

**EXPLANATORY MEMORANDUM TO THE
ROAD VEHICLES (REGISTRATION AND LICENSING) (AMENDMENT)
REGULATIONS**

2006 No. [2320]

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 These Regulations require relevant vehicles meeting prescribed emissions standards to be registered before 1st October 2006 if they are to be eligible for a Reduced Pollution Certificate (RPC). Vehicles which hold a valid RPC are entitled to a reduced rate of vehicle excise duty (VED). The rate is reduced because compliance with the emission standards is voluntary and in advance of being required to do so. The relevant vehicles are goods vehicles, buses, haulage vehicles and vehicles used for carrying loads which are of exceptional size or weight. The emissions standard is known as Euro IV.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 None
4. **Legislative Background**
 - 4.1 Section 61B of the Vehicle Excise and Registration Act 1994 provides for regulations to be made in relation to RPCs and in particular that the emissions standards to be met in order to obtain one may differ according to when a vehicle is registered.
 - 4.2 These Regulations amend Schedule 2 to the Road Vehicles (Registration and Licensing) Regulations 2002 to provide that, for the purposes of the Euro IV emissions standard, an RPC may only be issued and remain in force in order to obtain a reduced rate of VED if the vehicle meeting that standard is registered before 1st October 2006.
 - 4.3 European law prohibits the registration of relevant vehicles on or after 1st October 2006 that do not meet the Euro IV standard and calls for the termination of tax incentives for newly registered Euro IV vehicles from that date. (Vehicles that are currently entitled to an RPC under the Euro IV scheme (or that will be entitled if registered before 1st October 2006) will continue to be eligible for an RPC subject to meeting the required emission levels.)
5. **Extent**
 - 5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- 7.1 The RPC scheme began in 1999 and has been available to relevant vehicles that, through adaptation, meet specified particulate emission standards higher than those legally required of a vehicle marketed at the time. The underlying purpose of the scheme was to reduce emissions from such vehicles. Having obtained an RPC the keeper of the vehicle would be liable to a lower rate of VED than would otherwise have been the case.
- 7.2 The purpose of this instrument is to close the RPC scheme to Euro IV vehicles registered on or after 1 October 2006. On and from 1st October 2006 European law requires relevant vehicles to meet the Euro IV standard and incentives for voluntary early compliance to cease.
- 7.3 The Government committed to introduce an amendment to the RPC scheme to close down the Euro IV RPC scheme in its Budget statement for 2006. This is in accordance with European law, which calls for the termination of tax incentives once the emission standard becomes mandatory. There has therefore been no formal consultation on these Regulations.

8. Impact

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it does not add to the regulatory burden on business, charities, voluntary bodies or the public sector.

9. Contact

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