

Reporting CO2 emissions for new cars and vans if there's no Brexit deal

Summary

How vehicle manufacturers would be affected if the UK leaves the EU with no deal.

Detail

If the UK leaves the EU in March 2019 without a deal, find out how this would affect the regulation and reporting of CO2 emissions for new cars and vans.

See also:

[Vehicle type-approval if there's no UK exit deal]
(/government/admin/publications/875515)

A scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

For two years, the government has been implementing a significant programme of work to ensure the UK will be ready from day 1 in all scenarios, including a potential 'no deal' outcome in March 2019.

It has always been the case that as we get nearer to March 2019, preparations for a no deal scenario would have to be accelerated. Such an acceleration does not reflect an increased likelihood of a 'no deal' outcome. Rather it is about ensuring our plans are in place in the unlikely scenario that they need to be relied upon.

This series of technical notices sets out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations.

This guidance is part of that series.

Also included is an [overarching framing notice](<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/>) explaining the government's overarching approach to preparing the UK for this outcome in order to minimise disruption and ensure a smooth and orderly exit in all scenarios.

We are working with the devolved administrations on technical notices and we will continue to do so as plans develop.

Purpose

This notice provides manufacturers with information about regulating and reporting CO₂ emissions of new cars and vans registered in the UK if we leave the EU in March 2019 with no agreement in place.

Before 29 March 2019

Emissions of CO₂ from new passenger cars and light commercial vehicles registered in Europe each year (registrations) are governed by Regulation (EC) 443/2009 and Regulation (EU) 510/2011 respectively.

These set:

- mandatory annual fleet CO₂ emissions targets for new cars and vans registered in the EU, Iceland, Liechtenstein and Norway
- specific CO₂ emissions targets for each manufacturer's fleet

EU countries are required to record information about new vehicle registrations within their territories and report it to the European Environment Agency by 28 February each year.

By 30 June each year, the European Commission publishes provisional data on the previous year's EU-wide registrations for each manufacturer, who then have 3 months to report any mistakes to the Commission.

By 31 October, the European Commission publishes the final data and imposes fines on manufacturers if they have not met their targets. Known as 'excess emissions premiums', these fines payable by manufacturers are considered part of the general budget of the EU.

Manufacturers currently liaise directly with the European Commission on matters concerning the administration of regulations. This includes working with European Commission officials when:

- finalising annual data

- applying for flexibility mechanisms within the regulations, such as the pooling of registrations, applying for derogations from the EU-wide CO2 target, or applying for eco-innovation credits
- 'excess emissions premiums' have been levied

After 29 March 2019 if there's no deal

In a no deal scenario, new vehicle registrations in the UK would cease to fall under the scope of EU regulations 443/2009 and 510/2011.

EU regulations 443/2009 and 510/2011 would be brought into UK legislation. The Department for Transport (DfT) would lay a statutory instrument to correct for 'deficiencies' (areas that no longer work as originally intended) within a revised text of both regulations. Deficiencies may include, but are not limited to:

- formulae that set specific CO2 targets in order to account for UK-only regulations
- derogation thresholds to account for the size of the UK market rather than the EU
- detailing how fines would be levied and the change from euros to pounds sterling

The UK would ensure continuity to minimise the additional requirements placed on industry and would ensure that the UK's commitment to maintaining regulations that are at least as ambitious as current arrangements is met. Detail on the arrangements to maintain current environmental protections would be subject to stakeholder engagement and Parliamentary approval.

What you would need to do

DfT would take over the functions that the European Commission previously exercised regarding the application and enforcement of CO2 standards for UK-registered cars and vans. This would include the following.

Data / targets

The UK would no longer report its new vehicle registrations data to the European Environment Agency. Manufacturers will be set UK-specific targets which will aim to keep pace with EU targets, on the basis of their UK vehicle registrations only.

Compliance would be monitored and enforced by the Secretary of State for Transport. The Secretary of State for Transport would record and verify new UK registrations and notify manufacturers of their provisional compliance data.

As is the situation now, manufacturers would then have 3 months to inform the DfT about any anomalies within the data. After this period, the DfT would then notify manufacturers of the final data and issue any 'excess emissions premiums' that are applicable at the same rate as currently issued.

Pooling

As is the situation now, manufacturers would have the ability to group together and pool their UK registrations. Whilst the mechanism would be available to all vehicle manufacturers, it is most often used by manufacturing groups that are composed of multiple manufacturers in order to bring all or some of the group's registrations under one target. Manufacturers would have to provide the DfT with certain information if they wished to pool their UK registrations.

Derogations

As is the situation now, vehicle manufacturers making less than a certain level of new vehicle registrations per calendar year would have the ability to apply for a derogation from the overall target. This allows smaller manufacturers, which may not have the same ability to reduce carbon emissions as quickly as major manufacturers, to receive a target from DfT that allows them to reduce carbon emissions in a more proportional manner. Manufacturers wishing to apply for a derogation would need to apply to DfT in advance.

Eco-innovations

As is the situation now, manufacturers or suppliers would be able to apply for CO2 'credits' for innovative vehicle technologies that contribute towards CO2 reductions but that are not part of CO2 test procedures. Technologies that are currently approved as eco-innovations would continue to be recognised as such by the DfT.

Registrations in the EU

These regulations work on the basis of where the vehicle is registered rather than where it is manufactured. Vehicle registrations in the UK, up to and including the 29th March 2019 will continue to be captured by EU Regulations 443/2009 and 510/2011 as they will have occurred within an EU Member State. Any registrations occurring in the UK after EU exit will instead be covered by the domestic regulations.

New cars and vans that are registered after EU exit within the EU, Norway, Iceland or Liechtenstein would continue to be captured by EU Regulations 443/2009 and 510/2011, provided that they meet and fall under the scope of type-approval requirements.

Similarly, any new cars or vans registered in the UK after EU exit would be subject to the UK-specific regulations regardless of their manufacturing location. Again this would be subject to falling within the scope of new car and van CO2 regulations and meeting [type-approval requirements](/government/admin/publications/875515).

More information

The detail of the no deal regulations will be set out in due course and will be subject to stakeholder consideration. This will include information on every change that is being proposed as part of the no deal contingency planning. Once stakeholder views have been received and all aspects of the statutory instrument have been finalised, guidance will be provided to all impacted parties to ensure that the specific details of the regulation are understood, and to provide impacted parties with time to request further information if required.

Find out more about[vehicle type-approval if there's no Brexit deal](/government/admin/publications/875515)

We will publish more information in the coming months. We aim to give businesses and individuals as much certainty as possible as soon as we can, and to ensure that any new requirements are not unduly burdensome.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.