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PROPOSAL

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dated:	10 April 2012
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Subject:	Proposal for a Regulation of The European Parliament and of The Council simplifying the transfer of motor vehicles registered in another Member State within the Single Market

Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

Encl.: COM(2012) 164 final



EUROPEAN COMMISSION

Brussels, 4.4.2012
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2012/0082 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**simplifying the transfer of motor vehicles registered in another Member State within the
Single Market**

(Text with EEA relevance)

{SWD(2012) 81 final}
{SWD(2012) 82 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Notwithstanding the progressing integration of the single market, motor vehicle registration problems remain a frequent barrier within the internal market, for businesses but also for citizens. Motor vehicle registration problems were highlighted as one of the 20 main concerns with the Single Market as it stands now in a list compiled by the Commission. In the 2010 EU Citizenship Report "Dismantling the obstacles to EU citizens rights"¹, the Commission identified vehicle registration problems as one of the main obstacles faced by citizens when exercising their rights under EU law in their daily lives and announced, among the actions envisaged to remove such obstacles, the simplification of the formalities and conditions for the registration of vehicles registered in another Member State (action 6 of the EU citizenship report).

The obligation to register, in the receiving Member State, a motor vehicle registered in the Member State of origin has been a source of complaints and court cases for many years. Citizens and businesses purchasing a motor vehicle in another country and taking it back with them to the country where they live usually face complex and burdensome registration procedures and time-consuming demands for extra paperwork.

As a result, motor vehicle registration problems have negative impacts on the free movement of goods, a fundamental freedom which constitutes a cornerstone of the European Union. This was underlined in the Europe2020 Strategy for smart, sustainable and inclusive growth², which 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.

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 documentation.

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. The registration data are used for the taxation of motor vehicles. 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 vehicle).

¹ COM(2010)603 of 27.10.2010.

² COM(2010)2020 of 3.3.2010.

Yet, when the motor vehicle is registered in one Member State and frequently used in another, two main problems frequently occur:

- (1) 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 vehicle is used, although the motor vehicle 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 there. Leasing companies also face registration problems, at least if they are the holder of the registration certificate and when the motor vehicle is used by a person established in another Member State. Finally, car-rental firms that wish to move a part of their fleet to another Member State for a short period to meet seasonal demands, are usually obliged to register the motor vehicles concerned in that Member State.
- (2) The 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 to additional 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.

2. RESULTS OF CONSULTATIONS WITH INTERESTED PARTIES AND IMPACT ASSESSMENTS

This proposal is accompanied by an executive summary of the impact assessment and an impact assessment, a draft version of which was assessed by the Impact Assessment Board of the European Commission which issued its opinion on 16 December 2011. The final impact assessment was amended accordingly.

This proposal would lead to a very substantial administrative simplification for businesses, citizens and registration authorities. The reduction of the administrative burden would amount to savings of at least EUR 1,445 million per year.

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 can be found in Annex 1 of the impact assessment and is also

available on the Europa web site³. 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 States.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1 Objectives of the proposal

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.

The specific objectives of this initiative are to harmonise, streamline, and simplify the procedures for re-registration of motor vehicles registered in another Member State, for citizens, employees, employers, car rental and leasing companies, and registration authorities. Moreover, this initiative aims at reducing the administrative burdens of all actors involved without hindering road safety or the prevention of crimes and fraud.

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 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.

3.2. Legal basis – Form of the legal act

Current problems and differences in administrative rules at national level as regards the re-registration of motor vehicles 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 legal 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. In addition, this proposal would also be beneficial 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.

³

[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)

The proposed legal instrument has the form of a regulation for the following reasons. A regulation is directly applicable in the Member States without the need for transposition into the different national laws. 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. Furthermore, a regulation is a more effective instrument for organising the electronic exchange of information among national registration authorities. Finally, the risk for "gold-plating" by Member States does not exist when the legal act takes the form of a regulation.

3.3 The content of the proposal

Article 1 confirms the principle that Member States are entitled to exempt certain categories of motor vehicles from registration. The fact that a motor vehicle was registered in another Member State does not imply that the same motor vehicle should be subject to registration obligations in the Member State to which it was transferred. Article 1 also expressly points out that motor vehicles registered in third countries fall outside the scope of this proposal. Furthermore, the proposal is construed to exclude the registration of motor vehicles that were registered in the same Member State. Re-registrations of motor vehicles within the same Member State are therefore still subject to the national rules of the Member State and will not be affected by this proposal. Furthermore, Member States remain free to exercise their power of taxation with respect to motor vehicles, in accordance with Union law.

Article 2 contains the definitions which closely reflect existing definitions laid down in Union law and in particular in Directive 1999/37/EC of 29 April 1999 on the registration documents for vehicles⁴. This Directive applies to motor vehicles which are subject to Framework 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 vehicles⁵ and 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-wheel motor vehicles and repealing Council Directive 92/61/EEC⁶, and not to agricultural or forestry tractors. However, Directive 1999/37/EC does not provide for an exhaustive harmonisation according to a recent judgement of the Court of Justice⁷.

Article 3 sets out that a Member State may only require the registration on its territory of a vehicle registered in another Member State if the holder of the registration certificate has his normal residence on its territory. Article 3 proposes several criteria for determining the normal residence. For natural persons not acting in the course of their business activity, the criteria proposed are those set out in Article 7 of Council Directive 83/182/EEC of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another⁸. For companies, the criteria proposed refer to the place of establishment or the place of business, meaning that for cars registered in the

⁴ OJ L138, 1.6.1999, p. 57.

⁵ OJ L263, 9.10.2007, p. 1.

⁶ OJ L124, 9.5.2002, p. 1.

⁷ Judgement of the Court of Justice of 6 October 2011, Philippe Bonnarde v Agence de Services et de Paiement, Case C-443/10.

⁸ OJ L105, 23.4.1983, p. 59.

name of a company in the Member State of its establishment and used by an employee having his normal residence in another Member State, the latter Member State cannot require registration on its territory. This avoids the necessity of a case-by-case assessment in the Member State of normal residence of the employee in order to determine if a company car is mainly used for private or professional purposes, and if home-office commutes count as professional or private use.

Article 4 sets a clear and simple rule: where the holder of the registration certificate moves his normal residence to another Member State, he should request the registration of his vehicle within a period of six months following his arrival. During that period, the use of the vehicle may not be restricted by the Member State of arrival. Article 4 also contains a drastic simplification of the registration procedures for motor vehicles that were registered in another Member State. It applies the settled case-law of the Court of Justice on the free movement of goods, according to which Member States should facilitate intra-EU trade by recognising the proof issued in another Member State showing, for example, that a vehicle registered in the territory of that State has passed a roadworthiness test. The Court of Justice also indicated that this principle of mutual recognition of registration and roadworthiness information should be complemented by the cooperation between the authorities in the Member States concerning any data that may be missing⁹. Yet, Article 4 organises this cooperation in an electronic manner whereby the vehicle registration authority should seek the data in the vehicle register of the Member State where the motor vehicle was registered, through the software application referred to in Article 7 and Annex II. This principle of administrative cooperation through electronic means also functions in the other direction: when a Member State registers a vehicle that was registered in another Member State, Article 4 obliges the registration authority of the Member State of destination of the motor vehicle to inform the registration authority of the Member State of previous registration. Finally, Article 4 of this proposal allows additional controls of the motor vehicle in certain specific cases.

Article 5 defines precisely in which cases registration authorities are entitled to refuse the registration of a motor vehicle that was registered in another Member State. The main objective of Article 5 is to prevent fraud and to ensure road safety since the re-registration of a motor vehicle 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 seriously damaged vehicle). This can only be prevented by a close cooperation between registration authorities. Therefore, this article should also contribute to the implementation of:

⁹ Judgment of 20 September 2007, Commission of the European Communities v Kingdom of the Netherlands, Case C-297/05.

- Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles¹⁰. This Directive 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. 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.
- Council Decision 2004/919/EC of 22 December 2004 on tackling vehicle crime with cross-border implications¹¹ which aims at achieving 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.

Article 6 ensures that the intra-EU trade of second-hand vehicles is made easier, by harmonised rules on the temporary registration of motor vehicles. Such rules are necessary in the first place for persons purchasing a motor vehicle in another Member State, in order to enable them to drive the vehicle to their own Member State in view of its final registration there. When a motor vehicle already registered in a Member State is sold to a person established in another Member State, the seller will probably deregister the motor vehicle at the moment that the vehicle is sold. The seller will probably not allow the buyer to drive the motor vehicle carrying the registration number of the former. Therefore, a temporary registration system is indispensable to improve the functioning of the market of second-hand motor vehicles and to ensure that the gap between the registration in the first Member State and the new registration in the second is temporarily bridged. A temporary registration system also allows registration authorities to safeguard the quality of the registration data in their registers so that they can be easily exchanged through the software referred to in Article 7. Article 6 proposes to limit the validity of the temporary registration to 30 days so that it is compatible with Article 15 of 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 liability¹². Article 15 of

¹⁰ OJ L269, 21.10.2000, p. 34.

¹¹ OJ L389, 30.12.2004, p. 28.

¹² OJ L263, 7.10.2009, p. 11.

Directive 2009/103/EC organises the insurance coverage of motor vehicles dispatched from one Member State to another, by specifying that in such cases, the Member State where the risk is situated is considered to be the Member State of destination, immediately upon acceptance of delivery by the purchaser, for a period of 30 days, even though the vehicle has not formally been registered in the Member State of destination. If the vehicle is involved in an accident during this period while uninsured, the body responsible for compensation in the Member State of destination will be liable for the compensation provided for in Article 10 of Directive 2009/103/EC.

Article 7 of the proposal organises the electronic exchange of vehicle registration data between Member States, for the purpose of re-registration of a motor vehicle. Article 7 authorises the Commission to adopt implementing acts for the common procedures and specifications for the software application, including the format for the data exchanged, the technical procedures for electronic consultation of, and access to the national electronic registers, access procedures and security mechanisms. The electronic exchange of vehicle registration data between Member States should take place in accordance with the European Interoperability Framework (EIF)¹³.

Article 8 aims at facilitating the intra-EU trade of second-hand vehicles by businesses, through harmonised rules on the ‘professional registration’ of motor vehicles. At the moment, ‘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 usually reserved for manufacturers, assemblers, distributors and dealers, with respect to motor vehicles which they possess, or for testing purposes. Most Member States do not issue professional registration certificates as such, involving identification of the motor vehicle. They often 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. However, practice shows that most ‘professional registrations’ are not recognised by other Member States, usually due to the absence of a formal registration certificate, so that most professional distributors and traders refrain from using professional registrations outside their national territory. The objective of Article 8 is to bring an end to these obstacles to the intra-EU trade of second-hand motor vehicles, through a common system whereby ‘professional registrations’ granted to manufacturers, assemblers, distributors and dealers established in one Member State would be recognised in the other Member States. Article 8 authorises the Commission to adopt implementing acts for laying down the format and the model of the professional vehicle registration certificate.

Article 9 obliges the Member States to inform the Commission of the names and contact details of the vehicle registration authorities which are responsible for managing the official registers of vehicles on their territory and for the application of this Regulation. The Commission will then publish a list of vehicle registration authorities and any updates to that list on its website. In addition, Article 9 obliges vehicle registration authorities to ensure that the information on the registration of

¹³ COM(2010)744 of 16.12.2010.

vehicles in the Member State of the relevant authority and the name and contact details of the authority are easily accessible to the public.

Articles 10 and 11 delegate powers to the Commission to adopt the amendments to Annexes I and II in the light of technical progress, in particular, in order to take into account relevant amendments to Directive 1999/37/EC or amendments to other Union acts directly relevant for the updating of Annexes I and II. These articles also delegate powers to the Commission to lay down the conditions which should be met by undertakings using professional vehicle registration certificates in order to satisfy the requirements of a good reputation and the requisite professional competence, and to specify the duration of the validity of the professional vehicle registration certificates:

- Annex I should correspond to the content of the harmonised registration certificate laid down in Directive 1999/37/EC, as regards the vehicle data. Since neither the personal data of the holder of the previous registration certificate nor the personal data of any other person mentioned on the certificate (e.g. the owner, the user etc) are necessary for re-registration purposes, these data are not retained in Annex I although they are part of the obligatory information set out in the harmonised registration certificate laid down in Directive 1999/37/EC. Yet, possible future changes to, for example, the content of the certificate of conformity which serves as a basis for first registration cannot be excluded. Such changes could be the consequence of, for example, an amendment of Framework 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. The delegation of powers should enable the Commission to adapt Annex I to such amendments.
- Annex II refers expressly to the software application which will probably require several future technical updates in order to reflect the technological developments in the field of information technologies. The delegation of powers should enable the Commission to adapt Annex II correspondingly.
- The delegation of powers should enable the Commission to lay down the conditions which should be met by undertakings using professional vehicle registration certificates in order to satisfy the requirements of a good reputation and the requisite professional competence, as set out in Article 8(1)(c). It should also enable the Commission to specify the duration of the validity of the professional vehicle registration certificates.

Article 12 sets out the Committee procedure for the implementation of Articles 7 and 8, i.e. the implementing acts for the common procedures and specifications for the software application referred to in Article 7, including the format for the data exchanged, the technical procedures for electronic consultation of and access to the national electronic registers, access procedures and security mechanisms, as well as the implementing acts laying down the format and the model of the professional vehicle registration certificate. These implementing acts would be of general scope so that the examination procedure should apply in accordance with Article 2(2)(a) of Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16

February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers¹⁴.

Article 13 organises the evaluation of this Regulation which should result in a report to the European Parliament and the Council four years after the entry into force of the Regulation. The evaluation should identify possible problems and shortcomings of the Regulation and could be the starting point for further actions, including a possible proposal to amend the Regulation, in view of a further administrative simplification for citizens and businesses and a better integration of the single market for second-hand motor vehicles.

Article 14 specifies that the Regulation will apply after one year following its entry into force.

4. BUDGETARY IMPLICATION

The budgetary implication of this proposal is set out in the financial statement attached to the proposal. This proposal only requires administrative appropriations. It does not require the use of operational appropriations.

¹⁴ OJ L55, 28.2.2011, p. 13.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

simplifying the transfer of motor vehicles registered in another Member State within the Single Market

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee¹⁵,

After consulting the European Data Protection Supervisor,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) All Member States have a vehicle registration system for motor vehicles which constitutes the administrative authorisation for their entry into service in road traffic, during which the vehicle is identified and the registration number is assigned to it. However, many of the national rules on vehicle registration are conflicting, complex and burdensome. As a result, vehicle registration problems create barriers within the internal market and lead to problems for the free movement, within the Union, of motor vehicles registered in another Member State.
- (2) The 2010 EU Citizenship Report "Dismantling the obstacles to EU citizens' rights"¹⁶ identified vehicle registration problems as one of the main obstacles faced by citizens when exercising their rights under the Union law in their daily lives. In that Report, the Commission underlined the need to remove that obstacle, by simplifying the formalities and conditions for the registration of vehicles registered in another Member State.

¹⁵ OJ C , , p. .

¹⁶ COM(2010)603 of 27.10.2010.

- (3) Council Directive 1999/37/EC of 29 April 1999 on the registration documents for vehicles¹⁷ harmonises the form and content of the registration certificate in order to facilitate its comprehension and thus facilitate the free movement, on the roads in the territory of the other Member States, of vehicles registered in a Member State. Pursuant to that Directive, the registration certificate issued by a Member State should 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. Directive 1999/37/EC, however, does not contain any provisions determining the competent Member State for the registration and the applicable formalities and procedures. Consequently, in order to eliminate the barriers to the free movement of motor vehicles within the internal market, it is necessary to establish separate harmonised rules on determining the Member State in which motor vehicles must be registered and on simplified procedures for the re-registration of motor vehicles registered in another Member State.
- (4) The national rules of Member States often require undertakings and citizens established on their territory to register there a motor vehicle registered by a third person established in another Member State, including where the vehicle is not essentially used on a permanent basis in a Member State requiring registration and there is no intention to use it in that manner. Therefore, it is necessary to establish in which Member State a motor vehicle should be registered if it is held by a person established or residing in a Member State other than the Member State in which the owner is established or residing. In those circumstances, it is appropriate for Member States to mutually recognise the valid registration in another Member State.
- (5) The registration of motor vehicles registered in another Member State is hampered by burdensome registration formalities in the Member States, in particular by the obligation to submit these vehicles to complementary tests in order to assess their general condition prior to registration or in order to identify them. Therefore, it is necessary to reduce these formalities in order to ensure the free movement of motor vehicles and to reduce the administrative burden for citizens, businesses and registration authorities. Especially for citizens or businesses acquiring a motor vehicle registered in another Member State, it is appropriate to provide for a simplified registration procedure that includes the recognition of documents and roadworthiness tests issued in another Member State and that would organise the administrative cooperation between the competent authorities on the exchange of missing data.
- (6) This Regulation should take account of Council Decision 2004/919/EC of 22 December 2004 on tackling vehicle crime with cross-border implications¹⁸, the objective of which is to achieve improved cooperation within the Union with the aim of preventing and combating cross-border vehicle crime. According to that Decision, each Member State needs to ensure that its competent authorities take the necessary steps to prevent abuse and theft of vehicle registration documents. Therefore, this Regulation should allow Member States to refuse the registration of a motor vehicle registered in another Member State in case of vehicle crime, including abuse and theft of vehicle registration documents.

¹⁷ OJ L138, 1.6.1999, p. 57.

¹⁸ OJ L389, 30.12.2004, p. 28.

- (7) This Regulation should pursue administrative simplification for citizens, businesses and registration authorities, in particular through electronic exchange of vehicle registration data. Therefore, it is necessary for the administrative simplification of registration formalities that Member States grant each other the right of access to their vehicle registration data in order to improve the exchange of information and to speed up the registration procedures.
- (8) Processing of personal data in application of this Regulation is subject to Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data¹⁹. Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data²⁰ applies to the processing of personal data by the Commission in the context of the present Regulation.
- (9) The transfer of a motor vehicle registered in a Member State to another Member State, in view of its registration by that other Member State, requires a widely accessible temporary registration in order to ensure road safety and the transmission of reliable vehicle registration data by electronic means. Therefore, it is necessary to establish a system whereby motor vehicles can be registered temporarily.
- (10) The transfer of motor vehicles to another Member State by undertakings distributing motor vehicles or providing testing or repair and maintenance services for motor vehicles usually takes place with national professional registration numbers. However, these professional registration numbers are often not recognised in other Member States so that the professional trade of second-hand motor vehicles undertakings across borders, especially in border regions, is being hampered. Consequently, it is necessary to adopt a system whereby undertakings distributing motor vehicles or providing testing, repair and maintenance services for motor vehicles can transfer these vehicles to another Member State with a professional registration number.
- (11) Since the objectives of this Regulation, namely the reduction of the registration formalities in order to ensure the free movement of motor vehicles registered in another Member State and the reduction of the administrative burden for citizens, businesses and registration authorities cannot be sufficiently achieved by the Member States due to the conflicting national rules and can, therefore, by reason of its scale and effect, be better achieved at the Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (12) This Regulation respects the fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union.

¹⁹ OJ L 281, 23.11.1995, p.31

²⁰ OJ L 8, 12.01.2001, p.1

- (13) In order to achieve the objective of exchange of information between Member States through interoperable means, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amendments to Annexes I and II of this Regulation in the light of technical progress, in particular, in order to take into account relevant amendments to Directive 1999/37/EC or amendments to other Union acts directly relevant for the updating of Annexes I and II of this Regulation, in respect of the conditions which should be met by undertakings using professional vehicle registration certificates in order to satisfy the requirements of a good reputation and the requisite professional competence, and in respect of the duration of the validity of the professional vehicle registration certificates. It is of particular importance that the Commission carries out appropriate consultation during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (14) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to lay down the common procedures and specifications for the software application that is necessary for the electronic exchange of vehicle registration data, including the format for the data exchanged, the technical procedures for electronic consultation of and access to the national electronic registers, access procedures and security mechanisms, and to establish the format and the model of the professional vehicle registration certificate. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers²¹.

HAVE ADOPTED THIS REGULATION:

Article 1
Scope

1. This Regulation shall apply to the following vehicles:
 - (a) any motor vehicle or trailer as referred to in Article 3 of Directive 2007/46/EC of the European Parliament and of the Council²²;
 - (b) any two or three-wheel motor vehicle, whether twin-wheeled or otherwise, intended to travel on the road, as referred to in Article 1 of Directive 2002/24/EC of the European Parliament and of the Council²³.
2. This Regulation shall not apply to the registration of motor vehicles registered in a third country.

²¹ OJ L 55, 28.2.2011, p. 13.

²² OJ L263, 9.10.2007, p. 1.

²³ OJ L124, 9.5.2002, p. 1.

3. This Regulation is without prejudice to the right of Member States to exempt motor vehicles from registration in accordance with Directive 1999/37/EC.

Article 2
Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) ‘registration’ means the administrative authorisation for the entry into service in road traffic of a vehicle, during which the vehicle is identified and a serial number, known as the registration number, is assigned to it;
- (2) ‘vehicle registered in another Member State’ means a vehicle having a valid registration certificate issued by another Member State;
- (3) ‘holder of the registration certificate’ means the person in whose name a vehicle is registered in a Member State;
- (4) ‘professional vehicle registration’ means the administrative authorisation for the entry into service in road traffic of vehicles, during which the vehicles are identified and a serial number, known as the professional registration number, is assigned which may be used by different vehicles.

Article 3
Place of registration of vehicles registered in another Member State

1. A Member State may only require the registration on its territory of a vehicle registered in another Member State if the holder of the registration certificate has his normal residence on its territory.
2. The Member State in which the holder of the registration certificate has his normal residence is any of the following:
 - (a) for a company or other body, corporate or unincorporated, the Member State where the central administration is located;
 - (b) for a branch, agency or any other establishment of a company or other body, the Member State where the branch, agency or any other establishment is located;
 - (c) for a natural person acting in the course of his business activity, the Member State which is his principal place of business;
 - (d) for any other natural person:
 - (i) the place where a person usually lives, that is for at least 185 days in each calendar year, because of personal and occupational ties, or, in the case of a person with no occupational ties because of personal ties which show close links between that person and the place where he is living;

- (ii) for a person whose occupational ties are in a different place from his personal ties and who consequently lives in turn in different places situated in two or more Member States, the place of his personal ties, provided that such person returns there regularly.

The condition set out in point (ii) shall not apply where the person is living in a Member State in order to carry out a task of a definite duration. Attendance at a university or school shall not imply transfer of normal residence.

Article 4

Registration procedure for vehicles registered in another Member State

1. Where the holder of the registration certificate moves his normal residence to another Member State, he shall request registration of a vehicle registered in another Member State within a period of six months following his arrival.

During the period referred to in the first subparagraph, the use of the vehicle shall not be restricted.

2. The request to register a vehicle registered in another Member State shall be submitted to a vehicle registration authority and include the relevant parts of the registration certificate in accordance with Article 5(2) of Directive 1999/37/EC or any other evidence of prior registration in another Member State.
3. Upon receipt of the request for the registration of a vehicle registered in another Member State, the vehicle registration authority shall immediately gather the information on the data items set out in Annex I directly from the vehicle registration authority of the Member State where the vehicle is registered, in accordance with Article 7, and transfer the data to its own register.
4. Vehicle registration authorities may only carry out physical checks of the vehicle registered in another Member State prior to its registration in any of the following cases:
 - (a) if the information provided by the applicant during the registration process cannot be found in the vehicle register of the Member State where the vehicle is supposed to have been registered;
 - (b) if the information provided by the applicant during the registration process is different from the information held in the vehicle register of the Member State where the vehicle is registered;
 - (c) where vehicle registration authorities have reasonable grounds to believe that the technical provisions according to which the vehicle was approved pursuant to Article 23 or 24 of Directive 2007/46/EC or pursuant to Article 15 of Directive 2002/24/EC are not equivalent to their own;
 - (d) if roadworthiness tests are required in case of any change of ownership of the vehicle, or for seriously damaged vehicles.

5. Where a vehicle registered in another Member State is registered, the relevant vehicle registration authority shall immediately report this to the vehicle registration authority of the Member State where the vehicle was last registered, in accordance with Article 7.

Article 5

Refusal to register a vehicle registered in another Member State

1. Vehicle registration authorities may refuse to register a vehicle registered in another Member State only in any of the following cases:
 - (a) where the conditions set out in Article 4(2) are not fulfilled;
 - (b) where applicable, if the levies or fees imposed by that Member State for the registration referred to in Article 4 were not paid;
 - (c) where the physical checks as referred to in Article 4(4) were not successfully passed;
 - (d) where the information gathered in accordance with Article 7 indicates any of the following:
 - (i) the vehicle is seriously damaged, stolen or destroyed;
 - (ii) the vehicle registration documents are stolen unless the holder of the registration certificate can clearly demonstrate ownership of the vehicle;
 - (iii) the date of the next mandatory roadworthiness certificate has passed.
2. Any decision taken by a vehicle registration authority refusing to register a vehicle registered in another Member State shall be duly substantiated. The person concerned may within a period of one month from receipt of the negative decision request the competent vehicle registration authority to review the decision. That request shall include reasons for such review. Within one month from receipt of that request, the competent vehicle registration authority shall confirm or reverse its decision.

Article 6

Temporary registrations for transfers to another Member State

1. Any person that has purchased a vehicle in another Member State and where that vehicle does not have a registration certificate may request the vehicle registration authority to issue a temporary registration certificate of a vehicle in view of its transfer to another Member State. The temporary registration certificate shall be valid for a period of 30 days.
2. Upon receipt of the request for the temporary registration certificate referred to in paragraph 1, the vehicle registration authority shall immediately gather the information on the data items set out in Annex I directly from the vehicle registration

authority of the Member State where the vehicle is registered, in accordance with Article 7, and transfer the data to its own register.

3. Vehicle registration authorities may refuse to issue the temporary registration certificate as referred to in paragraph 1 in any of the following cases:
 - (a) where applicable, if the levies or fees imposed by its Member State for the temporary registration were not paid;
 - (b) where the information gathered in accordance with Article 7 or the information in the national official vehicle registers indicates any of the following:
 - (i) the vehicle is seriously damaged, stolen or destructed;
 - (ii) the vehicle registration documents are stolen unless the holder of the registration certificate can clearly demonstrate ownership of the vehicle;
 - (iii) the date of the next mandatory roadworthiness certificate has passed.

Article 7

Exchange of information on vehicle registration data

1. For the purposes of registering a vehicle registered in another Member State, vehicle registration authorities shall grant the vehicle registration authorities of the other Member States access to the data stored in the official vehicle registers on data items set out in Annex I.
2. For the purposes of paragraph 1, vehicle registration authorities shall use the software application as set out in Annex II.

Only vehicle registration authorities may have direct access to the data stored and ready for retrieval under the software application. Vehicle registration authorities shall take the necessary measures to ensure the prevention of the following:

- (a) unauthorised persons gaining access to the data processing equipment;
 - (b) information from being read, copied, amended or deleted by unauthorised persons;
 - (c) unauthorised interrogation or transmission of information;
 - (d) unauthorised reading or copying of information during transmission.
3. Processing of personal data by the vehicle registration authorities in the Member States shall be carried out in accordance with Directive 95/46/EC and under the supervision of the public independent authority of the Member State referred to in its Article 28.

Vehicle registration authorities shall use information transmitted in accordance with this Regulation only for the purposes of registering a vehicle registered in another Member State.

Where information is exchanged between vehicle registration authorities in accordance with this Regulation, the registration authority providing the information shall be informed if requested of the use to which the information provided is to be put and of the follow up action taken.

The vehicle registration authority providing the information shall have regard to the accuracy of the information to be provided and whether it is necessary and commensurate in relation to the purpose for which it is provided. It shall observe the relevant regulations on the protection of personal data.

If it becomes evident that incorrect information or information that should not have been provided has been provided, the vehicle registration authority receiving the information shall be informed immediately. The vehicle registration authority receiving the information shall then delete or correct the information that has been received.

4. The Commission shall adopt implementing acts to lay down the common procedures and specifications for the software application referred to in paragraph 2, including the format for the data exchanged, the technical procedures for electronic consultation of and access to the national electronic registers, access procedures and security mechanisms. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 12(2).

Article 8 *Professional vehicle registrations*

1. A vehicle registration authority may issue one or several professional vehicle registration certificates to any undertaking that complies with the following criteria:
 - (a) it is established on its territory;
 - (b) it distributes vehicles or provides repair, maintenance or testing services for vehicles;
 - (c) it has a good reputation and has the requisite professional competence.
2. Vehicle registration authorities shall ensure that the vehicle data as referred to in Annex I are recorded in their register for each professional vehicle registration.
3. Vehicles carrying a professional vehicle registration certificate may only be used if the vehicle does not constitute a direct and immediate risk to road safety. Those vehicles may not be used for commercial transport of persons or goods.
4. Member States may not impede, for reasons related to the registration of the vehicle, the free movement of vehicles covered by a professional vehicle registration certificate.
5. The Commission shall adopt implementing acts to establish the format and the model of the professional vehicle registration certificate.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 12(2).

Article 9
Vehicle registration authorities

1. Member States shall inform the Commission of the names and contact details of the vehicle registration authorities which are responsible for managing the official registers of vehicles on their territory and for the application of this Regulation.

The Commission shall publish a list of vehicle registration authorities and any updates to that list on its website.

2. Vehicle registration authorities shall ensure that the following information is easily accessible to the public:
 - (a) the information on the registration of vehicles in the Member State of the relevant authority;
 - (b) the name and contact details of the authority so that it can be contacted directly.

Article 10
Delegated acts

The Commission shall be empowered to adopt delegated acts in accordance with Article 11 concerning:

- (1) amendments to Annexes I and II to this Regulation in the light of technical progress, in particular, in order to take into account relevant amendments to Directive 1999/37/EC or amendments to other Union acts directly relevant for the updating of Annexes I and II to this Regulation.
- (2) the conditions to be met by undertakings in order to satisfy the requirements laid down in Article 8(1)(c);
- (3) the duration of the validity of the professional vehicle registration certificates referred to in Article 8(1).

Article 11
Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Article 10 shall be conferred on the Commission for an indeterminate period of time from the date of entry into force of this Regulation.

3. The delegation of power referred in Article 10 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 10 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 12
Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. Where the opinion of the committee is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so request.

Article 13
Evaluation

The Commission shall submit a report on the evaluation of this Regulation to the European Parliament and the Council by [four years after the entry into force of this Regulation]. The Commission shall, if necessary, submit appropriate proposals with a view to amending this Regulation, and aligning other Union acts, in particular taking account of the possibilities of further administrative simplification for citizens and businesses.

Article 14
Entry into force and applicability

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from xxxx [*date to be inserted: one year after entry into force of this Regulation*].

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4.4.2012

For the European Parliament
The President

For the Council
The President

ANNEX I

Data-set for automated search of vehicle registration data referred to in Article 7(1)

Item	Harmonised Codes Directive 1999/37/EC
1. Country of registration	--
2. Registration number	(A)
3. Date of first registration of the vehicle	(B)
4. Registration certificate identification number(s)	--
5. Name of issuing authority of the registration certificate	--
6. Vehicle: make	(D.1)
7. Vehicle: type - Variant (if available); - Version (if available)	(D.2)
8. Vehicle: commercial description (s)	(D.3)
9. Vehicle Identification Number (VIN)	(E)
10. Mass: maximum technically permissible laden mass, except for motorcycles	(F.1)
11. Mass: maximum permissible laden mass of the vehicle in service in the Member State of registration	(F.2)
12. Mass of the vehicle in service with bodywork, and with coupling device in the case of a towing vehicle in service from any category other than M1	(G)
13. Period of validity, if not unlimited	(H)
14. Date of the registration to which this certificate refers	(I)
15. Type-approval number (if available)	(K)
16. Number of axles	(L)
17. Wheelbase (in mm)	(M)
18. For vehicles with a total permissible mass exceeding 3500 kg, distribution of the technically permissible maximum laden mass among the axles: axle 1 (in kg)	(N.1)

Item	Harmonised Codes Directive 1999/37/EC
19. For vehicles with a total permissible mass exceeding 3500 kg, distribution of the technically permissible maximum laden mass among the axles: axle 2 (in kg), where appropriate	(N.2)
20. For vehicles with a total permissible mass exceeding 3500 kg, distribution of the technically permissible maximum laden mass among the axles: axle 3 (in kg), where appropriate	(N.3)
21. For vehicles with a total permissible mass exceeding 3500 kg, distribution of the technically permissible maximum laden mass among the axles: axle 4 (in kg), where appropriate	(N.4)
22. For vehicles with a total permissible mass exceeding 3500 kg, distribution of the technically permissible maximum laden mass among the axles: axle 5 (in kg), where appropriate	(N.5)
23. Technically permissible maximum towable mass of the trailer: braked (in kg)	(O.1)
24. Technically permissible maximum towable mass of the trailer: unbraked (in kg)	(O.2)
25. Engine: capacity (in cm ³)	(P.1)
26. Engine: maximum net power (in kW) (if available)	(P.2)
27. Engine: type of fuel or power source	(P.3)
28. Engine: rated speed (in min ⁻¹)	(P.4)
29. Engine identification number	(P.5)
30. Power/weight ratio (in kW/kg) (only for motorcycles)	(Q)
31. Colour of the vehicle	(R)
32. Seating capacity: number of seats, including the driver's seat	(S.1)
33. Seating capacity: number of standing places (where appropriate)	(S.2)
34. Maximum speed (in km/h)	(T)
35. Sound level: stationary (in dB(A))	(U.1)
36. Sound level: engine speed (in min ⁻¹)	(U.2)
37. Sound level: drive-by (in dB(A))	(U.3)

Item	Harmonised Codes Directive 1999/37/EC
38. Exhaust emissions: CO (in g/km or g/kWh)	(V.1)
39. Exhaust emissions: HC (in g/km or g/kWh)	(V.2)
40. Exhaust emissions: NOx (in g/km or g/kWh)	(V.3)
41. Exhaust emissions: HC + NOx (in g/km)	(V.4)
42. Exhaust emissions: particulates for diesel (in g/km or g/kWh)	(V.5)
43. Exhaust emissions: corrected absorption coefficient for diesel (in min-1)	(V.6)
44. Exhaust emissions: CO2 (in g/km)	(V.7)
45. Exhaust emissions: combined fuel consumption (in l/100 km)	(V.8)
46. Exhaust emissions: indication of the environmental category of EC type-approval; reference to the version applicable pursuant to Directive 70/220/EEC or Directive 88/77/EEC	(V.9)
47. Fuel tank(s) capacity (in litres)	(W)
48. Date of last roadworthiness test	--
49. Date for next roadworthiness test	--
50. Mileage (if available)	--
51. Vehicle destroyed (Yes/No)	--
52. Date of issue of certificate of destruction ²⁴	--
53. Establishment or undertaking issuing the certificate of destruction	--
54. Reason for destruction	--
55. Vehicle stolen (Yes/No)	--
56. Stolen registration certificate and/or plates (Yes/No)	--
57. Inactive registration	--
58. Suspended registration	--

²⁴ As referred to in Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles (OJ L269, 21.10.2000, p.34) as amended.

Item	Harmonised Codes Directive 1999/37/EC
59. Change of registration number	--
60. Roadworthiness test required after accident with serious damage	--
61. Additional testing required after altering or modification of any of the items 9 to 47	

ANNEX II

Use of the software application as referred to in Article 7

1. The exchange of information shall be carried out by interoperable electronic means without exchange of data involving other databases. This exchange of information shall be conducted in a cost efficient and secure manner and ensure the security and protection of the data transmitted, as far as possible using existing software applications.
2. For the purposes of this Regulation, the software application shall provide for online real-time exchange mode and/or batch exchange mode. The batch exchange mode shall allow for the exchange of multiple requests or responses within one message.
3. Each Member State shall bear its costs arising from the administration, use and maintenance of the software application referred to in point 1.
4. The registration authorities shall, using the automated procedures as referred to in points 1 and 2, retrieve the information on data items referred to in Annex I from the electronic vehicle registers of one or more other Member States.
5. The software application shall handle secure communication to the other Member States and shall communicate to the back-end legacy systems of Member States using XML. Member States exchange messages by sending them directly to the recipient.
7. The XML-messages sent over the network shall be encrypted.

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. Summary of estimated impact on expenditure
 - 3.2.2. Estimated impact on operational appropriations
 - 3.2.3. Estimated impact on appropriations of an administrative nature
 - 3.2.4. Compatibility with the current multiannual financial framework
 - 3.2.5. Third-party participation in financing
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

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

1.2. Policy area(s) concerned in the ABM/ABB structure²⁵

Title 2 – Enterprise - Chapter 02 03: Internal market for goods and sectoral policies

1.3. Nature of the proposal/initiative

The proposal/initiative relates to **a new action**

1.4. Objectives

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

1a. Competitiveness for growth and employment

1.4.2. *Specific objective(s) and ABM/ABB activity concerned*

Specific objective No. 1: To continually review existing internal market acquis and propose new legislative or non-legislative action whenever appropriate.

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The expected result of this initiative is an improvement of 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 motor vehicles. This proposal should harmonise, streamline, and simplify the procedures for re-registration of motor vehicles registered in another Member State, for citizens, employees, employers, car rental and leasing companies, and registration authorities. This proposal should also reduce the administrative burdens of all actors involved without hindering road safety or the prevention of crimes and fraud.

This proposal will have an impact on citizens moving from one country to another or people having a holiday home in another Member State, and on persons living in one Member State and using a motor vehicle registered by their employer in another Member State. Citizens are also the main group of customers for the intra-EU second-hand market of motor vehicles. Second-hand traders are also directly affected by this proposal, as well as leasing companies and car-rental companies. Finally, this proposal will have an impact on motor vehicle registration authorities. The specific impacts are indicated in more detail in the accompanying impact assessment.

²⁵ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

1.4.4. *Indicators of results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

- 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;
- Survey specifically addressed to this sector;
- Survey specifically addressed to national registration authorities;
- EUCARIS statistics.

1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term*

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 motor vehicles..

1.5.2. *Added value of EU involvement*

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 persons since 2000. The differences in administrative rules at national level as regards the re-registration of motor vehicles 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. However, in order to comply with the subsidiarity principle, this proposal does not affect re-registrations within the same Member State, or the transfer of a motor vehicle within the same Member State.

1.5.3. *Lessons learned from similar experiences in the past*

Besides starting infringement procedures, the Commission published interpretative communications summarising EU law on the subject. 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.

1.5.4. Coherence and possible synergy with other relevant instruments

This initiative is entirely coherent with other relevant instruments, in particular Directive 1999/37/EC of 29 April 1999 on the registration documents for vehicles, Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles, 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, Council Decision 2004/919/EC of 22 December 2004 on tackling vehicle crime with cross-border implications, 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 on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime.

1.6. Duration and financial impact

Proposal/initiative of **unlimited duration**

1.7. Management mode(s) envisaged

Centralised direct management by the Commission

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Article 13 of this proposal organises the evaluation of this Regulation which should result in a report to the European Parliament and the Council four years after the entry into force of the Regulation. The evaluation should identify possible problems and shortcomings of the Regulation and could be the starting point for further actions, including a possible proposal to amend the Regulation, in view of a further administrative simplification for citizens and businesses and a better integration of the single market for second-hand motor vehicles.

2.2. Management and control system

2.2.1. Risk(s) identified

No financial risks could be identified.

2.2.2. Control method(s) envisaged

The control methods envisaged are laid down in the Financial Regulation and Regulation (EC, Euratom) No 2342/2002.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

The Commission must ensure that the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and other illegal activities, by effective checks and by the recovery of amounts unduly paid and, if irregularities are detected, by effective, proportionate and dissuasive penalties, in accordance with Regulations (EC, Euratom) No 2988/95, (Euratom, EC) No 2185/96 and (EC) No 1073/1999.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff (26)	from EFTA ²⁷ countries	from candidate countries ²⁸	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1a. Competitiveness for growth and employment	[XX.YY.YY.YY]	Diff./non-diff.	YES	NO	NO	NO

²⁶ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

²⁷ EFTA: European Free Trade Association.

²⁸ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:		Number	1a. Competitiveness for growth and employment					TOTAL
DG: ENTR			2014	2015	2016	2017	2018	TOTAL
• Operational appropriations			0	0	0	0	0	0
TOTAL appropriations for DG ENTR	Commitments	=1+1a +3	0	0	0	0	0	0
	Payments	=2+2a +3	0	0	0	0	0	0
Heading of multiannual financial framework:		5	" Administrative expenditure "					
DG ENTR			2014	2015	2016	2017	2018	TOTAL
• Human resources			0.2	0.2	0.2	0.2	0.2	1.0
• Other administrative expenditure			0.1	0.1	0.1	0.1	0.1	0.5
TOTAL DG ENTR	Appropriations		0.3	0.3	0.3	0.3	0.3	1.5
TOTAL appropriations under HEADING 5	(Total commitments = Total payments)		0.3	0.3	0.3	0.3	0.3	1.5
of the multiannual financial framework								
TOTAL appropriations under HEADINGS 1 to 5	Commitments		0.3	0.3	0.3	0.3	0.3	1.5
of the multiannual financial framework			0.3	0.3	0.3	0.3	0.3	1.5
			0.3	0.3	0.3	0.3	0.3	1.5

3.2.2. Estimated impact on operational appropriations

The proposal/initiative does not require the use of operational appropriations

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	2014	2015	2016	2017	2018	TOTAL
HEADING 5 of the multiannual financial framework						
Human resources	0.2	0.2	0.2	0.2	0.2	1.0
Other administrative expenditure	0.1	0.1	0.1	0.1	0.1	0.5
Subtotal HEADING 5 of the multiannual financial framework	0.3	0.3	0.3	0.3	0.3	1.5

Outside HEADING 5²⁹ of the multiannual financial framework						
Human resources	0	0	0	0	0	0
Other expenditure of an administrative nature	0	0	0	0	0	0
Subtotal outside HEADING 5 of the multiannual financial framework	0	0	0	0	0	0

TOTAL	0.3	0.3	0.3	0.3	0.3	1.5
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²⁹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	2014	2015	2016	2017	2018
• Establishment plan posts (officials and temporary agents)					
02 01 01 01 (Headquarters and Commission's Representation Offices)	0.2	0.2	0.2	0.2	0.2
	FTE = 1.5	FTE = 1.5	FTE = 1.5	FTE = 1.5	FTE = 1.5
XX 01 01 02 (Delegations)	0	0	0	0	0
XX 01 05 01 (Indirect research)	0	0	0	0	0
10 01 05 01 (Direct research)	0	0	0	0	0
• External personnel (in Full Time Equivalent unit: FTE)³⁰					
XX 01 02 01 (CA, INT, SNE from the "global envelope")	0	0	0	0	0
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)	0	0	0	0	0
XX 01 04 <i>yy</i> ³¹	0	0	0	0	0
	0	0	0	0	0
XX 01 05 02 (CA, INT, SNE - Indirect research)	0	0	0	0	0
10 01 05 02 (CA, INT, SNE - Direct research)	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0
TOTAL	0.2	0.2	0.2	0.2	0.2
	FTE = 1.5	FTE = 1.5	FTE = 1.5	FTE = 1.5	FTE = 1.5

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary agents	Manage the implementation of the Regulation, inter alia through the preparation of the implementing acts and possibly the delegated acts and launching the evaluation
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³⁰ CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

³¹ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

3.2.4. *Compatibility with the current multiannual financial framework*

The proposal initiative is compatible the current multiannual financial framework.

3.2.5. *Third-party contributions*

The proposal does not provide for co-financing by third parties

3.3. Estimated impact on revenue

The proposal has no financial impact on revenue.