehicle Certification Agency (VCA), under the Mutual Recognition scheme. This shows that changes have been made to the vehicle, making it suitable for use on British roads.

Vehicles that have not been subject to European type approval will be subject to one of the following tests, they are:

- The Individual Vehicle Approval (IVA): The IVA inspection checks that the vehicle is designed and constructed to meet safety and environmental standards for use on UK roads. Examiners from the Vehicle and Operator Services Agency do inspections at approved sites in Great Britain. The Driver Vehicle Agency does inspections in Northern Ireland. If the vehicle passes an IVA inspection, the examiner issues an Individual Approval Certificate. Applicants can then register your vehicle with the Driver and Vehicle Licensing Agency using the certificate. For passenger cars and light goods vehicles there are two levels of IVA inspection, basic and normal. Vehicles subject to the basic requirements are left-hand drive vehicles, personally imported vehicles, amateur built vehicles, vehicles manufactured in very low volume, etc. The basic IVA requirements can be assessed by a visual inspection of the vehicle to assess its design and construction against the technical standards. Vehicles that do not fall into any of the above classes, including heavy vehicles, larger passenger vehicles and trailers will require a normal IVA inspection. Passenger cars and light goods vehicles having a normal IVA inspection have to meet the basic IVA, as well as meeting additional EC Directive standards for up to 12 safety, environmental and security features. In some cases, evidence of compliance to standards from another country considered comparable to the EC standards - e.g. Japan - will be acceptable.
- Light goods vehicle - Single Vehicle Approval (SVA) test if it is a (up to 3,000kg);
- Motorcycle or quadricycle - motorcycle SVA.

Documents

The pivot in the vehicle registration system is the registration certificate (V5C) which belongs with each vehicle and contains all the relevant details of the vehicle and its keeper. This is not an historic document, because a new V5C is prepared by DVLA each time the relevant details change. Drivers do not need to have this certificate on them when driving the vehicle.

From 15 August 2010, DVLA introduced a new style V5C. The re-designed V5C makes it clear that this certificate is not proof of ownership and also provides details of where keepers can obtain advice on how to avoid becoming the victim of vehicle crime.

The front of the certificate is red instead of blue and the customer information sections on the back have been made simpler. A new style certificate will be sent to keepers when they purchase a new vehicle and DVLA is notified; when a keeper

applies to change any vehicle or personal details or when the original V5C has been lost, stolen or destroyed and replacement application is made.

The blue version of the certificate, however, is still valid.

8.3.28. *Transferring motor vehicles to another Member States - Temporary and professional (or 'commercial') registration schemes in the EU*

When a second-hand motor vehicle is sold, it can obviously be put on a trailer or on a truck and brought to the other Member State. Yet many motor vehicles will be driven to the Member State of destination. A motor vehicle cannot be driven on public roads without displaying a registration number.

There are, in a nutshell, four main ways to drive a motor vehicle lawfully to the Member State of destination:

8.3.28.1. The seller drives the motor vehicle with his own registration plates

Both parties can agree that the seller drive the motor vehicle displaying its original registration to the Member State of the buyer. The vehicle should also carry the registration certificate.

8.3.28.2. The buyer seeks registration of the motor vehicle in his own Member State:

When the buyer has fulfilled the registration formalities in his home Member State and obtained the registration certificate while the vehicle is still in the Member State of origin, he is entitled to use that registration certificate and the corresponding number plate to drive the motor vehicle home, pursuant to Article 4 of Directive 1999/37/EC.

8.3.28.3. The buyer seeks temporary registration of the motor vehicle:

Many Member States apply the principle that the motor vehicle should not be used or kept on their public roads until the registration and vehicle tax formalities have been completed. Nevertheless, many Member States have put in place a system of temporary registration so that the vehicle can be driven for a short period before it obtains final registration. If the vehicle is temporarily registered in the Member State of the buyer or the seller, it is lawfully admitted to international traffic:

- The Member State may issue a temporary registration certificate that does not differ, or only slightly differs, from the model set out in Directive 1999/37/EC. In that case, other Member States are obliged to recognize the temporary registration certificate issued by a Member State for the identification of the vehicle in international traffic, provided that the driver carries Part I of the registration certificate pursuant to Article 5(1) of the Directive.
- Alternatively, the temporary registration certificate may substantially differ from the model set out in Directive 1999/37/EC. The Member States of transit and the Member State of destination must, in principle, recognise the certificate and admit the motor vehicle to their territory, in accordance with Articles 34 and 36 TFEU. The free movement of the motor vehicle may only be impeded for reasons relating to road safety (such as the driving capacities of the driver, his compliance with the local rules of the road or the roadworthiness of the motor vehicle), in case of reasonable suspicion of vehicle theft or when the

controlling authorities have reasonable doubts about the validity of the certificate.

Temporary registrations are an important instrument for the second-hand market, especially for the physical transfer of the motor vehicle to another Member State. Impediments to the intra-EU movement of motor vehicles displaying a temporary registration number issued in another Member State have to be primarily examined in the light of Articles 34 to 36 TFEU. According to settled case-law of the Court of Justice, the free movement of goods between Member States “*could not itself be complete if it were possible for Member States to impede or interfere in any way with the movement of goods in transit. It is therefore necessary, as a consequence of the Customs Union and in the mutual interest of the Member States, to acknowledge the existence of a general principle of freedom of transit of goods within the [EU]*”⁷⁰.

If a Member State impedes the transit of a motor vehicle carrying temporary registration plates lawfully issued in another Member State, it will infringe Article 34 TFEU, unless the impediment is justified on the basis of Article 36 TFEU or one of the mandatory requirements accepted by the Court of Justice⁷¹. For example, a Member State would be entitled on the basis of Article 36 TFEU or pursuant to one of the mandatory requirements accepted by the Court of Justice, to impede the transit of a vehicle carrying temporary registration plates legally issued in another Member State for reasons related to road traffic safety, if the vehicle or its driver constituted a risk to the health of other road users, or if the driver could not demonstrate that he was entitled to drive the motor vehicle.

The following table established by EReg⁷² gives an overview of the temporary registration systems in some Member States:

⁷⁰ Point 18 of the judgement of the Court of Justice of 23 October 2003, *Administration des douanes et droits indirects v Rioglass SA and Transremar SL*, Case C-115/02.

⁷¹ See judgement of the Court of Justice of 2 October 2003, *Criminal proceedings against Marco Grilli*, Case C-12/02.

⁷² Association of European Vehicle and Driver Registration Authorities, [HTTPS://WWW.EREG-ASSOCIATION.EU/](https://www.ereg-association.eu/).

TEMPORARY REGISTRATION SYSTEMS (Table 1)				
Country	How many systems of temporary registrations?	Availability only under certain conditions?	Maximum duration of registration?	Documents compliant with Directive 199/37/EC
Belgium	2 systems: transit plates; international plates	Transit: limited to non residents international: to members of international organisations.	Transit 6 months; International 1 year(renewable)	Yes but only limited validity
Cyprus	One system only	Only for non residents	Maximum 1 year	Similar documents as normal registrations
Denmark	2 systems: border number plates and temporary stickers	border plates: non residents; temporary stickers: same as commercial plates for private	border plates: two years; temporary stickers: 7 days	border plates compliant no official document issued for stickers
Estonia	Transit plates system only	No restrictions	Maximum 30 days	No formal registration document issued
Finland	One system only	No restrictions	Varies between 1 day to several months	Different from "normal" registration document
Germany	Two systems	Only for legally defined purposes but available for residents and non residents	Varies between 5 days to one year	Similar documents as normal registrations, but not compliant with Directive 1999/37
Hungary	One system only	National restrictions (No detail)	6 Months for "E" plates; 12 months for "P" plates	Not compliant
Iceland	One system only	Only available for persons with Iceland Id. Number	No time limit	No specific document
Ireland	One system only	Only available to non residents	Maximum 30 days	No

Latvia	One system only	Available for all persons	Maximum 6 months	Same registration document as normal registration document
Lithuania	One system only	Available for all persons	Maximum 90 days	Same registration document as normal document; special option for resale
Luxembourg	One system only	Available only for non residents and for export of vehicles only	Maximum 90days	Same registration document as normal registration document
Netherlands	Two different systems depending on either former Dutch registration or not	Only for transit and export for all persons residents or not	Maximum 14 days	Different layout to normal registration documents
Poland	Two systems: temporary registration system+ system for multiple use	Temporary systems for all residents; multiple use for companies	Temporary systems maximum 44days;multiple use maximum 6 months	Different documents but all compliant with Directive 1999/37
Romania	One system only	Only for import and export: export only for non residents	Export maximum 30days;import depending on customs clearance	Similar documents as normal registrations
Slovakia	One system only	Only for non residents	Maximum 30days	Identical documents
Sweden	Different systems for holder with residence permanent, temporary or no residence	Available for all persons see before	Maximum 12 months, but different schemes with different durations	Identical documents then normal registration, but with expiry date
UK	No temporary registration system	Not applicable	Not applicable	Not applicable

TEMPORARY REGISTRATION SYSTEMS (Table 2)			
Country	Conditions for obtaining temporary Registration?	Formal agreement for recognition?	Description of number plates used
Belgium	holder id.; insurance cover; valid roadworthiness test; possible tax exemption	conformity with Vienna convention and Dir1999/37	Three different models in use: white with green; red with white; blue with yellow; sticker with date of expiry
Cyprus	holder id.; insurance cover; valid roadworthiness test; possible tax exemption, payment	Yes	Professional plates: White background red digits; Temporary registrations identified by V for visitor on plate
Denmark	border plates: holder id; insurance Temp. Stickers: holder id. and insurance cover	Recognition with Germany in preparation	border number plates: white with red and black numbers stickers no plate date of expiry indicated
Estonia	holder id.; insurance cover; valid roadworthiness test	No	Professional: Letters PROOV followed by 4 No; Transit: white with red digits and frame
Finland	holder id.; insurance cover; tax paid	Nordic countries agreement:: Sweden; Norway; Denmark	Professional: yellow reflective black digits; temporary: sticker white reflective red digits
Germany	holder id.; proof of insurance cover; credibility; vehicle Id inserted by holder	Agreement between Netherlands and Germany	Red Plates: white background with red numbers; Temporary white background black numbers +expiry date
Hungary	holder id. and check of activity; insurance cover	No	White background with black digits only numbers
Iceland	holder id.; insurance cover; valid roadworthiness test; tax payment	No	Pre registration: red bas black frame and characters
Ireland	Not specified	No	Identified by ZZ and unique number

Latvia	holder id.; vehicle id.; vehicle technical data ; insurance cover; tax payment	No	Professional plates: reflective white with red numbers; Temporary plates identical to normal plates
Lithuania	holder id.; insurance cover; proof of holdership	No	Professional plates :reflective white with red numbers year of validity indicated; Temporary plates waterproof cardboard colours as above
Luxem- bourg	holder id.; ownership document; technical data; valid technical inspection; insurance cover	Not necessary as documents compliant	Professional: red with white numbers only expiry on plate; Temporary normal plate with "EX" four numbers and expiry date
Nether- lands	holder id.; insurance cover; valid roadworthiness test; possible tax exemption	No	Only available trough RDW authorised companies; light green with black numbers; temporary plate can also be homemade
Poland	holder id.; ownership document; available technical data; valid technical inspection	Not necessary as documents compliant	Different colour and structure than normal plates; sticker with date of expiry
Romania	holder id.; insurance cover; valid vehicle id.+ roadworthiness test; possible tax exemption, payment	Not necessary as documents compliant	For Probe "PROBE" on the plate; provisional: white with red letters one or two letters followed by four or five numbers
Slovakia	holder id.; insurance cover; available technical data	Not necessary as documents compliant	Yellow background with black digits identified by character V
Sweden	holder id.; insurance cover; available technical data; valid vehicle inspection	Nordic countries agreement: Norway; Finland; Denmark	Green with black digits expiry date shown on plate; letter B indicate limitations of use
UK	Not applicable	Not applicable	Professional plates: White acrylic with red digits 3 letters 2 numbers displayed in triangular holder

8.3.28.4. The professional seller drives the motor vehicle with his professional number plates:

Professional registration schemes exist in most Member States in order to allow retailers to drive motor vehicles on public roads for a very short period without being obliged to formally register them. Professional registration schemes are reserved for manufacturers, assemblers, distributors and dealers, with respect to motor vehicles which they possess.

Most Member States do not issue professional registration certificates as such, involving identification of the motor vehicle. They usually provide another type of document, establishing the link between the registration plates and their holder, and/or require the holder to keep a logbook in which trips made with the registration plate are recorded.

Article 35(1)(a) of the Vienna Convention on Road Traffic⁷³ specifies that the Contracting Parties may not prohibit the movement of motor vehicles that are registered by another Contracting Party, provided the driver carries a registration certificate. The Contracting Parties must also recognise registration certificates issued by other Contracting Parties in accordance with the Convention. However, there is no provision of the Convention which requires or permits the Contracting Parties to prohibit the free movement of vehicles not complying with the Convention.

The intra-EU movement of motor vehicles displaying a professional registration number issued in another Member State is also governed by Articles 34 to 36 TFEU. The jurisprudence of the Court of Justice that applies to temporary registration also applies here. Therefore, if a Member State would impede the transit of a motor vehicle carrying professional registration plates lawfully issued in another Member State, it will infringe Article 34 TFEU, unless the impediment is justified on the basis of Article 36 TFEU or one of the mandatory requirements accepted by the Court of Justice⁷⁴.

The following table established by EReg⁷⁵ gives an overview of the professional registration systems in some Member States:

⁷³ United Nations - Economic Commission for Europe, 8 November 1968, as amended.

⁷⁴ See judgement of the Court of Justice of 2 October 2003, Criminal proceedings against Marco Grilli, Case C-12/02.

⁷⁵ Association of European Vehicle and Driver Registration Authorities, [HTTPS://WWW.EREG-ASSOCIATION.EU/](https://www.ereg-association.eu/).

PROFESSIONAL (OR ‘COMMERCIAL’) REGISTRATION SYSTEMS (Table 1)				
Country	Which group of persons can receive these plates?	How many systems of commercial/ professional plates?	Restrictions for the use of these plates?	Different registration certificates?
Belgium	Professionals only for different purposes	2 types :trade and test systems	Restrictions concerning authorized drivers and utilisation	Same document as used for all registrations
Cyprus	Professionals only for different purposes	1 Type only	Maximum duration of 15days	Different documents
Denmark	Professionals only for different purposes	1 Type only	Restrictions concerning authorized drivers and utilisation No transports allowed	Same document as used for all registrations
Estonia	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation limited to national territory	Same document as used for all registrations additional logbook required
Finland	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation	Same format of document as used for all registrations
Germany	Professionals	1 Type only	Restrictions concerning authorized utilisation	Different format of document additional ‘Fahrzeugscheinheft’ sort of log book
Hungary	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation No transports allowed	Different document; additional logbook required
Ireland	Professionals only for different purposes	1 Type only	Restrictions of the times during which these plates can be used	No documents emitted only registration plates issued
Latvia	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation	Different document than normal registration Certificate

Lithuania	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation	Different document than normal registration Certificate emitted by retailers personnel
Luxem- bourg	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation and user; maximum validity two years	Same document as used for all registrations, not compliant no vehicle id.
Nether- lands	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation additional administration	Same size document but not fully harmonised
Poland	No system of professional plates available	Not applicable	Not applicable	Not applicable
Romania	Professionals only for different purposes	2 systems: Probe for constructors and big dealer; provisional for smaller dealers	Restrictions concerning authorized utilisation and territorial limitation	Different documents, document for Probe similar but without vehicle details
Slovakia	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation additional administration	Different document than normal registration Certificate
Sweden	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation	No special registration documents issued
UK	Professionals only for different purposes	1 Type only	Restrictions concerning authorized utilisation	No documents emitted only registration plates with licence issued

PROFESSIONAL (OR ‘COMMERCIAL’) REGISTRATION SYSTEMS (Table 2)				
Country	Identification of the vehicle?	Bilateral agreements with other Member States?	General insurance cover required?	Valid technical Certificate required?
Belgium	No identification of the vehicle; engine size and maximum mass limited	Benelux agreement for the trade plates	Yes	Trade plates yes ;test plates no
Cyprus	No identification of the vehicle on registration document but mandatory via logbook	No	Yes	Yes
Denmark	No identification of the vehicle; different plates for different types of vehicle	Agreement Norway Sweden Finland	Yes	No, but plates can only be used on vehicles that are no hazard for road safety
Estonia	No identification of the vehicle on reg.document but mandatory via logbook	No	Yes	No, but plates can only be used on vehicles that are no hazard for road safety
Finland	No identification of the vehicle	Agreement with Nordic countries: Sweden; Norway; Denmark	Yes	No, but plates can only be used on vehicles that are no hazard for road safety
Germany	Not on document but via log book	Agreement between Netherlands and Germany	Yes	No
Hungary	No identification of the vehicle	No	Yes	No, but plates can only be used on vehicles that are no hazard for road safety (responsibility of the holder)
Ireland	No identification of the vehicle	No use outside Ireland allowed	Yes	No

Latvia	No identification of the vehicle	No	Yes	No
Lithuania	No identification on the document but identification of vehicle and driver via a separate logbook	No	Yes	No
Luxembourg	No identification of the vehicle	Benelux agreement for the trade plates	Yes	No but vehicle must be in roadworthy condition as specified in "Code de la route"
Netherlands	No identification of the vehicle	Benelux agreement for the trade plates plus agreement with Germany for lorries	Yes	Yes must comply with so called permanent requirements, while on Dutch roads
Poland	Not applicable	Not applicable	Not applicable	Not applicable
Romania	For Probe no identification of vehicle provisional vehicle details on document	No	Yes	No
Slovakia	No identification of the vehicle	No	Yes	No
Sweden	No identification of the vehicle; Different plates required for different types of vehicles	Nordic agreement with Finland, Denmark and Norway	Yes	Not always required
UK	No identification of the vehicle	No, only destined for UK use	Yes	Yes

8.4. Annex 4: figures and statistics

8.4.1. Affected groups

- Citizens are in the first to be affected by re-registration problems. As EU integration proceeds, more people may wish to move from one country to another; or to have holiday homes in other Member States, leaving their cars there. More than 3 million people arrived for a permanent stay in Member States in 2007, with more than 2 million arriving in Spain, Germany and the United Kingdom combined. Among the 22 Member States for which data are available, some 40% were citizens of another EU Member State, and 12% were nationals returning to their Member State of citizenship. Returning nationals accounted for the highest proportion of immigrants in Bulgaria, Denmark, Estonia, Lithuania and Poland (permanent stays only) in 2007. In Belgium, Germany, Ireland, Latvia, Luxembourg, Malta, the Netherlands, Austria and Slovakia, the highest proportion of immigrants were citizens from other EU Member States⁷⁶.
- Cross-border workers - and in particular the persons using an employer's company car in another Member State - and employers are also affected by the problem. In total, about 780,000 people in the EU (including EEA/EFTA) were cross-border commuters in the year 2006/2007 (including commuters using other means of transport). Commuting streams are clearly condensed in the area of Central-Western Europe. For EU-15/EEA/EFTA the total number of commuters has increased by 26% from about 490,000 in 1999/2000 to about 660,000 in 2006/2007. The main countries of destination are Switzerland (206,000), Luxembourg (127,000), Germany (86,000), the Netherlands (58,000), Austria (48,000) and Belgium (39,000), together receiving about ¾ of all EU-commuters. The main countries of origin are France (284,000), Germany (117,000) and Belgium (78,000), providing about 60% of all out-commuters in the EU⁷⁷. For passenger car (M1 motor vehicles), company registrations accounted for about 50.5% of the 11.6 million new passenger cars registered across the 18 EU Member States in 2008⁷⁸. Employers are usually able to purchase a company car at lower costs than the employee. The employer's advantage comes from the firms greater bargaining power vis-à-vis car dealers which results in lower costs for purchasing new cars. Firms which operate fleets of passenger cars (for example distribution firms) are often granted significant discounts by car dealers. Next, corporate fleet clients are likely to obtain discounts off list prices for insurance and maintenance. Firms will also be able to finance purchases of company cars at a lower cost. Due to their scale, firms are more likely to have access to better terms of financing of capital purchases with cash than individual employees. Furthermore due to larger scale, firms are also likely to obtain better terms for alternative financing options, such as operating or financial lease arrangements. In this context the leasing market is growing.

⁷⁶ Eurostat Yearbook 2010.

⁷⁷ MKW Wirtschaftsförderung GmbH, 'Scientific Report on the Mobility of Cross-Border Workers within the EU-27/EEA/EFTA Countries', January 2009.

⁷⁸ European Commission, Taxation Papers – Company Car Taxation, 2010.

- Although there are no precise statistics on the intra-EU trade of second-hand motor vehicles, the intra-EU flows of second-hand vehicles can be subdivided in six groups⁷⁹:
 - Group 1: With high relevance of imports ($\geq 60\%$ compared with the annual registration of new cars) and low relevance ($< 15\%$) of exports are BG, CY, CZ, GR, LV, MT, PL, RO and SK.
 - Group 2: Imports are of medium relevance ($\geq 16\%$, $\leq 33\%$) and exports of small relevance ($\leq 2\%$) for FI, HU, IE.
 - Group 3: DK has both medium imports and medium exports. It is not a typical importer or exporter but apparently is simply well integrated.
 - Group 4: In the case of BE, NL and SI, imports are of medium relevance ($\geq 15\%$, $< 30\%$) and exports of high relevance ($\geq 60\%$; $\geq 52\%$ in the case of LU).
 - Group 5: Imports are of low relevance ($< 15\%$) in the case of AT, DE, ES, FR, IT, PT, SE and UK. Germany, with its high share of exports (55%), is somewhat an exception in this group.
 - Group 6: LT is seemingly an exception as it appears to be a shipment centre with high imports from EU 27 and high exports to extra-EU countries; in terms of net imports (around 155%) it is in the range of LV and GR.

A study made by Car-Pass⁸⁰ provides the following elements regarding the second-hand car market, principally in Belgium, Luxemburg, Germany, France and the Netherlands:

- The European used car market might look like a market without trade barriers and therefore seem potentially perfect. In reality, the market is very untransparent and in fact still relatively small. It is very difficult to trace the history of a car imported from another member state and therefore evaluate precisely the real value of that car. The high cost of searching for information, hinders the development of a truly pan-European used car market. Not only do consumers face this lack of information, but automotive professionals do as well. The European used car market is characterized by a high level of information asymmetry.
- The used car market is increasingly European, but used car flows do not automatically go from low value countries to high value countries; there are also flows of cars in the opposite direction. There is no single

⁷⁹ Öko-Institut e.v., European second-hand car market analysis, 2011 ([HTTP://WWW.OEKO.DE/OEKODOC/1114/2011-005-EN.PDF](http://www.oeko.de/oekodoc/1114/2011-005-EN.PDF))

⁸⁰ Impact study of mileage fraud with used cars & Adaptability of the Car-Pass model in other EU-countries (Brussels, October 2010), [HTTP://WWW.CAR-PASS.BE/DOCS/CAR-PASS-STUDY-FINAL-REPORT.PDF](http://www.car-pass.be/docs/car-pass-study-final-report.pdf).

European used car buyer profile, and market needs are different in every country.

- Another used car market dynamic is the difference in car density within the different EU countries. This market saturation is a key driver for cross border used car transactions. If one takes a closer look at the market figures, one can consider the newer Member States as being “low density” and non-saturated markets. Car density is an important factor that explains the way consumers purchase a (used) car. In countries with a low density, many consumers need to fulfil their basic need for transportation. Due to improving economic conditions and a growing need for more mobility, these customers are also increasing their needs for comfortable, luxurious transportation. In the automotive industry, the newer Member States are considered growing markets for both the new and used cars. Since the average citizen in these countries has a lower available income than those in western countries, used car demand is considerably higher than the demand for a new car. However, these countries lack a natural supply of used cars. Their economic development started much later than in other EU countries. Consequently, the current car pool is smaller and the possibility to source used cars from the national supply is low. The import of used cars is a logical step to balance supply and demand. Many people want to experience the western lifestyle, which includes owning a relatively new car. The ideal used car in upcoming markets has the same characteristics as those that consumers desire in Western European countries (low mileage, high specification).
- The second-hand market is sourced by private consumers, business users, leasing companies and rental companies. Private consumers normally drive lower mileage. Small business users may buy the more luxurious cars, whereas leasing companies supply the more “bread and butter cars” to the used car market. Rental companies supply a separate segment of used cars, the nearly new ones. In many cases, rental cars are returned to the manufacturer or dealer after only a short period of use (average 9 months), on so-called buy-back agreements. When looking closer at the rental companies, the cars they put into operation and return to manufacturers are frequently seen as an oversupply of relatively new used cars, putting used car prices under pressure. Their numbers are relatively high and they warrant the manufacturers a high(er) production capacity utilisation. In the used car markets, these ex-rental cars directly compete with younger used cars of consumers or even new cars. Their volumes are able to put used car prices under more pressure in already saturated used car markets.
- Leasing companies were founded by car manufacturers and retailers to stimulate the sales of new cars and after sales. The leasing sector is divided by the so-called “captive” lease company, a subsidiary from and owned by the car manufacturer, and the “non-captive” leasing company, which is in the hands of banks and private ownership. The capital intensity has led to a high involvement of financial institutions in this segment. Leasing companies optimize the costs of depreciation, insurance, maintenance and repairs based on a given mileage per year; in most cases, they are also the riskbearer of these

costs. Leasing companies have become big suppliers of the used car markets, both on a national and international level.

In theory, leasing companies could face similar problems as cross-border workers, at least if they are the holder of the registration certificate and when the vehicle is used by a person established in another Member State. Leasing firms retain the ownership of the leased motor vehicles throughout the life of the contract whereby they convey to the lessee, in return for a payment or series of payments, the right to use the motor vehicle for an agreed period of time⁸¹. Leasing firms usually also offer long term automotive rental contracts. This is a specific kind of leasing, whereby businesses outsource their vehicle fleet needs to a leasing company which provides the necessary passenger cars, vans or trucks to the client, along with any required related services, including maintenance, insurance, fuel management and/or tyre replacements. Automotive assets, i.e. passenger cars and commercial vehicles, accounted for about 55% (€124.1 billion) of total new leasing contracts agreed in 2010, remaining the largest individual asset segment of the European leasing market. It is estimated that European leasing companies financed some 5.8 million passenger cars in 2010. New leasing volumes for commercial vehicles also increased, albeit at a somewhat slower rate than for passenger cars, gaining 2.8% in 2010 to reach new leasing volumes of €34.9 billion⁸².

There are indications that employers increasingly rely on leasing arrangements rather than ownership when providing cars to their employees. Essentially, it changes nothing vis-à-vis the employee. In a leasing arrangement, the firm deducts the annual fee from its gross income while with a company owned car it directly deducts costs of financing, depreciation, insurance, motoring taxes, maintenance and period repairs. Provided that the company and the leasing company face the same costs, then it changes nothing vis-à-vis the employee. Obviously, the firms use leasing contracts rather than ownership because it is more efficient: a leasing company can exploit market power and knowledge better than particularly smaller firms thus reducing costs of purchase and maintenance.

- Car-rental companies are equally affected by the problem but in a very different manner. These companies rent out motor vehicles to private or professional clients for a relatively short period of time in order to meet their respective transport needs. Besides the traditional car-rental services (as a means of transport to complete a train or plane journey or as a replacement vehicle), truck rental is a growing sector. The EU fleet for short-term rental is estimated at 1.4 million vehicles, split into about 1 million cars and 400,000

⁸¹ According to IAS 17.4, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification is made at the inception of the lease. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form. Situations that would normally lead to a lease being classified as a finance lease are, for example, when the lease transfers ownership of the asset to the lessee by the end of the lease term, or when the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised [IAS 17.10].

⁸² [HTTP://WWW.LEASEUROPE.ORG/INDEX.PHP?PAGE=KEY-FACTS-FIGURES](http://www.leaseurope.org/index.php?page=key-facts-figures).

light commercial vehicles. Car-rental fleets are usually very new, in particular for large cross-border companies, as vehicles remain in the fleet for about 6-9 months, and are subsequently bought back by manufacturers.

The total number of car leasing firms and car rental companies acting in the segment of passenger cars (M1) and light duty motor vehicles (N1) is estimated at around 23,000. Almost the totality of the sector is composed by SMEs (99.8%). Only 75 are large enterprises (250 or more employees)⁸³. Total employment in this sector is around 160,000 workers. The biggest percentage of companies is located in France, United Kingdom, Germany, Spain, Italy and Czech Republic (66% of the total). The car-leasing fleet in 2010 was around 14 million vehicles, representing about 5% of the total number of vehicles registered in the EU. The leasing market is a highly concentrated market. The 10 largest enterprises across Europe have a market share of more than 70%. The *short term rental* fleet is estimated at around 1.5 million in 2010 (0.5% of the total EU vehicle fleet). 75% correspond to passenger vehicles and the rest to commercial vehicles. Only 3 to 4 car-rental enterprises have a fleet of more than 100,000 vehicles, whilst 95% of enterprises manage a fleet of less than 1,000 vehicles. The car-rental sector is estimated to carry out around 90 million transactions per year⁸⁴.

8.4.2. Background statistics

8.4.2.1. Methodological remarks

Statistics on intra-EU trade of car are used as a proxy for figures of de-registration and re-registration of vehicles transferred between EU Member States. They represent the most accurate source on this issue. These figures are based in the Comext database from EUROSTAT. This could lead to underestimations because there are reporting thresholds under which, the economic operators don't have to report. Additionally, there are cars that cross-EU borders without complying with the registration formalities. Therefore, figures about numbers of vehicles used in this report should be considered as a conservative estimate, as more transfers and therefore de-registration and re-registrations may be occurring every year.

Some figures in this annex are based on the answers to the questionnaire submitted by the National Registration Authorities, and a study of the 2nd-hand car market carried out at the request of the Commission⁸⁵.

Total number of de- and re-registration is not the same for businesses and citizens. This can happen when a motor vehicle is de-registered by a company and re-registered by (or on behalf of) a citizen. This is quite a common phenomenon, e.g. when leasing companies sell their fleet on the 2nd hand market after the leasing period has expired. The split among de- and re-registrations by citizens or businesses is based on an extrapolation of detailed information provided by 7 national registration authorities.

⁸³ Eurostat

⁸⁴ Source : LeaseEurope

⁸⁵ Öko-Institut e.V., Transport and Mobility Leuven, COWI (2011) European second-hand car market analysis Final Report

M1 refers to passenger cars and N1 to light motor vehicles.

The baseline scenario reflects the current situation. It is based on the most recently available data (although it was not possible to have a single data-year) and combining both hard and soft data, i.e. statistical databases, direct enquiries with the stakeholders, the public consultation, and a survey of several Member States.

8.4.2.2. Car registrations in the EU

Table 1 - Passenger cars (thousand)

	2005	2006	2007	2008	2009
EU27	220.223	224.455	229.536	233.852	236.147
BE	4 919	4 976	5.049	5 131	5 193
BG	2 538	1 768	2.082	2 366	2 502
CZ	3.959	4.109	4.280	4.423	4.435
DK	1.965	2.020	2.068	2.099	2.120
DE	40 660	41 020	41.184	41 321	41 738
EE	494	554	524	552	546
IE	1.684	1.802	1.910	1.953	1.931
EL	4 303	4 543	4 799	5 024	5 132
ES	20 250	20 909	21 760	22 145	21 983
FR	30 497	31 002	31 443	31 109	31 394
IT	34 667	35 297	35 680	36 105	36 477
CY	355	373	411	444	461
LV	742	822	905	933	904
LT	1 455	1 592	1 588	1 671	1 695
LU	307	315	322	329	332
HU	2 889	2 954	3.012	3 055	3 014
MT	213	218	225	229	235
NL	7 092	7 230	7.392	7 542	7 622
AT	4 157	4 205	4.246	4 285	4 360
PL	12 339	13 384	14.589	16 080	16 495
PT	4 200	4 290	4.379	4 408	4 457
RO	3 364	3 603	3.541	4 027	4 245
SI	960	980	1.014	1 045	1 059
SK	1 304	1 334	1.434	1 545	1 589
FI	2 430	2 506	2.570	2 700	2 777
SE	4.154	4.202	4.258	4 279	4 301
UK	28 326	28 447	28.873	29 050	29 152
HR	1 385	1 436	1.491	1 535	1 533
MK	253	242	249	263	282
TR	5 773	6 141	6.472	6 797	7 094
IS	187	197	208	210	205
NO	2 029	2 084	2 155	2 197	2 244
CH	3 861	3 900	3 956	3 990	4 010
LI	24	24	24	25	26

Source: national statistics, United Nations Economic Commission for Europe, Eurostat

Table 2- Buses and coaches (thousand)

	2005	2006	2007	2008	2009
EU27	790,3	790,9	797,6	816,7	823,9
BE	15,4	15,3	15,5	16,0	16,1
BG	37,8	22,8	23,9	25,2	25,1
CZ	20,9	21,1	21,2	21,1	20,7
DK	14,4	14,6	14,5	14,5	14,5
DE	75,2	75,1	75,1	75,3	76,4
EE	5,2	5,4	4,3	4,3	4,1
IE	7,6	8,0	8,5	8,9	8,6
EL	26,8	26,9	27,1	27,2	27,3
ES	58,2	59,1	61,0	62,2	62,7
FR	90,1	92,2	94,4	92,9	95,8
IT	94,4	96,1	96,4	97,6	98,6
CY	3,2	3,2	3,3	3,4	3,4
LV	10,6	10,6	10,6	10,5	9,7
LT	15,3	15,6	14,5	14,3	13,8
LU	1,3	1,4	1,5	1,5	1,6
HU	17,5	17,7	17,9	18,0	17,7
MT	1,1	1,1	1,2	1,2	1,2
NL	11,0	10,8	11,1	11,3	11,7
AT	9,3	9,3	9,3	9,4	9,6
PL	79,6	83,5	87,6	92,4	95,4
PT	14,7	15,0	15,1	15,4	15,5
RO	39,3	40,4	34,2	41,5	41,2
SI	2,3	2,3	2,3	2,4	2,4
SK	9,1	8,8	10,5	10,5	9,4
FI	10,9	11,2	11,5	12,3	13,0
SE	13,5	13,6	13,3	13,5	13,4
UK	105,6	109,7	111,9	114,0	115,0
HR	4,9	4,9	5,0	5,1	5,1
MK	2,3	2,2	2,3	2,3	2,5
TR	501,9	533,5	561,7	583,5	585,1
IS	1,9	1,9	1,9	2,0	1,9
NO	28,8	27,0	25,2	23,3	21,5
CH	45,8	46,4	48,0	48,5	50,7
LI	0,1	0,1	0,1	0,1	0,1

Source: national statistics, United Nations Economic Commission for Europe, Eurostat

Table 3- Goods vehicles (thousand)

	2005	2006	2007	2008	2009
EU27	31.177,1	32.030,1	33.138,3	33.675,3	33.840,4
BE	652,1	670,4	690,7	711,9	724,1
BG	333,9	226,1	261,3	299,2	317,8
CZ	439,2	490,9	554,8	607,4	601,8
DK	469,5	508,8	536,6	531,4	507,9
DE	2.404,9	2.471,2	2.503,0	2.523,6	2.556,0
EE	86,2	92,9	80,3	83,4	81,1
IE	286,5	318,6	345,9	351,3	343,9
EL	1.186,5	1.219,9	1.255,9	1.289,5	1.302,4
ES	4.849,6	5.087,3	5.353,3	5.405,6	5.342,9
FR	5.346,7	5.344,8	5.476,0	5.212,0	5.238,6
IT	4179,7	4331,7	4437,6	4534,7	4589,1
CY	118,4	115,7	117,5	121,8	124,1
LV	113,1	121,1	129,6	129,8	120,6
LT	122,5	135,5	147,6	150,1	146,3
LU	29,6	30,7	32,5	34,4	34,7
HU	427,6	444,4	459,4	470,8	466,7
MT	44,4	45,5	46,9	48,2	47,8
NL	1.004,5	995,7	1.010,4	1.025,9	1.017,3
AT	358,0	364,3	372,6	381,3	388,0
PL	2.304,5	2.392,7	2.520,5	2.709,7	2.796,8
PT	1.308,0	1.320,0	1.333,0	1.335,0	1.337,0
RO	493,8	545,3	502,0	645,3	661,9
SI	66,4	70,1	77,6	83,9	83,6
SK	174,2	189,3	215,7	248,7	269,3
FI	363,6	376,1	394,7	424,5	443,9
SE	461,2	479,8	504,1	510,2	514,6
UK	3.552,4	3.641,1	3.778,7	3.805,8	3.782,1
HR	162,9	169,7	176,7	180,3	164,8
MK	18,0	17,0	16,6	17,3	18,4
TR	2.152,0	2.405,2	2.619,7	2.810,2	2.932,3
IS	25,5	28,1	31,1	31,8	30,9
NO	465,4	488,6	513,7	523,4	524,2
CH	307,2	314,0	324,2	326,2	327,8
LI	2,6	2,5	2,6	2,7	2,7

Source: national statistics, United Nations Economic Commission for Europe, estimates

Table 4- Two-wheelers (thousand)

	2005	2006	2007	2008	2009
BE	346,3	359,8	374,7	388,3	403,9
BG	146,5	76,3	90,3	106,9	117,6
CZ	794,0	822,7	860,1	892,8	903,3
DK	171,9	184,0	197,2	204,8	205,2
DE	5.202,9	5.405,9	5.550,0	5.852,3	5.866,8
EE	10,2	12,6	14,8	17,6	18,6
IE	34,3	34,9	37,2	39,4	39,6
EL	1.124,2	1.205,8	1.298,7	1.388,6	1.448,9
ES	4.117,6	4.437,6	4.741,8	4.911,5	4.958,9
FR	2.475,3	2.543,6	3.740,0	3.857,0	3.532,0
IT	9.298,4	9.338,8	9.280,3	9.609,1	10.074,1
CY	40,4	40,4	41,2	43,2	42,7
LV	32,5	36,9	44,4	51,3	52,0
LT	24,0	25,5	35,3	45,6	51,4
LU	37,7	38,6	39,5	40,3	41,3
HU	122,7	130,2	135,9	141,5	142,0
MT	12,0	12,3	12,8	14,4	14,5
NL	1.112,9	1.279,7	1.371,6	1.479,5	1.579,1
AT	627,7	645,3	667,6	691,2	712,1
PL	1.091,2	1.190,1	1.350,8	1.607,3	1.808,7
PT	588,4	558,7	536,6	535,0	533,3
RO	197,4	194,0	56,5	71,8	80,0
SI	48,7	53,2	71,5	82,0	88,4
SK	56,4	58,1	63,9	70,3	55,4
FI	301,8	338,4	376,5	421,5	456,2
SE	453,1	497,7	528,1	553,9	571,9
UK	1.235,0	1.239,6	1.280,3	1.305,6	1.306,8
HR	128,4	143,5	162,7	183,8	184,5
MK	1,7	3,4	4,4	8,6	9,1
TR	1.441,1	1.822,8	2.003,5	2.181,4	2.303,3
IS	4,2	5,7	8,1	9,0	9,4
NO	257,5	268,5	282,5	296,4	306,8
CH	770,3	783,5	788,7	804,1	806,6
LI	3,1	3,2	3,3	3,4	3,6

Source: national statistics, Association des Constructeurs Européens de Motocycles (ACEM), Eurostat

Table 5- Estimation of Number of new vehicle registrations (M1 and N1), 2010

MS	New vehicle registrations				
	2006	2007	2008	2009	2010
DE	3,772,394	3,482,279	3,425,039	4,049,353	3,198,416
FR	2,498,946	2,584,035	2,573,713	2,718,599	2,708,883
UK	2,734,360	2,799,619	2,485,258	2,222,542	2,293,576
IT	2,598,075	2,776,018	2,423,606	2,357,709	2,161,087
ES	1,953,134	1,939,298	1,362,586	1,074,222	1,114,119
BE	598,220	606,459	617,223	539,625	611,340
NL	568,683	602,810	604,057	451,348	544,733
PL	295,008	372,278	401,232	372,142	387,050
AT	347,387	339,691	336,000	350,429	362,449
SE	329,960	358,722	301,459	247,513	333,747
PT	265,174	276,606	275,119	203,760	272,775
CZ	183,631	207,038	215,451	186,790	184,548
DK	226,350	226,219	191,611	131,786	172,380
EL	294,060	306,875	292,865	237,118	153,842
FI	166,630	147,462	161,243	100,795	121,564
RO	297,162	366,818	324,091	147,962	119,284
IE	225,723	236,353	185,620	68,031	99,988
SK	83,519	89,094	102,378	92,761	73,829
SI	67,836	78,398	81,631	63,286	66,871
HU	209,280	193,581	174,837	70,808	55,221
LU	55,512	56,647	58,405	51,462	53,993
BG	42,440	51,739	55,236	29,247	20,553
EE	30,754	37,480	29,000	11,489	12,203
LT	21,744	31,090	28,885	8,918	10,369
LV	30,443	39,690	24,085	6,244	7,534
EU	17,896,425	18,206,299	16,730,630	15,793,939	15,140,354

Source: ACEA, 2011. Data for Malta and Cyprus not available

Table 6- Estimation of De-Registrations and Re-Registrations in intra-EU transfers of M1 and N1 vehicles, 2010

MS	De-registrations	Re-registrations
AT	68,804	31,558
BE	213,727	170,824
BG	306	153,868
CY	94	9,054
CZ	3,548	207,240
DE	1,697,641	181,221
DK	56,309	42,790
EE	2,363	15,085
EL	465	404,019
ES	269,133	82,296
FI	1,380	25,022
FR	271,858	99,572
HU	1,642	29,065
IE	1,023	56,910
IT	423,857	65,280
LT	9,648	256,537
LU	31,044	16,933
LV	1,076	41,396
MT	122	901
NL	309,103	93,495
PL	7,385	1,123,583
PT	2,792	10,925
RO	48,211	225,936
SE	17,968	24,390
SI	2,650	20,269
SK	1,115	102,835
UK	56,736	8,996
EU	3,500,000	3,500,000

Source: elaboration on data from study of the 2nd hand car market for DG Climate Action

8.4.2.3. Car-rental and leasing sector

Table 8 - Number of employees in Renting and Leasing Cars companies (NACE code 77.11), 2008

Number of employees in renting and car leasing companies			
AT	2,625	IT	10,292
BE	2,907	LT	1,308
BG	1,725	LU	312
CY	1,024	LV	1,384
CZ	2,144	MT	1,024
DE	24,364	NL	7,144
DK	1,403	PL	4,090
EE	751	PT	3,840
EL	4,222	RO	2,256
ES	17,759	SE	2,225
FI	1,038	SI	213
FR	19,288	SK	1,239
HU	2,770	UK	43,634
IE	1,858	EU	162,839

Source: own elaboration on Eurostat data

Table 9- Estimated fleet size in the car-leasing sector, 2009

MS	Estimate total number of passenger cars (M1)	MS	Estimate total number of passenger cars (M1)
AT	420,000	IT	700,000
BE	400,000	LT	85,000
BG	100,000	LU	30,000
CY	9,500	LV	70,000
CZ	220,000	MT	3,500
DE	2,600,000	NL	650,000
DK	40,000	PL	305,000
EE	100,000	PT	300,000
EL	30,000	RO	280,000
ES	520,000	SE	450,000
FI	200,000	SI	90,000
FR	1,380,000	SK	135,000
HU	330,000	UK	4,400,000
IE	75,000	EU	13,923,000

Source: extrapolation of Leaseurope data

Table 9- Estimated fleet size in the car-leasing sector, 2009

MS	Estimate total number of passenger cars (M1)
AT	420,000
BE	400,000
BG	100,000
CY	9,500
CZ	220,000
DE	2,600,000
DK	40,000
EE	100,000
EL	30,000
ES	520,000
FI	200,000
FR	1,380,000
HU	330,000
IE	75,000
IT	700,000
LT	85,000
LU	30,000
LV	70,000
MT	3,500
NL	650,000
PL	305,000
PT	300,000
RO	280,000
SE	450,000
SI	90,000
SK	135,000
UK	4,400,000
EU	13,923,000

Source: extrapolation of Leaseurope data

Table 10 – Estimated fleet size in the car-rental sector (M1 and N1 vehicles), 2009

MS	M1 vehicles	N1 vehicles	Total fleet size (M1 + N1)
AT	8,700	2,921	11,621
BE	14,851	949	15,800
BG	4,000	1,343	5,343
CY	1,531	514	2,045
CZ	6,900	2,317	9,217
DE	153,000	41,000	194,000
DK	19,978	7,059	27,037
EE	417	140	558
EL	12,600	4,230	16,830
ES	168,452	56,557	225,009
FI	9,500	3,190	12,690
FR	170,000	45,000	215,000
HU	10,400	3,492	13,892
IE	34,700	11,650	46,350
IT	115,000	6,100	121,100
LT	1,117	375	1,492
LU	2,349	789	3,138
LV	466	156	622
MT	3,000	1,007	4,007
NL	29,790	11,572	41,362
PL	10,100	3,391	13,491
PT	52,600	17,660	70,260
RO	4,000	1,343	5,343
SE	21,100	7,084	28,184
SI	1,500	504	2,004
SK	1,500	504	2,004
UK	200,146	124,270	324,416
EU	1,057,697	355,117	1,412,813

Source: extrapolation of Leaseurope data

Table 11- Short term rental companies per fleet size

SIZE	ENTERPRISES
Large enterprises with 100,000 or more vehicles	3 to 4 enterprises
Enterprises with 50,000 to 100,000 vehicles	5 to 10 enterprises
Enterprises with 1,000 to 50,000 vehicles	about 4%
Enterprises with less than 1,000 vehicles	At least 95% of all rental enterprises

Source: extrapolation of Leaseurope data

8.4.3. Economic Impacts

8.4.3.1. Methodology and assumptions

In this case, the usual discrimination among administrative costs, business-as-usual costs, and administrative burdens is not fully appropriate. Indeed, all costs are not business-as-usual, as citizens and companies re-register their car not to respond to any need of their own, but only because of the legal provisions. Therefore, throughout the analysis the term “burdens” is used to represent both administrative costs and administrative burdens, and the business-as-usual factor is always assumed to be 0%.

For the baseline scenario, the duration of every step of the procedure for each vehicle has been estimated based on the results of a survey carried out. An estimated time across different Member States has been calculated based on the data. For steps that are not carried out in every de- and re-registration procedure in every country, the assessment of the weight of each step in the procedure is considered. Where appropriate, out-of-pocket costs (fees) paid during the procedure is also estimated.

Time per occurrence is comparable between citizens and companies, as most of the procedures are exactly the same for both categories. Nevertheless, the survey shows a lower time for companies, probably due to the fact that most citizens do this procedure once in a lifetime, whilst companies enjoy some, albeit limited, economies of learning.

In the calculation of the time of the procedure for registration authorities, for methodological reason, the time of a “normally efficient” registration authority was estimated. It means that possible complications and waste of time due to non-efficient application of the legislative framework or to non-cooperation could not constitute proper administrative burdens on national authorities. For this reason, a methodologically correct assessment of administrative burdens for national authorities does not constitute a full estimate of the time actually spent, which could possibly be higher.

8.4.3.2. Impact on administrative costs

On the basis of the information about the various steps of the de-registration and re-registration procedures in all Member States analysed in annex 3, as well as on the basis of questionnaires and interviews with stakeholders, the average duration of every step of the procedures has been estimated in order to use it in the Standard Costs model. Cost per occurrence was calculated by applying the appropriate salary rate. For citizens, the average hourly labour costs in the business economy of full-

time employees retrieved from Eurostat, has been used. For businesses and national registration authorities, the average salary rate (including overheads) of a clerk has been identified from the EU database on Administrative Burdens.

The number of occurrences is the total number of de- and re- registrations carried out by both citizens and businesses in the different Member States.

Table 12 – Costs per occurrence

MS	Average hourly salary rate (Eurostat)	Citizen		Clerk Salary rate (EU AB database)	Business		Registration Authorities	
		Cost per occurrence – De-Registration	Cost per occurrence – Re-Registration		Cost per occurrence – De-Registration	Cost per occurrence – Re-Registration	Cost per occurrence – De-Registration	Cost per occurrence – Re-Registration
AT	€ 27.57	€ 243.05	€ 338.05	€ 22	€ 192.63	€ 266.38	€ 13.31	€ 34.94
BE	€ 37.12	€ 301.59	€ 420.93	€ 23	€ 198.02	€ 273.99	€ 13.92	€ 36.53
BG	€ 2.89	€ 91.93	€ 124.10	€ 1	€ 79.58	€ 106.61	€ 0.61	€ 1.59
CY	€ 13.38	€ 156.13	€ 215.00	€ 10	€ 128.03	€ 175.08	€ 6.05	€ 15.88
CZ	€ 9.15	€ 130.22	€ 178.31	€ 5	€ 101.12	€ 137.04	€ 3.03	€ 7.94
DE	€ 29.15	€ 252.71	€ 351.74	€ 25	€ 208.78	€ 289.21	€ 15.13	€ 39.71
DK	€ 36.29	€ 296.48	€ 413.70	€ 28	€ 224.93	€ 312.03	€ 16.94	€ 44.47
EE	€ 7.55	€ 120.43	€ 164.45	€ 4	€ 95.73	€ 129.43	€ 2.42	€ 6.35
EL	€ 17.79	€ 183.15	€ 253.26	€ 12	€ 138.80	€ 190.30	€ 7.26	€ 19.06
ES	€ 20.12	€ 197.44	€ 273.47	€ 13	€ 144.18	€ 197.91	€ 7.87	€ 20.65
FI	€ 29.53	€ 255.05	€ 355.05	€ 21	€ 187.25	€ 258.78	€ 12.71	€ 33.36
FR	€ 32.37	€ 272.47	€ 379.71	€ 21	€ 187.25	€ 258.78	€ 12.71	€ 33.36
HU	€ 7.35	€ 119.20	€ 162.71	€ 5	€ 101.12	€ 137.04	€ 3.03	€ 7.94
IE	€ 28.19	€ 246.87	€ 343.46	€ 25	€ 208.78	€ 289.21	€ 15.13	€ 39.71
IT	€ 24.53	€ 224.46	€ 311.73	€ 20	€ 181.87	€ 251.17	€ 12.10	€ 31.77
LT	€ 5.72	€ 109.23	€ 148.59	€ 3	€ 90.35	€ 121.83	€ 1.82	€ 4.77
LU	€ 31.72	€ 268.47	€ 374.05	€ 28	€ 224.93	€ 312.03	€ 16.94	€ 44.47
LV	€ 6.05	€ 111.26	€ 151.46	€ 4	€ 95.73	€ 129.43	€ 2.42	€ 6.35
MT	€ 8.31	€ 125.11	€ 171.07	€ 9	€ 122.65	€ 167.48	€ 5.45	€ 14.30
NL	€ 29.38	€ 254.13	€ 353.74	€ 22	€ 192.63	€ 266.38	€ 13.31	€ 34.94
PL	€ 6.75	€ 115.57	€ 157.56	€ 5	€ 101.12	€ 137.04	€ 3.03	€ 7.94
PT	€ 11.90	€ 147.08	€ 202.19	€ 10	€ 128.03	€ 175.08	€ 6.05	€ 15.88
RO	€ 4.02	€ 98.82	€ 133.86	€ 4	€ 95.73	€ 129.43	€ 2.42	€ 6.35
SE	€ 33.47	€ 279.18	€ 389.21	€ 23	€ 198.02	€ 273.99	€ 13.92	€ 36.53
SI	€ 13.74	€ 158.35	€ 218.13	€ 10	€ 128.03	€ 175.08	€ 6.05	€ 15.88
SK	€ 8.19	€ 124.37	€ 170.03	€ 3	€ 90.35	€ 121.83	€ 1.82	€ 4.77
UK	€ 19.21	€ 191.83	€ 265.54	€ 24	€ 228.20	€ 281.60	€ 14.52	€ 38.12
EU	-	€ 248.80	€ 187.47	-	€ 194.72	€ 200.46	€ 13.48	€ 15.65

Source: own calculations

Having estimated all the data necessary to run the standard cost model, the usual formula $\sum P \times Q$, can be applied. P is Price (time X salary + out-of pocket costs), and Q is quantity, the number of vehicles.

Table 13- Administrative Burdens under the no policy change scenario

MS	Citizens			Business		
	De-Registration	Re-Registration	Total	De-Registration	Re-Registration	Total
AT	€ 3.010.076	€ 3.200.449	€ 6.210.525	€ 10.868.179	€ 5.884.503	€ 16.752.682
BE	€ 11.602.364	€ 21.571.603	€ 33.173.967	€ 34.703.588	€ 32.762.992	€ 67.466.580
BG	€ 6.368	€ 17.185.367	€ 17.191.735	€ 18.858	€ 1.640.356	€ 1.659.215
CY	€ 1.463	€ 194.654	€ 196.117	€ 10.800	€ 1.426.650	€ 1.437.449
CZ	€ 337.298	€ 27.714.223	€ 28.051.521	€ 96.875	€ 7.100.131	€ 7.197.006
DE	€ 77.222.894	€ 19.122.568	€ 96.345.463	€ 290.640.045	€ 36.687.433	€ 327.327.478
DK	€ 3.005.018	€ 14.161.855	€ 17.166.873	€ 10.385.979	€ 2.670.399	€ 13.056.378
EE	€ 156.492	€ 719.422	€ 875.914	€ 101.783	€ 1.386.298	€ 1.488.081
EL	€ 8.523	€ 10.232.017	€ 10.240.540	€ 58.130	€ 69.196.306	€ 69.254.437
ES	€ 5.313.634	€ 2.250.589	€ 7.564.223	€ 34.923.982	€ 14.658.363	€ 49.582.345
FI	€ 323.737	€ 6.129.992	€ 6.453.729	€ 20.667	€ 2.007.282	€ 2.027.950
FR	€ 59.259.119	€ 3.780.869	€ 63.039.989	€ 10.181.085	€ 23.190.141	€ 33.371.225
HU	€ 142.904	€ 3.546.780	€ 3.689.684	€ 44.837	€ 995.772	€ 1.040.609
IE	€ 101.048	€ 15.636.905	€ 15.737.953	€ 128.190	€ 3.291.773	€ 3.419.963
IT	€ 9.513.846	€ 2.034.995	€ 11.548.841	€ 69.376.930	€ 14.756.526	€ 84.133.456
LT	€ 969.491	€ 26.301.769	€ 27.271.259	€ 69.735	€ 9.688.327	€ 9.758.062
LU	€ 1.500.181	€ 1.900.092	€ 3.400.273	€ 5.725.857	€ 3.698.514	€ 9.424.371
LV	€ 110.096	€ 4.326.313	€ 4.436.410	€ 8.238	€ 1.660.986	€ 1.669.224
MT	€ 14.659	€ 148.040	€ 162.699	€ 599	€ 6.039	€ 6.637
NL	€ 14.139.344	€ 9.921.894	€ 24.061.238	€ 48.825.642	€ 17.433.879	€ 66.259.522
PL	€ 623.062	€ 132.777.953	€ 133.401.015	€ 201.635	€ 38.494.411	€ 38.696.046
PT	€ 41.066	€ 220.882	€ 261.948	€ 321.726	€ 1.721.460	€ 2.043.186
RO	€ 1.077.693	€ 27.219.439	€ 28.297.132	€ 3.571.400	€ 2.924.365	€ 6.495.766
SE	€ 4.514.812	€ 7.594.282	€ 12.109.094	€ 355.804	€ 1.336.533	€ 1.692.337
SI	€ 306.365	€ 3.316.046	€ 3.622.411	€ 91.620	€ 887.197	€ 978.817
SK	€ 101.216	€ 13.638.188	€ 13.739.404	€ 27.196	€ 2.756.145	€ 2.783.342
UK	€ 8.707.184	€ 238.880	€ 8.946.064	€ 2.589.452	€ 2.279.910	€ 4.869.362
EU	€ 202.109.954	€ 375.086.067	€ 577.196.021	€ 523.348.833	€ 300.542.692	€ 823.891.525

Source: own calculation

MS	Registration Authorities		
	De-Registration	Re-Registration	Total
AT	€ 915.777	€ 1.102.730	€ 2.018.506
BE	€ 2.974.007	€ 6.240.475	€ 9.214.482
BG	€ 185	€ 244.393	€ 244.578
CY	€ 567	€ 143.804	€ 144.371
CZ	€ 10.734	€ 1.645.832	€ 1.656.565
DE	€ 25.676.815	€ 7.195.983	€ 32.872.798
DK	€ 953.879	€ 1.903.026	€ 2.856.905
EE	€ 5.718	€ 95.842	€ 101.559
EL	€ 3.378	€ 7.700.599	€ 7.703.977
ES	€ 2.116.727	€ 1.699.276	€ 3.816.003
FI	€ 17.529	€ 834.613	€ 852.142
FR	€ 3.453.957	€ 3.321.234	€ 6.775.191
HU	€ 4.968	€ 230.823	€ 235.791
IE	€ 15.478	€ 2.259.804	€ 2.275.282
IT	€ 5.128.671	€ 2.073.725	€ 7.202.396
LT	€ 17.511	€ 1.222.401	€ 1.239.912
LU	€ 525.879	€ 753.057	€ 1.278.937
LV	€ 2.603	€ 263.002	€ 265.605
MT	€ 665	€ 12.886	€ 13.550
NL	€ 4.114.156	€ 3.267.031	€ 7.381.187
PL	€ 22.341	€ 8.923.119	€ 8.945.460
PT	€ 16.892	€ 173.521	€ 190.412
RO	€ 116.671	€ 1.435.447	€ 1.552.118
SE	€ 250.030	€ 891.008	€ 1.141.039
SI	€ 16.035	€ 321.941	€ 337.976
SK	€ 2.023	€ 490.011	€ 492.035
UK	€ 823.813	€ 342.922	€ 1.166.735
EU	€ 47.187.008	€ 54.788.506	€ 101.975.514

8.4.3.3. Other economic impact: loss of profits

Citizens and companies bear other additional costs due to the length of the de and re-registration procedure. In particular, their ability to use their motor vehicle is reduced or impaired whilst waiting for the process to be completed. This affects citizens who have to resort to other transport solutions or to reduce their mobility and affects vehicle-owning companies even more.

It is considered that during the de- and re-registration process, the capital of a vehicle cannot be employed in the production process of a vehicle-owning business, or cannot be sold to the final customer by a 2nd hand trader or a leasing company.

Capital, and its value, is locked in for a certain period. Companies lose any added value which the capital would produce.

Estimating the *loss of profits* depends on the sector, and even on the enterprise, in which the vehicle is employed. Such a level of detail as exists for vehicle registration data is not available. Therefore, we will consider the opportunity cost of capital as a proxy for the lost profits. Rational actors would invest in capital input as long as it yields a higher productivity than the cost of capital. Therefore, the cost of capital represents the lower level of the loss of productivity. To estimate the cost of capital in case of vehicles, the leasing rate is used. This is mostly representative of how firms manage their fleet, and is invariant to the different source of funding of firms (e.g. bank debt, corporate bonds, equity, own resources). The Bank of Italy reported that the lease rates for vehicles in the second term of 2011 were equal to 8.32% for an amount lower than €25,000, and to 6.96% for an amount higher than €25,000⁸⁶. These data are calculated for national purposes and are not available at EU level, and similar dataseries are not produced by the European Central Bank. Since Italy represents the third national market for leasing in the EU, and the second in the Eurozone, it is possible to consider these rates as representative of the cost of leasing in Europe. Therefore, depending on the average value of vehicles across the different segments, lost productivity is estimated using lease rates of 8.32% or 6.96% as cost of capital. We assume that the car is unavailable for use for around 1 month.

Table 14 –Profit loss calculations

Segment		Average Value	Leasing Rate	Weight	Number of re-registrations by businesses
F	Large	€ 53,893	6.96%	0.3	n.a.
E	Upper Medium	€ 31,592	6.96%	1.2	n.a.
D	Lower Medium	€ 22,000	8.32%	2.2	n.a.
C	Medium	€ 16,277	8.32%	1.5	n.a.
B	Small	€ 11,244	8.32%	0.5	n.a.
A	Mini	€ 9,702	8.32%	0.05	n.a.
WEIGHTED AVERAGE		€ 23.131	7.97%		-
					1,499,273

⁸⁶

[HTTP://WWW.BANCADITALIA.IT/MEDIA/COMSTA/2011/TEGM_240311.PDF](http://www.bancaditalia.it/media/comsta/2011/TEGM_240311.PDF).

Table 15 –profit loss calculations

Segment		Loss of productivity
F	Large	€ 469
E	Upper Medium	€ 275
D	Lower Medium	€ 229
C	Medium	€ 169
B	Small	€ 117
A	Mini	€ 101
WEIGHTED AVERAGE		€ 225
		€ 336,691,336

Source: Copenhagen Economics, Bank of Italy, own analysis

8.4.3.4. Other economic impacts on the car-rental sector

Under the current scenario, there are specific additional impacts for rental companies resulting from the nature of their business. According to the data provided by the sector, car-rental undertakings manage a fleet of 1,412,813 vehicles across the EU, and conclude about 93,000,000 short-term transactions per year

As a result of current procedures car-rental companies face high cost barriers for 1-way cross-border rentals, and are unable to manage their fleet to meet seasonal demand peaks.

1-way cross-border rentals cause additional costs to the one considered in the previous section:

Currently, the car can only be rented to a person with the same nationality as the number plate of vehicle. Therefore, the companies on most occasions incur the costs of repatriation. This is the cost of transporting the vehicle back to the registration country, or in having the firm's employee return the vehicle to the registration country. They depend upon the distance between the country of destination and the nearest major city in the country of registration. It is estimated that additional costs amount to about €500 per transaction, assuming an additional idle period of 8 days.

Table 15 – Examples of prices for cross-border and non-cross-border rental transactions

	Return to	Company 1	Company 2	Company 3	Average
1 day	Frankfurt	€ 106	€ 111	€ 111	€ 109
	Verona	€ 960	€ 666	€ 840	€ 822
	Difference	€ 854	€ 555	€ 729	€ 713
5 day	Frankfurt	€ 248	€ 239	€ 263	€ 250
	Verona	€ 1,103	€ 804	€ 1,000	€ 969
	Difference	€ 855	€ 565	€ 737	€ 719

These data show that current administrative barriers create costs which are eventually borne by customers. Any simplification would therefore benefit customers, who currently bear the costs, and then secondly would benefit car-rental undertakings, because of an increase in demand.

The conservative assumption, for the purpose of this impact assessment, is that only 1% of short-term rental transactions are 1-way cross-border. Moreover, it is assumed that for 10% of these transactions it is possible to find a customer who is resident in the Member State of registration, for which the company therefore incurs no additional costs. Consequently, it is assumed that 837,000 1-way cross-border rental transactions are concluded each year.

They result in additional costs for businesses of €418.5 million, additional price paid by customers of €599 million, and therefore additional profits for businesses of €181.5mln. Costs for society are equal to additional costs (or, analogously, to customers' loss minus businesses' profits), that are €418.5 million.

Then, the effect on demand should be assessed. If costs are reduced and therefore prices also reduced, this would be reflected in an increase in demand. The fact that the price for cross-border rentals more than reflects the additional costs is a sign that demand is inelastic. In practical terms, only those who really need such a rental transaction currently demand it. For calculation purpose, elasticity equal to 0.5 and constant is assumed. Conservatively, prices of the 5-day transactions to calculate the increase in demand are increased, as the additional costs on the 1-day transactions represent a too high share of total price.

Elasticity is defined as $\varepsilon = \frac{\frac{\Delta P}{P}}{\frac{\Delta Q}{Q}}$, where ε is elasticity, P is price, and Q quantity.

Conversely, the increase in demand is defined as $\Delta Q = \frac{Q \cdot \Delta P}{\varepsilon \cdot P}$. According to our assessment, Q is 837,000 (number of 1 way transactions); P is €969 and ΔP is €719. ΔQ is therefore equal to 1,242,111 additional transactions.

To estimate additional benefits for society, one would need to study the functional form of the demand curve and of the curve of marginal costs. Little information is available on these aspects. The share of operating costs over operating income, is a

fairly good approximation of marginal costs. Since the share is equal to 45.1%⁸⁷, producers' surplus would be equal to €162 per transaction. Therefore 1,242,111 additional transactions would translate into additional benefits for car-rental undertakings of about €202m.

Management of seasonal peaks in demand

It is estimated that in the current situation 100,000 transactions are declined every year because of supply constraint. Using the same assumptions described above, for each transactions €162 of producer's surplus are lost. Therefore, impediments to proper management of seasonal peaks cost society about €16.2mln. In theory, under current rules it is possible to transfer cars and re-register them in the country of destination, and then register them back in the country of origin. It is estimated that this process would cost about €1000 per car (both registrations). Assuming that the peak period lasts three months, this would amount to a cost per day per vehicle of about €11. Considering that the average rental price per vehicle per day is €45-50, it would amount to an increase of 20%, which makes this strategy currently unfeasible from an economic point of view.

If companies could freely manage their fleet and assuming that they are able to fully satisfy demand peaks, loss of producers' surplus of €16.2mln would be eliminated.

Companies would also incur the information costs.

8.4.3.5. Other economic impacts: the 2nd hand vehicle market

The reduction of administrative barriers, administrative costs, and of the cost of capital due to the current procedures for the registration of vehicles previously registered in another Member State would be reflected in a reduction of the final price for customers of 2nd-hand vehicles originating from another Member State. Consequently, the relative price of 2nd-hand vehicles originating from another EU country would be lowered compared to those originating from the same country.

The effect would be straightforward if the market for 2nd-hand vehicles originating from another Member State were a separate relevant market. On the contrary, this is not the case, as at least both 2nd-hand cars originating from the same Member State and new cars are substitute goods, and therefore part of the same relevant market. Therefore, it is not possible to say whether there would be a non-negligible effect on the price for vehicles, and, consequently, whether this would translate in a higher demand.

Nevertheless, a more direct impact could be predicted. The fact that the relative price of 2nd-hand vehicles originating from another Member State is lowered increases their relative attractiveness compared to those originating from the same Member State. It means that an increase of the cross-border flux of 2nd-hand vehicle is likely. As said above, it is not possible to say whether this would translate in an increase of the overall market size, or only in a higher share of 2nd-hand vehicles originating

⁸⁷

Leaseurope Index for Q1 2011. Data refer to both car-leasing and car-rental sector. Source available at: [HTTP://WWW.LEASEUROPE.ORG/UPLOADS/DOCUMENTS/STATS/LEASEUROPE%20INDEX/LEASEUROPE%20INDEX_Q1%202011%20AND%202010.PDF](http://www.leaseurope.org/uploads/documents/stats/LEASEUROPE%20INDEX/LEASEUROPE%20INDEX_Q1%202011%20AND%202010.PDF).

from another Member State out of the total transactions. As a side-effect, the more intense trade flux would increase the arbitrage among national markets for vehicles, leading to more uniform prices across the Single Market.

8.4.3.6. Sensitivity analysis

BASELINE VALUES	Current costs	Savings		
	Baseline scenario	2a	2b	2c
	-€ 2.472	€ 2.472	€ 2.385	€ 2.343
<i>cars=3,850,000</i>	-€ 2.655	€ 2.655	€ 2.561	€ 2.517
<i>cars=4,375,000</i>	-€ 2.930	€ 2.930	€ 2.825	€ 2.778
<i>cars=3,150,000</i>	-€ 2.289	€ 2.289	€ 2.209	€ 2.169
<i>cars=2,625,000</i>	-€ 2.015	€ 2.015	€ 1.945	€ 1.908
<i>Leasing Rate=5.57% - 6.58%</i>	-€ 2.406	€ 2.406	€ 2.451	€ 2.409
<i>Leasing Rate=8.35% - 9.98%</i>	-€ 2.538	€ 2.538	€ 2.319	€ 2.277
<i>1-way cross-border transactions=1,004,040</i>	-€ 2.595	€ 2.595	€ 2.540	€ 2.468
<i>1-way cross-border transactions=669,600</i>	-€ 2.347	€ 2.347	€ 2.258	€ 2.216
<i>elasticity=0.3</i>	-€ 2.606	€ 2.606	€ 2.509	€ 2.452
<i>elasticity=0.7</i>	-€ 2.414	€ 2.414	€ 2.315	€ 2.295
Baseline assumptions cars =3,500 ,000 leasing rate= 6,96%-8,32% 1 way cross border transactions= 837,000 elasticity of demand = 0.5%				

BASELINE VALUES	Current costs	Savings		
	Baseline scenario	3	4	5
	-€ 2.472	€ 1.171	€ 1.171	€ 274
<i>cars=3,850,000</i>	-€ 2.655	€ 1.287	€ 1.287	€ 295
<i>cars=4,375,000</i>	-€ 2.930	€ 1.461	€ 1.461	€ 311
<i>cars=3,150,000</i>	-€ 2.289	€ 1.055	€ 1.055	€ 253
<i>cars=2,625,000</i>	-€ 2.015	€ 934	€ 934	€ 222
<i>Leasing Rate=5.57% - 6.58%</i>	-€ 2.406	€ 1.215	€ 1.215	€ 266
<i>Leasing Rate=8.35% - 9.98%</i>	-€ 2.538	€ 1.127	€ 1.127	€ 222
<i>1-way cross-border transactions=1,004,040</i>	-€ 2.595	€ 1.171	€ 1.171	€ 274
<i>1-way cross-border transactions=669,600</i>	-€ 2.347	€ 1.171	€ 1.171	€ 274
<i>elasticity=0.3</i>	-€ 2.606	€ 1.171	€ 1.171	€ 274
<i>elasticity=0.7</i>	-€ 2.414	€ 1.171	€ 1.171	€ 274
Baseline assumptions cars =3,500 ,000 leasing rate= 6,96%-8,32% 1 way cross border transactions= 837,000 elasticity of demand = 0.5%				

8.5. **Annex 5: European Vehicle and Driving Licence Information System (EUCARIS)**

8.5.1. *Treaty concerning a European Vehicle and Driving Licence Information System (EUCARIS)*

The Treaty concerning a European Vehicle and Driving Licence Information System (EUCARIS) was signed on 29 June 2000 in Luxembourg by Belgium, Germany, Luxembourg, the Netherlands and the United Kingdom. On 1 May 2009 the Treaty formally entered into force.

Any State that applies the data protection provisions of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 may apply to accede to the Treaty. The accession requires the unanimous approval by the Parties to the Treaty. On 1 July 2010 Latvia was the first country to accede to the Treaty. The Slovak Republic acceded on 1 December 2010.

The Treaty obliges central registration authorities to set up and maintain a common system for the exchange of vehicle and driving licence data, namely the "European Vehicle and Driving Licence Information System", known as EUCARIS. The purpose of this system is:

- to ensure that the central vehicle and driving licence registers of the Parties to the Treaty are accurate and reliable;
- to assist in preventing, investigating and prosecuting offences against the laws of individual States in the field of driving licences, vehicle registration and other vehicle-related fraud and criminality; and
- to exchange information rapidly in order to increase the efficiency of administrative measures taken by the relevant authorities according to the legal and administrative regulations of the Parties of the Treaty.

The following countries currently exchange vehicle and driving licence information based on the EUCARIS Treaty: Belgium, Estonia, Germany, Hungary, Iceland, Italy, Ireland, Latvia, Lithuania, Luxembourg, Romania, Slovakia, Sweden, The Netherlands and the United Kingdom (incl. Gibraltar, Isle of Man, Guernsey, Jersey and Northern Ireland).

The following countries expressed their interest for participation in the (near) future: Norway, Finland, France, Slovenia, Poland, Bulgaria and Switzerland⁸⁸.

8.5.2. *Bilateral exchange of information*

Since 2005 Germany and the Netherlands already exchanged vehicle owner/holder information regarding traffic fines via floppy/CD. In 2008 this exchange has been automated via EUCARIS. The legal basis for this exchange is the Enschede Agreement. In 2008 also France and Switzerland digitalized their exchange of traffic fines information via EUCARIS. This exchange is based on a bilateral agreement

88

[HTTPS://WWW.EUCARIS.NET/PARTICIPATION](https://www.eucaris.net/participation).

between France and Switzerland. Currently also Switzerland and Germany and France and Germany exchange their traffic fines information by electronic means, in accordance with bilateral agreements.

Cooperating Member States					
Eucaris Treaty				Prüm Council Decisions	Bilateral agreements traffic fines
<i>Participants</i>				<i>Participants</i>	<i>Participants</i>
<i>Ratified</i>	<i>Signed</i>	<i>To accede</i>	<i>Associated</i>		
Germany	Romania	Estonia	Gibraltar	All EU Member States + Norway and Iceland	Germany – the Netherlands
Luxembourg		Hungary	Isle of Man		France – Switzerland
The Netherlands		Italy	Jersey		Switzerland – Germany
United Kingdom		Ireland	Iceland		Germany – France
Belgium		Lithuania			
Latvia		Sweden			
Slovakia					

8.5.3. *The exchange of vehicle registration data through EUCARIS in EU law*

The electronic exchange of information among national motor vehicle registration authorities is developing steadily in other contexts, for example in the so-called ‘Prüm Decisions’⁸⁹ which provide, inter alia, for the automated exchange of vehicle registration data, as well as for other forms of police cooperation between the 27 EU Member States. Car registration data (including number plates and chassis numbers) are exchanged through national platforms that are linked to the online application ‘EUCARIS’ (European Vehicle and Driving Licence Information System). It is a communications network which allows participating countries to exchange data relating to motor vehicles and driving licences. The system gives the participants the possibility to consult on-line motor vehicle data kept in the national registers of countries affiliated to the system.

‘EUCARIS’ will also be used in Directive 2011/82/EU facilitating the cross-border exchange of information of road safety related traffic offences. One of its provisions relates to the establishment of a system of information exchange between the State of offence and the State of registration on the most serious road safety infringements, in order to identify the vehicle holder who has committed an offence in a Member State other than the one where his vehicle is registered. The Member State of offence

⁸⁹ Council Decision 2008/615/JHA of 23 June 2008 on the stepping up of cross border cooperation, particularly in combating terrorism and cross-border crime and Council Decision 2008/616/JHA of 23 June 2008 on the implementation of Decision 2008/615/JHA.

would then be in a position to prosecute and sanction him. The Directive will specify the exchange procedures (data, responsible authorities and network).

8.5.4. *The functioning of the electronic exchange of vehicle registration data through EUCARIS*

EUCARIS uses a peer-to-peer concept for the data-exchange by means of a decentralised set-up in which all participating countries are connected to each other and are able – by means of an interface – to search in each other's register, without influencing the national structure of their registers. There is no centralised system and no central register to be searched by the registration authorities. EUCARIS is currently owned by the Eucaris Community (Member State consortium). The maintenance and the support are ensured by RDW (Dutch registration authority). According to a study about the European Interoperability Infrastructure Services (EIIS)⁹⁰, Eucaris II *'can potentially be transformed into a more generic platform that can be used for the exchange of all sorts of data and not only for information related to vehicles and driving licences. Recently the consortium of connected Member States have declared that EUCARIS should be the general exchange mechanism for other transport related data (e.g. for tachograph cards, transport undertakings etc). The potential for reuse is in its lightweight and pragmatic architectural approach. The development cost to add additional countries is low, and the operational cost is minimal.'* In addition the system offers the functionality that every registration authority decides autonomously which exchanged data are to be provided to which other organisations on the territory of their Member States.

The following vehicle information is currently exchanged by the system: licence number, Vehicle Identification Number (VIN), document ID, registration date, additional identifying attributes like colour, make and commercial type of the vehicle, all EU harmonized attributes that are indicated on the Vehicle Registration Document foreseen by Directive 1999/37/EC, PTI information and destruction information.

The inquiries between the Eucaris parties are carried out in a synchronous (ad-hoc) way. This implies that the client application waits for a response. As a consequence parties are expected to respond within a reasonable time.

When a country is inquiring multiple other countries, the EUCARIS core will create a specific process thread for each country. This is done in a parallel way, so that all countries threads are started at the same time. On each thread the process will wait for a response. Finally responses from all threads/countries are consolidated and returned to the client.

For a few services there is also an asynchronous mechanism in EUCARIS. These services are not time critical. Information transferred via these services is first stored in a queue in the local database and periodically a mechanism tries or retries to transfer the data to the other countries. These services use FileTransfer as generic transport mechanism.

⁹⁰

[HTTP://EC.EUROPA.EU/IDABC/SERVLETS/DOC8C04.PDF?ID=32600](http://ec.europa.eu/idabc/servlets/Doc8c04.pdf?id=32600).

8.5.5. *Financial aspects*

EUCARIS does not have legal personality. The budget is set annually by the Participants' Board in co-decision with third parties using EUCARIS, encompassing the initial (development) costs of the EUCARIS system and the annual joint costs of using the system.

A (new) participating country will itself finance the connection of its own register to the EUCARIS system. While a country can opt for support arranged by EUCARIS, it will then be billed for the costs involved. Therefore this is budget-neutral for the EUCARIS budget.

Information should be provided to foreign enforcement bodies free of charge. The operating costs of the register systems are borne by the countries providing information and therefore have no impact on the EUCARIS budget.

All countries connected to EUCARIS on 31 December of a financial year must pay the annual contribution for that year, including countries whose connection was not expected in the budget.

The level of the standard fee is set (annually) irrespective of the difference in legal status of countries' participation in EUCARIS. Operating and development costs for the EUCARIS system are differentiated per connection and per legal basis and countries are only charged for the functionality they use or will use.

Operating and development costs are as far as possible be divided per user group. Each user group is defined by the legal basis for the services and functionalities used. In 2012 the user groups are:

- EUCARIS Vehicle and Driving Licence exchange user group;
- Prüm user group;
- Vehicle Owner / Holder exchange user group;
- Mileage exchange user group;
- ERRU user group;
- TACHO user group;
- RESPER user group;
- eCall user group;
- CoC exchange user group

A country wishing to join a specific user group can be asked to pay an entrance fee to contribute to certain investment costs already covered by the other users.

The budget for 2012 amounts to € 636.845.

EUCARIS Budget 2011 and 2012				
	Account 2010	Budget 2011	Expected outcome 2011	Budget 2012
1000 Contributions General	281.400	248.284	248.284	295.950
1001 Contributions EUCARIS	51.506	3.000	3.000	-2.198
1002 Contributions Prüm	73.493	33.393	33.393	33.291
1003 Contributions O/H File Transfer	28.800	0	0	-11.552
1004 Contributions Mileage	6.084	0	0	213
1100 Interest	0	0	0	0
1200 Donations General	0	0	0	0
1201 Donations EUCARIS	4.000	4.000	5.000	5.000
1300 Other income General	0	0	0	0
1301 Other income EUCARIS	0	217.427	217.427	P.M.
1302 Other income Prüm	3.223	96.283	70.683	74.352
1305 Other income ERRU	-	-	-	51.613
1307 Other income RESPER	-	-	-	155.085
1309 Other income CoC	-	-	-	39.104
Total income	448.506	602.387	577.787	640.858
2000 Meetings General	4.967,65	7.500	2.500	8.000
2001 Meetings EUCARIS	7.237,92	5.000	8.000	5.000
2002 Meetings Prüm	899,36	1.500	1.500	1.000
2100 Procurement of hardware	0	0	0	0
2200 Development of software General	77.426,57	12.757	12.757	14.389
2201 Development of software EUCARIS	42.888,96	217.427	217.427	0
2202 Development of software Prüm	72.140,05	128.185	102.585	110.325
2203 Development of software O/H File Tran.	17.248,38	0	0	0
2204 Development of software Mileage	6.297,36	0	0	0
2205 Development of software ERRU	-	-	-	51.613
2207 Development of software RESPER	-	-	-	155.088
2209 Development of software CoC	-	-	-	39.101
2300 Administration	71.776	73.211	73.211	83.159
2400 Finances	4.966,27	6.000	6.000	6.000
2500 Reporting	0	0	0	0
2600 Operation	106.365	108.491	108.491	123.370
2700 Maintenance of software	52.964,52	50.000	37.000	40.000
3000 Publications	5.401,41	2.600	2.600	3.500
3100 Symposia and such like	0	P.M.	0	P.M.
3200 Representation General	0	P.M.	0	P.M.
3201 Representation EUCARIS	1.179,64	2.000	1.250	2.000
Total Costs	471.758,09	614.671	573.321	642.545
Sub Total	-23.252,99	-12.284	+4.466	-1.687
Surplus 2008	+ 24.947			
Surplus 2009		+12.275	+12.275	
Surplus 2010				+1.694
Total	+ 1.694,01	- 9	+16.741	+7

8.5.6. *Technical aspects*⁹¹

8.5.6.1. Introduction

The EUCARIS system was realised in the early nineties. The communication in the original EUCARIS I system was based on a transaction monitor, Tuxedo, and hosted on UNIX platforms. The message protocol was specific.

In 2003 the EUCARIS Participants Board decided to start the development of a new generation of the application based on web service technology. This new generation was called EUCARIS II and has been designed to send and receive signed XML messages and to run on a Windows platform.

The realisation of EUCARIS II was completed at the end of 2006. Deployment started in 2007. Since October 2009 all countries are connected to the new EUCARIS II environment. Therefore only the architecture of EUCARIS II will be elaborated in this document.

The EUCARIS architecture consists of the following components that are described below and in the next chapters:

- National Registries
- An EUCARIS application in each Member State
- A closed and secured TCP/IP network

8.5.6.2. National Registries

Each Member State is responsible for its own Registry of vehicle and driving licence information and its own registration procedures. Though European harmonisation is advancing, differences in these procedures are still substantial. For instance, in most States a vehicle licence identifies a vehicle and can be transferred from one owner/holder to the next. In other States this licence is issued to a person, and can be transferred from one vehicle to another.

8.5.6.3. An EUCARIS application in each Member State

EUCARIS is basically a centrally developed application that is deployed in each Member State. The application consists of two parts. These parts are a Web client and the so-called 'Core' application, responsible for the secure handling and communication of the messages, between the European Member States at one side, and the national Registry and the national users at the other side.

The main philosophy of EUCARIS is a direct 'peer-to-peer' communication, so all States communicate directly to one another, without any central component. Both synchronous (interactive) and asynchronous (batch) communication are supported.

⁹¹ Source : Eucaris Secretariat.

8.5.6.4. Presentation

At the front-end, the services framework or 'Core' receives requests from its national users, working with either the 'standard' EUCARIS Web client application or with custom Web or legacy clients that may be integrated in systems of other organisations like the national police. The EUCARIS system has been setup to support multiple clients.

- EUCARIS Web client: The system is delivered with a browser based Web client that supports:
 - Multilanguage user interface enabling an administrator to translate screen items
 - Multilanguage message interface enabling an administrator to translate coded attributed
 - Multiple languages per country/user
 - Group role access control per application function
 - Configuration management
 - Single Sign-on

Using the default EUCARIS Web client, a new participating party can access the Registries in other countries within a few days (under the condition that the new participating party is granted access to do inquiries in the specific Member States).

- Customized client: Besides the default client application a so called customized client can be developed. Such a customised client can be incorporated in a larger application (e.g. a police system) or in the workflows within the organisation. A customized client application uses:
 - The EUCARIS web services for accessing services in other countries,
 - The EUCARIS internal services for retrieval of meta information on authorisation or for translation of the various message elements like vehicle colours, vehicle signals, etc.

The EUCARIS Web client and one or several custom client applications may be combined in one Member State.

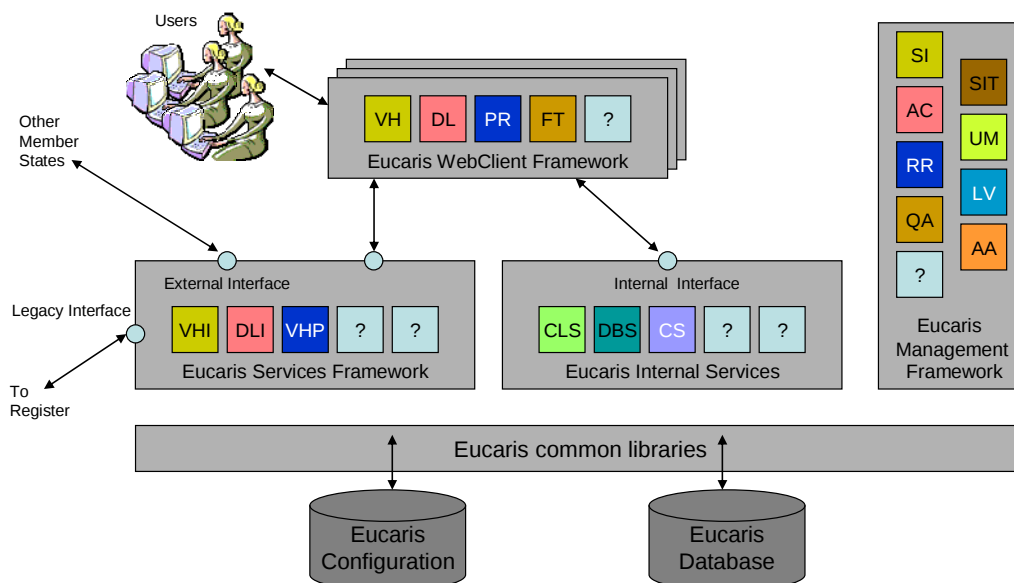
8.5.6.5. Applications

The EUCARIS application has been written in the Microsoft C# development language. The application consists almost entirely of so called managed code. Managed code runs on top of the Microsoft Common Language Runtime environment (CLR). The CLR provides a secure and independent platform for running applications.

- SOA: The EUCARIS application has been setup using SOA techniques. The so called ‘core’ application consists of several Services Frameworks with interfaces for External and Internal Services and a series of ‘core’ libraries with generic functionality used by the EUCARIS Web client and the External and Internal Services. Communication between services is based on SOAP and XML messages.



Architecture release 6.0



- The core application is connected to the legacy of a Member State via a dedicated gateway that is no part of the EUCARIS application, but has to be developed by each individual Member State since it contains functionality very specific for that State.
- Generic Functionalities: The EUCARIS Services Framework contains a number of generic functionalities used by the various services. The following functions are available:
 - Signing of a message
 - Validation of a signed message
 - Logging of messages
 - Validation of message on conformity to the XSD
 - Authorisation

- Authentication
- Message distribution to other countries (synchronous)
- Message distribution to multiple countries (Multi Country Inquiry) (synchronous)
- Consolidation of incoming responses on a Multi Country Inquiry
- Message distribution to other countries (a-synchronous)
- Queuing

An important feature of the application is the so-called Multi Country Inquiry, a broadcasting mechanism sending a request to all connected Member States (provided that the inquiry is authorised). Response messages are consolidated and returned to the requesting user.

At the back-end, the Services Framework is connected via an interface to the national Registries providing the vehicle and driving licence information on request from other States. In this interface all coded information is translated to standardised values (e.g. colour-code or the indication that the vehicle is stolen).

- Web services: The Services Framework provides access to a series of services. The external interface, used for the information exchange with parties abroad, requires signed messages and validates the message-signature accordingly. The client interface requires unsigned messages. Security has to be organised outside the application, based on mechanisms like userid - password authentication and authorisation. The following services are available:

Service	Description
CollectExtractService	External web service hosted by the Secretary State which receives requested Extracted Logging and stores it into the Secretary State database.
ExtractLoggingService	External web service which provides access to Extracted Logging. See below
FileTransferService	Web service for submitting and retrieving File Transfer messages. The FileTransferService is used as generic transport mechanism for asynchronous messaging.
MessageOfTheDayService	Web service for submitting message of the day notifications. See below
RegistrationNotificationService	Web service for submitting registration notifications.

Service	Description
NotificationOfDestruction	Web services for notifications on scrapped vehicles
SearchDriversLicenseService	Web service for directing Drivers License Inquiry requests.
SearchVehicleOwnerService	Web service for directing Vehicle Owner Holder or Vehicle Insurance Inquiry requests.
SearchVehicleService	Web service for directing Vehicle Inquiry requests.
VHOwnerHolderExchangeService	Web service for submitting and retrieving VHOwnerHolder Exchange messages.
GenericService	Single point of entry for delivering synchronous (ad-hoc) messages. Will replace the dedicated synchronous services “SearchVehicleService”, “SearchDriversLicense” and “SearchVehicleOwnerHolderService” in the future.

- Internal Services: The internal web services provide access to the following services for local users of the standard EUCARIS Web client or customized client applications:

Service	Description
ClientLogicService	Web service containing several web methods exposing Web client functionality to other local clients.
ExtendedClientLogicService	Web service containing several web methods exposing Web client functionality to other local clients.

- Windows services: Windows services are configured to handle asynchronous communications between EUCARIS servers. The services run continuously and trigger the web services at regular intervals:

Service	Description
ExtractLogging	Windows service running exclusively on the EUCARIS server of the Secretary State, starting the ExtractLogging process. On activation the service requests logged messages from all Member States.
FileTransferDelivery	Windows Service which delivers the File Transfer functionality. Extracts locally

Service	Description
	stored FileTransfer messages and processes them via a queuing mechanism.
NotificationDelivery	Windows Service which delivers the Notification functionality. Extracts locally stored notifications and processes them via a queuing mechanism.
VHOwnerHolderExchangeDelivery	Windows Service which delivers the VHOwnerHolderExchange functionality. Extracts locally stored VHownerHolderExchange messages and processes them via a queuing mechanism.

8.5.6.6. Communication

The inquiries between the Eucaris parties are carried out in a synchronous (ad-hoc) way. This implies that the client application waits for a response. As a consequence parties are expected to respond within a reasonable time. Within the EUCARIS community the standard has been described in a Letter of Intent.

When a country is inquiring multiple other countries, the EUCARIS core will create a specific process thread for each country. This is done in a parallel way, so to all countries threads are started at the same time. On each thread the process will wait for a response. Finally responses from all threads/countries are consolidated and returned to the client.

Thanks to the parallel processing, a MCI lasts only slightly longer than the response time of the slowest country.

For a few services there is also an asynchronous mechanism in EUCARIS. These services are not time critical. Information transferred via these services is first stored in a queue in the local database and periodically a mechanism tries or retries to transfer the data to the other countries. These services use FileTransfer as generic transport mechanism.

8.5.6.7. Technical infrastructure

- Platform & Operating system: The EUCARIS application has been set-up using as few as possible additional software to provide a lean, mean and cost effective system. The EUCARIS environment requires:
 - Microsoft Windows 2003 + 2008 32 bit architecture with ample user licenses
 - Microsoft .NET Framework 3.5 (no additional costs). As from .Net framework 4.0 this framework is an integrated part of the operating system.
 - Microsoft IIS (no additional costs)

The system has been designed with scalability as one of the design principals and therefore it can scale-up or scale-out to meet the requirements of the business. Performance tests have proven that the system will scale-up to at least 8 CPU. Expansion of the system can also be accommodated by network load balancing and multiple servers and database clustering.

- Storage: All data regarding logging, configuration and customization information is stored in the database. The EUCARIS system has been designed to support the following database configurations:
 - Microsoft SQL 2000/2005/2008 on EUCARIS server using the free Express editions (out of the box)
 - Microsoft SQL 2000/2005/2008 on EUCARIS server using full version
 - Microsoft SQL 2000/2005/2008 on external server
 - Oracle 9, 10 on EUCARIS server
 - Oracle 9, 10 on external server

Since EUCARIS uses a lean and mean database model, other versions of above database will probably work but are not yet tested.

- Network: It is recommended to have two network cards available in the EUCARIS server. One network card should be assigned to the internal network and the other card to the EUCARIS (INFONET/TESTA) network. The EUCARIS server however will also work with a single network card, but then separation of internal network and EUCARIS network should be controlled by a router.
- WAN - a closed and secured TCP/IP network: All information is exchanged between the Member States via a secured private TCP/IP network. Each Member State is connected to TESTA, a network managed under the auspices of the European Commission, connecting administrations in the EU Member States.
- DNS: Currently there is no DNS server configured. The EUCARIS environment however supports full DNS by its operating system. The host entries for all countries are maintained in the hosts file on each EUCARIS server. Configuration of these entries is controlled via the secretary management tool to ease configuration. Future use of DNS is to be expected.

8.5.6.8. Security

- Security between the Member States: The security between the Member States is controlled by the EUCARIS server core. The messages are transferred over an SSL connection. All messages exchanged between the States are signed with the use of a certificate. The EUCARIS server will verify the signature of the incoming messages and then forward the verified message unsigned to the

registration server or requesting client application. Details on security are given in.

- Certificate usage: Certificate information is only present on the server that initiates the communication. Validation of the message and signature is done by using the certificate information that is exchanged with each request, provided that this certificate has been issued by a trusted CA. No complicated certificate management between Member States is required. The EUCARIS server supports multiple certificates from multiple PKI providers. Currently the EUCARIS States run their own managed PKI that makes use of Verisign certificates. The application has facilities to assign a specific certificate to one or several services.
- Member State authorization: Member States authorise other States based on their bilateral agreements or an international Treaty etc. The common name (CN) on the certificate contains an organisation-code that is used to validate the authorisation of the requesting State or organisation. Multiple common names are supported by EUCARIS. The EUCARIS application validates the message signing and permits/rejects a country to make inquiries based on its own access control information. Access control can be configured for each service and country via the Web client. A Member States doesn't have to validate the requesting users in other Member States and therefore no complicated cross EUCARIS user management is required.
- CRL: The Certificate Revocation List for the used certificates is stored on a central server at RDW. Since EUCARIS runs on a private network, the CRL which is published by the Certificate Authority (Verisign) on the public internet is not accessible and therefore is periodically copied to a server at RDW. To address this CRL an entry in the hosts file is added which will redirect the CRL checking request to SVRSecure-crl.verisign.com to the server at RDW.
- User Authentication/Authorisation (Web client): EUCARIS users using the standard EUCARIS Web client are authenticated using the default Windows mechanisms. The users can be assigned to various Windows groups and each group can be authorised for particular functions of the application. The admin functions are separated from the regular users. Requests made to other countries are made on the credentials of a country, but user information is also transmitted in the request message to the requested country.
- User registration: Registration of users is based on Windows. There are two possibilities to register users:
 - Local registration: users can be registered locally on the EUCARIS server. Whenever a user connects via the browser to the EUCARIS server, the user is prompted to enter username and password. This method doesn't support Single Sign On and password ageing.
 - Domain authorization: this is the preferred method of adding users to the EUCARIS server. The EUCARIS server must be a Member of the Windows domain used within the Administration. Once the user connects

to the EUCARIS server his credentials are used to connect to the server without an additional logon screen. Password management applies to the same rules as defined in the Administration's Windows domain.

- Customised client: It is the responsibility within the Member State to secure the inquiries made by a Customized client. This is outside of the scope of EUCARIS.

8.5.6.9. Operational system management

- Software maintenance, delivery and deployment:
 - Release management: A major change in one of the messages, or addition of a new service, will lead to a new release of a plugin or the application. New releases of the EUCARIS application are always compatible with former releases, so e.g. a Member State with release 6.x is able to communicate with a State using release 7.x. Changes in a request message and changes in the structure of response messages will always lead to the definition of a new service. Addition of optional elements in the response messages results in a new version of the existing message. Eucaris uses a sophisticated method to degrade messages from a higher version to previous versions of this message if the requestor is not able to handle messages from a higher version.
 - Phased implementation: The EUCARIS software is delivered on CD, as a standard Microsoft MSI package. For installation some pre-requisites are required like IIS and the Microsoft .NET Framework. Installation and configuration are supported by specific tools that are distributed with the application. Eucaris PlugIns and tools are also distributed via the www.eucaris.net website. For the local administrators only Windows knowledge is required. It is possible to implement only the specific functionality of EUCARIS, or to split the implementation in several phases, e.g. a first phase for client functionality, a second phase to connect EUCARIS to the national vehicle registration and a third phase to connect the drivers licence registration.
 - Acceptance procedure: A new Member State, or an organisation extending its service with a new message, will only be accepted in the production environment of EUCARIS after a formal test procedure. During this procedure the Secretary State checks both requests from customised client applications and response message. It is advised to have a separate acceptance and production environment available for EucarisII, especially when you plan to implement specific functionality in fases. Every major change in your inbound or outbound implementation must be tested with an acceptance test coordinated by the secretary state prior to go live in production.
 - Consequences of the addition of a new Member State for other States: Addition of a new organisation in the EUCARIS network has some consequences for the other parties. All parties have to authorise the new Member and to define their own rights to perform inquiries in the new

country. Moreover, the IP address and URL's of the newcomer have to be registered in all connected organisations. To support this process the Secretary State generates for each Member State the relevant configuration files by means of a specific tool and distributes these files to all parties. The secretary state releases an average of 12 so called 'Configuration Updates' per year for the production environment. Installing a 'Configuration Update' is relatively easy and is normally performed by your local system administrator (this procedure is well documented in the technical documentation of Eucaris). This recurring task has to be taken into account when defining the local Operational Service Management.

- Service levels and Letter of Intent: So far there is no formal Service Level Agreement. However the EUCARIS Member States signed a Letter of Intent concerning the opening hours, availability and performance of the EUCARIS services, including their Registry systems. The Prüm Member States have drawn up such a Letter of Intent as well. The actual service level offered by each State is reported monthly and discussed during the yearly EUCARIS Participants' Board.
- Management and support
- Error handling: At the European level, the EUCARIS environment consists of loosely coupled applications. This implies that there is no dependency between the systems in each Member State. In case of a failure of one of the systems, requests and replies of all other systems are still processed. Error handling depends on the nature of the failure. Serious failures concerning e.g. network, hardware or authorisation, will result in an immediate error message that is returned to the local client application or the requesting Member State. When no response has been received within the configured time, the requesting country will generate a so called time-out error and inform the client. The EUCARIS Web client application is able to show incomplete results, consisting of responses from some Member States and error messages from others.
 - Event logging: The EUCARIS system will report all information messages, warnings and error messages into the Windows Event log. The Secretary State has a shortlist with causes and the solutions related to most of the messages and the actions to perform.
 - Message logging: All messages are optionally logged into the database for auditing, statistics or error handling. Per service there are several messages types which can be logged. These message types are:
 - Request entering the system from a local client (Web client, customized client)
 - Request forwarded to another Member State
 - Reply received from another Member State

- Reply returned to the client
- Request entering the system from another Member State server
- Request forwarded to the legacy (Registry system)
- Reply received from the legacy
- Reply returned to the requesting Member State

By using the Web client, an administrator can define for each individual service which message types are logged. So it is possible e.g. to log the Driving Licence Inquiries and not to log the Prüm Inquiries.

- First, second and third line support: First line support has to be arranged by the participating country. For second line support the participating country can contact the service desk of the Secretary State (currently RDW). Support is available during office hours. When required, RDW will pass the problem to a subcontractor for further support.
- Monitoring of availability: RDW, in the role of Secretary State, will probe all EUCARIS servers in the network by means of a specific monitoring tool. Currently polling has been set to occur each 10 minutes. The tool sends at regular times for each service a request message to all connected organisations and reacts on the incoming response messages. Both availability and performance are registered. Whenever a system in one of the Member States is not available, this will be reported to the service desk at RDW and appropriate actions will be taken. The organisation involved will be notified. An incident report will be made. An availability report is published monthly.
- Functional support: Functional support concerning the content of individual registrations is given by the service desk of each individual organisation. A comprehensive help text is available for the end users as part of the Web client application.

8.6. Annex 6: Discarded option

An amendment of the Vienna Convention on Road Traffic **of 8 November 1968 was discarded at an early stage.**

Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom are contracting parties to the Convention which was concluded under the auspices of the United Nations Economic Commission for Europe. Ireland, Malta and Cyprus did not sign the Convention⁹².

According to Article 1(b) of the Convention, a vehicle is said to be “in international traffic” in the territory of a State if:

- ‘(i) It is owned by a natural or legal person normally resident outside that State;*
- (ii) It is not registered in that State; and*
- (iii) It is temporarily imported into that State;*

provided, however, that a Contracting Party may refuse to regard as being “in international traffic” a vehicle which has remained in its territory for more than one year without a substantial interruption, the duration of which may be fixed by that Contracting Party.’

Article 35(1)(a) of the Convention specifies inter alia that, in order to be entitled to the benefits of the Convention, *‘every motor vehicle in international traffic, and every trailer, other than a light trailer, coupled to a motor vehicle shall be registered by a Contracting Party or a subdivision thereof, and the driver of the motor vehicle shall carry a valid certificate of such registration issued either by a competent authority of such Contracting Party or subdivision thereof or on behalf and by authorization of such Contracting Party or subdivision thereof by an association duly empowered thereto by that Contracting Party or subdivision thereof.’*

According to the Convention, the registration certificate must at least bear the following particulars:

- A serial number, to be known as the registration number, composed in the manner indicated in Annex 2 to the Convention;
- The date of first registration of the vehicle;
- The full name and home address of the holder of the certificate;
- The name or the trademark of the maker of the vehicle;

92

http://treaties.un.org/pages/ViewDetailsIII.aspx?&src=TREATY&mtdsg_no=XI~B~19&chapter=11&Temp=mtdsg3&lang=en.

- The serial number of the chassis (the maker's production or serial number);
- In the case of a vehicle intended for the carriage of goods, the permissible maximum mass;
- In the case of a vehicle intended for the carriage of goods, the unladen mass;
- The period of validity, if not unlimited.

The Convention indicates that the particulars entered in the certificate must either be in Latin characters or so-called English cursive script only, or be repeated in that form. The Convention allows Contracting Parties or their subdivisions to decide that the year of manufacture, instead of the date of first registration, may be entered on certificates issued in their territories. In the case of motor vehicles of categories A and B as defined in Annexes 6 and 7 to the Convention and, if possible, for other motor vehicles, the certificate must be headed with the distinguishing sign of the State of registration as defined in Annex 3 to the Convention. It obliges its Contracting Parties to place the letters A, B, C, D, E, F, G and H respectively before or after the eight items of information which are required under Article 35(1)(a) to be shown on all registration certificates. The Convention specifies also that the words 'Certificat d'immatriculation' in French may be placed either before or after the title of the certificate in the national language (or languages) of the country of registration.

Pursuant to Article 35(1)(d) of the Convention, a photocopy of the registration certificate, certified as a true copy by the authority which issued the certificate, must be considered sufficient for trailers, including semi-trailers, imported temporarily into a country by a mode of transport other than road transport. Article 35(2) of the Convention entitles articulated vehicles which are not disassembled while in international traffic to the benefits of the provisions of the Convention even if they have only a single registration and a single certificate for the drawing vehicle and semi-trailer composing them. According to Article 35(3), nothing in the Convention can be construed as limiting the right of Contracting Parties or their subdivisions to require, in the case of a vehicle in international traffic which is not registered in the name of a person travelling in it, proof of the driver's right to be in possession of the vehicle. Article 35(4) of the Convention recommends the Contracting Parties to set up, if they have not already done so, a service responsible for keeping, at the national or regional level, a record of motor vehicles brought into use and a centralized record, for each vehicle, of the particulars entered in each certificate of registration.

Consequently, the Convention does not specify in which State the motor vehicle ought to be registered, nor does it specify the administrative requirements of the registration. None of the provisions of the Convention prevents Member States and/or the EU to facilitate the registration of motor vehicles previously registered in another Member State of the EU. Moreover, not all Member States are party to the Convention while many other countries ratified or acceded to the Convention. Moreover, any change of the Convention would need the agreement of all the parties to the Convention, which seems completely disproportionate in order to solve a European problem. Finally, an amendment of the Convention does not prevent the Contracting Parties from formulating a reservation.

8.7. Annex 7: SME Test

(1) Consultation with SMEs representatives	During the public consultation, the online questionnaire, hosted on the European Union's website, was open to various categories of stakeholders. Tailor-made questionnaires for different categories of stakeholders — citizens, businesses and public authorities — were available in all 22 EU official languages. Information on the public consultation was published on several websites and promoted through business networks, e.g. through the Enterprise Europe Network. The Enterprise Europe Network brings together almost 600 business support organisations from 50 countries in order to help small companies in the EU Single Market. Of the 151 replies received from businesses during the public consultation (143 replies via the public questionnaire and 8 submitted as separate contributions), many were submitted by SMEs, namely businesses selling second-hand vehicles (49.0%), followed by leasing companies (2.1%), car rental companies (0.7%).
(2) Preliminary assessment of businesses likely to be affected	Two categories of SMEs are likely to be affected. The first category consists of the second-hand traders. Although one can assume that they will not register the motor vehicles purchased in another Member State and that the registration will be done by the customer, a professional second-hand trader will be in a position to provide its (potential) clients with all the paperwork, including roadworthiness certificates and inspection results. The second category consists of car leasing firms and car rental companies acting in the segment of passenger cars (M1) and light duty motor vehicles (N1). They are estimated at around 23,000. Almost the totality of the sector is composed by SMEs (99.8%). Only 75 are large enterprises (250 or more employees). Total employment in this sector is around 160,000 workers. The biggest percentage of companies is located in France, United Kingdom, Germany, Spain, Italy and Czech Republic (66% of the total).
(3) Measurement of the impact on SMEs	The impacts on SMEs are measured specifically in all options separately. For leasing firms and car-rental companies, a quantitative assessment of the impacts took place. As regards the second-hand traders, there are no precise statistics on the intra-EU trade of second-hand motor vehicles. Therefore, a qualitative assessment with respect to the second-hand market was made for every option.

(4) Assess alternative options and mitigating measures	At the end of the impact assessment, there was no indication that the selected options might result in a disproportionate burden for SMEs. Consequently, there is no element showing the need for SME specific measures in order to ensure compliance with the proportionality principle.
---	--