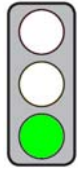


KEY ISSUES

Objective of the Regulation: Harmonising and simplifying the re-registration of motor vehicles being transferred from one Member State to another.

Parties affected: Motor vehicle holders, registration authorities.



Pros: (1) The harmonisation and simplification of motor vehicle re-registration strengthens the internal market. Thus used car buyers have a greater variety of offers to choose from.

(2) The mutual access of registration authorities to their respective motor vehicle registers makes it easier to combat car thefts.

(3) Harmonising the registration formalities and allowing access to the motor vehicle registers of other Member States reduce the administrative costs of registration authorities.

Cons: –

CONTENT

Title

Proposal COM(2012) 164 of 4 April 2012 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**

Brief Summary

► Background

- In all Member States motor vehicles require authorisation for their entry into service in road traffic, which includes their identification and the issuing of a registration number (“registration”, Art. 2 (1)).
- If a motor vehicle is already registered in a Member State of origin, holders of motor vehicles moving 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 again (re-register) in the Member State in which they live or where the motor vehicle is used (receiving Member State).
- According to the Commission, the re-registration creates the following problems:
 - The formalities relating to a re-registration are burdensome and lengthy (Recitals 1, 5).
 - There are no rules in the EU as to in which Member State a motor vehicle must be registered (Recital 3).
 - The problems regarding the registration of motor vehicles impair the free movement of goods and thus impede the internal market (Recital 1).

► Objective and scope

- In order to improve the functioning of the internal market for motor vehicles, the re-registration procedures are to be harmonised and simplified.
- According to the Commission, this could help save the EU 1.4 billion Euro annually.
- For this purpose:
 - it must be defined in which Member State a motor vehicle must be registered if transferred from one Member State to another;
 - the procedure for a re-registration is to be shortened and
 - the data exchange between national registration authorities be facilitated.
- The Regulation applies:
 - to all two-wheeled motor vehicles (Art. 1 (1)),
 - not to motor vehicles registered in a third country (Art. 1 (2)).

► Place of registration

- The receiving Member State may require the re-registration of a motor vehicle that is already registered in its Member State of origin only subject to the condition that its holder has their “normal residence” in the territory of the receiving Member State (Art. 3 (1)).

- A Member State in which the holder of a motor vehicle has their normal residence is defined as follows (Art. 3 (2)):
 - for a legal body, the Member State where the central administration is located;
 - for a branch of a company, the Member State where the branch is located;
 - for a business person, the Member State in which they have their principal place of business;
 - for any other person:
 - the place where they usually live for at least 185 days in each calendar year, or
 - the place of their “personal ties” if they live in different places situated in two or more Member States.
- ▶ **Exchange of information between registration authorities**
 - Reistration authorities must (Art. 7 (1) in conjunction with Annex I)
 - store the motor vehicle registration data – defined according to an EU-wide standard – in a harmonised data-set in their motor vehicle registers, and
 - grant the registration authorities of other Member States direct electronic access to them.
 - For the electronic data exchange, an EU-wide harmonised software must be applied (Art. 7 (2) in conjunction with Annex II).
- ▶ **Registration procedure**
 - Where the holder of a motor vehicle moves their residence to another Member State, the holder must register their motor vehicle in the receiving Member State within six months. During this period, the receiving Member State must not restrict the use of the motor vehicle. (Art. 4 (1))
 - Upon receipt of the request for the registration of a vehicle registered in another Member State, the vehicle registration authority is to gather the information from the vehicle registration authority of the Member State of origin and transfer the data to its own register (Art. 4 (3) in conjunction with Annex I).
 - The registration authority may carry out additional physical checks only if (Art. 4 (4)):
 - data in the register of the Member State of origin are missing;
 - the information provided by the applicant deviate from those stored in the register of the Member State of origin;
 - the technical provisions of the Member State of origin differ from those of the receiving Member State; or
 - technical inspections are necessary due to a change of ownership or serious damage to the vehicle.
 - Registration authorities may refuse to re-register a vehicle where (Art. 5 (1))
 - the registration application does not enclose the registration certificate issued by the Member State of origin;
 - the registration fees were not paid; or
 - where the additional checks were not successfully passed; or
 - the information gathered indicate that the motor vehicle is seriously damaged, the date of the next mandatory roadworthiness certificate has been missed or the motor vehicle registration documents have been stolen.
- ▶ **Temporary registration**
 - A holder who acquires a motor vehicle which has already been deregistered in its Member State of origin may apply for a “temporary registration” of up to 30 days in the receiving Member State (Art. 6 (1)).
 - Upon receipt of the request for the temporary registration certificate, the registration authority gathers information from the registration authority where it was last registered (Art. 6 (2)).
 - Temporary registration is issued subject to the following conditions (Art. 6 (3)):
 - that the registration fees were paid and
 - the gathered information do not indicate that the motor vehicle is seriously damaged, the date of the next mandatory roadworthiness certificate has been missed or the motor vehicle registration documents have been stolen.
- ▶ **Professional vehicle registration certificate**
 - A “professional vehicle registration certificate” enables traders and garages to move motor vehicles e.g. for test purposes at cross-border level (Art. 8 (4)).
 - The registration authority may issue professional vehicle registration certificates to any undertaking that (Art. 8 (1))
 - is established on its territory;
 - distributes vehicles or provides repair, maintenance or testing services for vehicles; and
 - has a “good reputation” and the requisite professional competence.
 - Motor vehicles carrying a professional vehicle registration certificate must not be used for commercial transport of persons or goods (Art. 8 (3)).

► Future changes by the Commission

- The Commission may adopt implementing acts (Art. 291 TFEU) in order to:
 - establish EU-wide harmonised procedures and specifications of the software application for the electronic information exchange (Art. 7 (4)); and
 - specify the format and model of the professional vehicle registration certificate (Art. 8 (5)).
- The Commission may adopt delegated legal acts (Art. 290 TFEU) in order to:
 - adjust the vehicle data necessary for registration (Annex I) and the software (Annex II) to the technical progress (Art. 10 (1));
 - amend the conditions to be met in order to receive a professional vehicle registration certificate (Art. 10 (2)); and
 - amend the duration of the validity of the professional vehicle registration certificate (Art. 10 (3)).

Changes to the Status quo

To date, there has been no EU-wide Regulation for the registration of motor vehicles already registered in another Member State.

Statement on Subsidiarity by the Commission

According to the Commission, the reduction of the registration formalities for motor vehicles registered in another Member State and the reduction of the administrative burden can be only achieved at EU level due to conflicting national interests.

Policy Context

In its EU Citizenship Report, the Commission 2010 [COM(2010) 603] proposed simplifying the registration formalities for motor vehicles registered in other Member States, since they constituted one of the largest barriers to EU citizens. Also the High Level Group of Independent Stakeholders on Administrative Burdens (“Stoiber Group”) supported this in a statement in 2011. The Commission also sees cause for action as a result of a [Consultation](#) carried out in March 2011.

Legislative Procedure

04 April 2012	Adoption by the Commission
Open	Adoption by the European Parliament and the Council, publication in the Official Journal of the European Union, entry into force.

Options for Influencing the Political Process

Leading Directorate General:	DG Enterprise and Industry
Committees of the European Parliament:	Internal Market and Consumer Protection (in charge), Rapporteur: to be nominated
Committees of the German Bundestag:	Transport (in charge); Economics and Technology; Affairs of the European Union;
Decision mode in the Council:	Qualified majority (approval by a majority of Member States and at least 255 out of 345 votes; Germany: 29 votes)

Formalities

Legal competence:	Art. 114 TFEU (Internal Market)
Form of legislative competence:	Shared Competence (Art. 4 (2) TFEU)
Legislative procedure:	Art. 294 TFEU (ordinary legislative procedure)

ASSESSMENT

Economic Impact Assessment

Ordoliberal Assessment

The harmonisation and simplification of re-registration rules for motor vehicles help facilitate the trade with used cars in general and thus **strengthen the internal market**. For burdensome and lengthy registration procedures which discourage customers to buy used motor vehicles in other Member States will no longer exist. A more integrated internal market boosts competition between used car dealers and, at the same time, increases their procurement and sales market. **This is of particular benefit for the used car buyers, who can choose from a greater variety of offers** and buy cheaper cars.

The mutual access of registration authorities to the motor vehicle registers allows for the improved prevention and combating of motor vehicle crime, in particular of car theft, for the renewed registration of stolen cars is made more difficult by electronic vehicle data requests.

Impact on Efficiency and Individual Freedom of Choice

Simplifying the renewed car registration reduces costs for citizens and for the enterprises which transfer cars from one Member State to another. This is of special benefit to the used car enterprises, as they often move their business locations throughout the EU, depending on the season. Where this leads to lower prices for rental cars, businesspersons and tourists will benefit from it as well, as they are typical users of rental cars.

The harmonisation of registration formalities, the acquisition of vehicle registration data in line with a harmonised data set and the electronic access to the motor vehicle register of other Member States reduce the administrative costs of the registration authorities and thus increase efficiency. For as a result, they must carry out significantly fewer motor vehicle checks.

The Directive Proposal creates legal certainty for cross-border commuters using motor vehicles registered by their employees in their Member State of residence, as well as for their employers. For the Directive Proposal stipulates that the motor vehicle must only be registered in the Member State where its holder has their "normal residence".

Impact on Growth and Employment

Insignificant.

Impact on Europe as a Business Location

Insignificant.

Legal Assessment

Competency

Unproblematic. The EU has the power to harmonise national rules in order to eliminate barriers to the free movement of motor vehicles in the internal market (Art. 114 TFEU).

Subsidiarity

Unproblematic.

Proportionality

Unproblematic.

Compatibility with EU Law

Unproblematic.

Compatibility with German Law

Unproblematic. The proposed Directive replaces the relevant rules under German law, in particular § 7 *Fahrzeug-Zulassungsverordnung (FZV* – German vehicle registration law).

Conclusion

The harmonisation and simplification of the rules regarding the re-registration of motor vehicles strengthen the internal market. This is of benefit to used car buyers, as they can choose from a greater variety of offers. The mutual access of national registration authorities to their motor vehicle registers facilitates the combating of car theft, since it makes the re-registration of a stolen car in the EU much more difficult. The simplification of access formalities and the access to motor vehicles registers in other Member States reduces the administrative costs of registration authorities.