Opinion of the European Economic and Social Committee on the 'Proposal for a Regulation of the European Parliament and of the Council on simplifying the transfer of motor vehicles registered in another Member State within the single market'

> COM(2012) 164 final — 2012/0082 (COD) (2012/C 299/16)

> > Rapporteur-General: Mr PÁSZTOR

On 24 April 2012, the Council and, on 18 April 2012, the European Parliament, decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union (TFEU), on the

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

COM(2012) 164 final — 2012/0082 (COD).

On 24 April 2012 the Committee Bureau instructed the Section for the Single Market, Production and Consumption to prepare the Committee's work on the subject.

Given the urgent nature of the work, the European Economic and Social Committee appointed Mr PÁSZTOR as rapporteur-general at its 482nd plenary session, held on 11 and 12 July 2012 (meeting of 12 July), and adopted the following opinion unanimously.

1. Recommendations

- The EESC agrees with the Commission's aims and supports the idea of using a regulation to establish rules for the registration of motor vehicles which have already been registered in another Member State. This complies both with the subsidiarity principle and the requirements of a "citizens' Europe". At the same time, the EESC is disappointed that it was not possible to introduce uniform EU registration, as initially envisaged. The Committee feels that this will be indispensable in the long-term.
- As a result of this regulation being adopted, the EESC expects registering vehicles in another country to be as simple as re-registration within the same country without any additional charges and unnecessary inspections and documents. Unless information is incomplete or invalid, other countries may not require additional administrative, inefficient and costly procedures, for example roadworthiness tests. In addition, the cost of cross-border registration should not exceed the cost of domestic registration.
- For the EESC, the fact the regulation does not require ordinary citizens to obtain data is a major achievement. We hope that the requirement for the competent authorities to exchange data could have an impact on cooperation in other more significant areas, thus effectively supporting European values and common interests.
- The EESC appreciates the Commission's intentions in providing for an ex post evaluation in the regulation itself. At the same time, it calls for the shortening of the review time from four to two years.

2. The draft Commission Regulation

- The Commission has undertaken a major task in its efforts to simplify the transfer of motor vehicles registered in one Member State to another through a regulation. Indeed, until now legislation to coordinate the form and content of vehicle registration certificates was only in the form of a directive (1999/37/EK). Other harmonisation measures - which are desirable in view of the Single Market - have taken the form of explanatory rules, and have therefore had only a limited impact at Member State level.
- In drawing up the draft regulation, the Commission needed to take not only the above considerations into account, but also legislation on personal data protection (1) and prevention of cross-border crime (2).
- Taking into account the needs of the Single Market, the draft regulation therefore:
- sets out to harmonise rules on motor vehicles registered in one Member State but regularly used in another, including motorbikes and mopeds (3). The scope of the regulation does not include motor vehicles registered in a third country.

⁽¹⁾ Directive 95/46/EC (OJ L 281, 23.11.1995, p. 31–50) and Regulation 45/2001/EC (OJ L 8, 12.1.2001, p. 1–22). (2) Council Decision 2004/919/EC (OJ L 389 of 30.12.2004, p. 28).

⁽³⁾ Directive 2002/24/EC (OJ L 124, 9.5.2002, p. 1–44).

- stipulates that re-registration is only required for a stay of over six months. This is contingent on a change in the place of habitual residence, meaning the main centre of business interests or personal ties.
- unless there are specific reasons, prohibits a requirement for physical (roadworthiness) tests. A physical check can only be carried out if registration data are incomplete or contradictory, if there is suspicion of crime, a serious injury or change of owner. Failing this, the roadworthiness test carried out in the country of origin must be accepted as valid.
- covers rules required for a uniform approach in the Single Market to temporary and professional registrations.
- harmonises cross-border trade and the transfer of ownership of used cars –not including third countries.
- 2.4 The draft regulation requires authorities to obtain previous registration data from the authorities of the other Member State concerned. In doing so, it mentions the possibility of using recent information technology developments.
- In order to ensure the smooth exchange of information, the regulation requires national authorities to use software allowing authorities in other Member States to access data while excluding unauthorised access through the use of encrypted xml files. Information must be exchanged in real time on an online platform; software development costs are borne by the relevant Member State.
- The Commission undertakes to create a public database with contact details of the national authorities.
- The Commission will also ensure continuous development of the IT system through the legal option of delegation.
- 2.5 The draft regulation sets out strict conditions under which registration may be refused. Applicants then have the right of appeal within a month of such refusal.
- 2.6 In the draft regulation of the Commission commits itself to reviewing the impact of the regulation after four years.

3. General comments

3.1 The EESC agrees with the Commission's aims and supports the idea of using a regulation to establish rules for the registration of motor vehicles which have already been registered in another Member State. This complies both with the subsidiarity principle and the requirements of a "citizens' Europe". At the same time the proposal takes into account

practical experience of bureaucracy, which by nature tends to give precedence to conventions and convenience in dealing with minor matters rather than trying to adapt to strategic goals.

- 3.2 However, the EESC is disappointed that it was not possible to introduce uniform EU registration, as initially envisaged. The Committee feels that this will be indispensable in the long-term.
- 3.3 The EESC feels that uniform registration does not undermine the Member States' revenue needs given that registration fees can be recovered within the system. At the same time, uniform registration would be more transparent and traceable.
- 3.4 The EESC feels that the draft regulation takes an appropriate approach to the basic problems, and put in place adequate procedural rules to identify and overcome potential threats to clients and authorities. It has therefore chosen a balanced approach to risk management rather than excessive bureaucratic caution.
- 3.5 The draft text deals adequately with the prevention of cross-border crime while taking into account the interests of the second-hand motor vehicle market.
- 3.6 As a result of this regulation being adopted, the EESC expects registering vehicles in another country to be as simple as re-registration within the same country without any additional charges and unnecessary inspections and documents. Unless information is incomplete or invalid, other countries may not require additional administrative, inefficient and costly procedures, for example roadworthiness tests. In addition, the cost of cross-border registration should not exceed the cost of domestic registration.
- 3.7 For the EESC, the fact the regulation does not require ordinary citizens to obtain data is a major achievement. We hope that the requirement for the competent authorities to exchange data could have an impact on cooperation in other more significant areas, thus effectively supporting European values and common interests.
- 3.8 The EESC feels that in the longer term, it does not make sense to maintain temporary and professional registration. The latter is merely a temporary solution. At the same time it is contradictory that non-compliant vehicles have limited authorisation and in some cases may even travel longer distances from one country to another. Such vehicles should instead be transported, or if their technical condition allows, they could be given temporary authorisation. At the same time, it would make sense to ban vehicles with a temporary registration from transporting goods and passengers.

- 3.9 The EESC welcomes the EUR 1,5 billion of savings for individuals and companies. The Committee also acknowledges that the EUR 1,5 million annual cost of the regulation will only have a minimal impact on the EU budget. At the same time it must be pointed out that the regulation will also have to be paid for out of national budgets, and in the interest of full clarity it would make sense to provide an estimate of the total.
- 3.10 The EESC agrees that power should be delegated to the Commission in relation to the technical and data content issues involved in operating the system at European level, as provided for in the draft regulation.
- 3.11 The EESC would recommend that the decision-making institutions the European Parliament, the Council and the Commission consider allowing some or all of a client's initial registration costs to be taken into account when re-registering a vehicle, except in the case of re-registration due to a change of ownership.

3.12 The EESC appreciates the Commission's intentions in providing for an *ex post* evaluation in the regulation itself. At the same time, it calls for the shortening of the review time from four to two years.

4. Specific Comments

- 4.1 The EESC feels that both in its details and as a whole the draft regulation in its current form meets expectations.
- 4.2 The EESC supports efforts to base registration procedures on Whole Vehicle Type Approval data as used in the Certificate of Conformity scheme. Although these data are more detailed than those required by Annex 1, they are internationally accepted, and registration procedures in several Member States are already based on them.
- 4.3 In addition to technical data provided by manufacturers, real values based on the most recent official tests should also be included, for example in relation to emissions of pollutants.

Brussels, 12 July 2012.

The President
of the European Economic and Social Committee
Staffan NILSSON