
DRAFT STATUTORY INSTRUMENTS

2023 No. ****

**CLIMATE CHANGE
ROAD TRAFFIC**

The Vehicle Emissions Trading Schemes Order 2023

Made - - - -

Coming into force in accordance with article 1

THE VEHICLE EMISSIONS TRADING SCHEMES ORDER 2023

Part 1

Introductory provisions

1. Citation and commencement
2. Extent
3. Interpretation

Part 2

Establishment and general provision in relation to the Trading Schemes

4. Establishment of the Trading Schemes
5. Period by reference to which the Trading Schemes operate
6. Administration of the Trading Schemes
7. Allowances and credits: general
8. Pool participants in the Trading Schemes: general

Part 3

The Trading Schemes

Chapter 1

The Non-Zero-Emission Car Registration Trading Scheme (CRTS)

9. Interpretation of Chapter 1
10. Activity to which the CRTS applies and unit of measurement of activity
11. Participants in the CRTS
12. CRTS allowances and limits on CRTS allowances and CRTS activity
13. Allocation of CRTS allowances

14. Banking CRTS allowances
15. Borrowing CRTS allowances
16. Banked allowances: pool CRTS participants
17. Borrowed allowances: pool CRTS participants
18. CRTS credits: general
19. CRTS credits: registration of ZE SPVs (CRTS participants)
20. CRTS credits: car clubs (CRTS participants)
21. CRTS credits: registration of ZE SPVs (SPV car manufacturers)
22. CRTS credits: car clubs (SPV car manufacturers)
23. CRTS credits: conversion of unused CCTS allowances
24. Measuring activity in the CRTS
25. Trading CRTS allowances and credits: CRTS participants
26. Trading CRTS credits: SPV car manufacturers
27. Accounting for activity in the CRTS
28. Payments: CRTS
29. Banked or borrowed CRTS allowances of former CRTS participants
30. Expiry of CRTS allowances and CRTS credits

Chapter 2

The Non-Zero-Emission Car CO₂ Trading Scheme (CCTS)

31. Activity to which the CCTS applies and unit of measurement of activity
32. Participants in the CCTS
33. CCTS allowances
34. Allocation of CCTS allowances
35. Conversion of unused CRTS allowances into CCTS allowances
36. Measuring activity in the CCTS
37. Trading CCTS allowances
38. Accounting for activity in the CCTS
39. Payments: CCTS
40. Expiry of CCTS allowances

Chapter 3

The Non-Zero-Emission Van Registration Trading Scheme (VRTS)

41. Interpretation of Chapter 3
42. Activity to which the VRTS applies and unit of measurement of activity
43. Participants in the VRTS
44. VRTS allowances and limits on VRTS allowances and VRTS activity
45. Allocation of VRTS allowances
46. Banking VRTS allowances
47. Borrowing VRTS allowances
48. Banked allowances: pool VRTS participants
49. Borrowed allowances: pool VRTS participants
50. VRTS credits: general
51. VRTS credits: registration of ZE SPVs (VRTS participants)
52. VRTS credits: car clubs (VRTS participants)
53. VRTS credits: registration of ZE SPVs (SPV van manufacturers)
54. VRTS credits: car clubs (SPV van manufacturers)
55. VRTS credits: conversion of unused VCTS allowances
56. Measuring activity in the VRTS

57. Trading VRTS allowances and credits: VRTS participants
58. Trading VRTS credits: SPV van manufacturers
59. Accounting for activity in the VRTS
60. Payments: VRTS
61. Banked or borrowed VRTS allowances of former VRTS participants
62. Expiry of VRTS allowances and VRTS credits

Chapter 4

The Non-Zero-Emission Van CO₂ Trading Scheme (VCTS)

63. Activity to which the VCTS applies and unit of measurement of activity
64. Participants in the VCTS
65. VCTS allowances
66. Allocation of VCTS allowances
67. Conversion of unused VRTS allowances into VCTS allowances
68. Measuring activity in the VCTS
69. Trading VCTS allowances
70. Accounting for activity in the VCTS
71. Payments: VCTS
72. Expiry of VCTS allowances

Part 4

Information

73. Information: participants in the Trading Schemes
74. Information: SPV manufacturers
75. Maintenance and audit of records by participants in the Trading Schemes
76. Maintenance and audit of records by SPV manufacturers
77. Preparation of provisional information
78. Error notification
79. Preparation and notification of final information
80. Publication of final information
81. Power of administrator to require information from participants and SPV manufacturers
82. Updating information provided with an application under Part 3 of Schedule 4 (low-volume participants)
83. Updating information provided with an application under Schedule 5 (pool participants)
84. Manner of provision of information to administrator

Part 5

Monitoring compliance and enforcement

85. Powers of administrator in respect of monitoring compliance
86. Power to require production of documents or provision of information
87. Power to question officers of a company
88. Powers of entry, etc
89. Seizure of documents or records
90. Warrant
91. Legal professional privilege
92. Enforcement notices

Part 6

Civil penalties

93. Civil penalties: general
94. Financial penalties: general
95. Non-financial penalties: general
96. Waiver and modification of civil penalties
97. Failure to make a payment to account for activity in the Trading Schemes
98. Failure to provide information under article 73
99. Failure to maintain records
100. Failure to provide information under article 81 (information required for the purposes of administering the Trading Schemes)
101. Failure to provide information under article 86 (information required where suspected failure to comply with this Order)
102. Failure to make officer available for questioning
103. Refusal to allow access to premises
104. Failure to comply with enforcement notice
105. Provision of false or misleading information: participants in the Trading Schemes
106. Provision of false or misleading information: SPV manufacturers

Part 7

Appeals

107. Decisions to which this Part applies
108. Appeal against decisions of the administrator

Part 8

Revocation, amendment and saving of EU Regulations relating to CO₂ emission limits

109. Interpretation of Part 8
110. Partial revocation and amendment of Regulation (EU) 2019/631
111. Amendment of Regulation (EU) 725/2011 (eco-innovation for passenger cars)
112. Amendment of Regulation (EU) 427/2014 (eco-innovations for light commercial vehicles)
113. Partial revocation and amendment of Regulation (EU) 1014/2010 and Regulation (EU) 293/2012 (monitoring and reporting of data on vehicle registration)
114. Partial revocation and amendment of Regulation (EU) 63/2011 and Regulation (EU) 114/2013 (derogations)
115. Revocation of Regulation (EU) 2017/1152 and Regulation (EU) 2017/1153
116. Savings for monitoring and compliance in relation to Great Britain

Part 9

Miscellaneous

117. Crown application
118. Review
Signature

Schedules

Schedule 1 — Baseline for the CCTS and VCTS

Part 1 — Baseline for the CCTS

1. Interpretation and general
2. Paragraphs 5 to 19 apply for the purposes of calculating...
3. Paragraph 20 applies for the purposes of calculating the baseline...
4. A baseline which is calculated in accordance with this Part,...
5. Existing manufacturer which met 2021 target
6. Where this paragraph applies, the CCTS participant's baseline is the...
7. Exempt manufacturer for 2021
8. Existing manufacturer which did not meet 2021 target
9. Where this paragraph applies, the CCTS participant's baseline is the...
10. Existing manufacturer in non-compliant pool met individual 2021 target
11. Where this paragraph applies, the CCTS participant's baseline is the...
12. Existing manufacturer in non-compliant pool did not meet individual 2021 target
13. Where this paragraph applies, the CCTS participant's baseline is the...
14. New manufacturer in 2022
15. Where this paragraph applies, the CCTS participant's baseline is the...
16. New manufacturer in 2023
17. Where this paragraph applies, the CCTS participant's baseline is the...
18. New manufacturer from 2024
19. Where this paragraph applies, the CCTS participant's baseline is the...
20. Pool CCTS participant

Part 2 — Baseline for the VCTS

21. Interpretation and general
22. Paragraphs 25 to 39 apply for the purposes of calculating...
23. Paragraph 40 applies for the purposes of calculating the baseline...
24. A baseline which is calculated in accordance with this Part,...
25. Existing manufacturer which met 2021 target
26. Where this paragraph applies, the VCTS participant's baseline is the...
27. Exempt manufacturer for 2021
28. Existing manufacturer which did not meet 2021 target
29. Where this paragraph applies, the VCTS participant's baseline is the...
30. Existing manufacturer in non-compliant pool met individual 2021 target
31. Where this paragraph applies, the VCTS participant's baseline is the...
32. Existing manufacturer in non-compliant pool did not meet individual 2021 target
33. Where this paragraph applies, the VCTS participant's baseline is the...
34. New manufacturer in 2022
35. Where this paragraph applies, the VCTS participant's baseline is the...
36. New manufacturer in 2023
37. Where this paragraph applies, the VCTS participant's baseline is the...
38. New manufacturer from 2024
39. Where this paragraph applies, the VCTS participant's baseline is the...
40. Pool VCTS participant

Schedule 2 — Car club conditions

1. The conditions which must be met by a person (referred...
2. The operator offers a service to the public (a "car...
3. The operator ensures that the vehicles used for the purpose...

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Vehicle Emissions Trading Schemes Order 2023 No. 1394

4. The operator has and publishes— (a) an equality and diversity...
5. If the operator intends to cease providing the car club...
6. The operator provides the following information to the administrator within...

Schedule 3 — Determination of the specific emissions of CO₂ of completed vans

1. General
2. The administrator must keep under review whether the multiplier of...
3. If, following the review in paragraph 2, the administrator finds...
4. The administrator must keep under review the representativeness of monitoring...
5. If, following the review in paragraph 4, the administrator finds...
6. Specific emissions of CO₂ of a completed van which undergoes emissions testing at the final stage
7. Specific emissions of CO₂ of a completed van based on a complete base vehicle
8. Specific emissions of CO₂ of a completed van based on an incomplete base vehicle: general
9. The monitoring emissions of CO₂ of an incomplete base vehicle...
10. Monitoring emissions of CO₂: modifications relating to fuel consumption and CO₂ emissions
11. The formula in this paragraph is: $DM_{base} = (MRO_{base} \times \dots$
12. The mass representative of the vehicle load for the purposes...
13. Where DM_{base} is lower than TML, TM_{ind} is replaced by...
14. Where DM_{base} is higher than TMH, TM_{ind} is replaced by...
15. For a completed van which is subject to individual vehicle...
16. Monitoring emissions of CO₂: modifications relating to aerodynamic drag
17. Where this paragraph applies, the manufacturer of the base vehicle...
18. Paragraph 19 applies where— (a) the interpolation method is not...
19. Where this paragraph applies, A_f is replaced by the frontal...

Schedule 4 — Low-volume CRTS participants and low-volume VRTS participants

Part 1 — General

1. A CRTS participant may be treated as a low-volume CRTS...
2. For the purposes of paragraph 1(c)— (a) a participant operates...
 - Part 2 — Participants with fewer than 1,000 car or van registrations during a scheme year
3. A CRTS participant which is the manufacturer of fewer than...
4. A VRTS participant which is the manufacturer of fewer than...
 - Part 3 — Participants with 1,000 to 2,499 car or van registrations during a scheme year
5. A CRTS participant which is the manufacturer of fewer than...
6. A VRTS participant which is the manufacturer of fewer than...
7. An application under this Part may not relate to the...
8. A CRTS participant or VRTS participant which makes an application...
9. An application under this Part must be—
10. An application under this Part must be accompanied by the...
11. For a vehicle which has an individual vehicle approval certificate,...
12. The administrator may only reject an application made under this...
13. If a valid application is made under this Part and...
14. Where an application is granted in accordance with paragraph 13,...
15. Where an application is rejected in accordance with paragraph 12(b),...

16. An applicant which ceases to be a low-volume CRTS participant...
17. An application granted under this Part may be revoked by...
18. A revocation under paragraph 17 must be notified by the...

Schedule 5 — Application by two or more manufacturers to be a pool participant in the Trading Schemes

1. Two or more manufacturers may together apply to the administrator...
2. An application under this Schedule may relate to a single...
3. An application under this Schedule must be made on or...
4. An application under this Schedule may only be made by...
5. An application under this Schedule must identify—
6. For the purposes of paragraph 5(b)— (a) if an application...
7. An application under this Schedule must be accompanied by evidence...
8. The administrator may only reject an application under this Schedule...
9. Where the administrator grants an application made in accordance with...

Schedule 6 — Percentage of total car or van registrations for the purpose of calculating CRTS allowances and VRTS allowances

Part 1 — Percentage of total car registrations for the purpose of calculating CRTS allowances

Part 2 — Percentage of total van registrations for the purpose of calculating VRTS allowances

Schedule 7 — Information provisions

Part 1 — Information relating to cars and ZE SPVs of category M1

1. The information referred to in article 73(1)(a) and article 74(3)(a)...
2. The information mentioned in sub-paragraphs (t), (u) and (v) of...
3. Paragraph 4 applies in relation to a car which is...
4. For a car to which this paragraph applies, the administrator...
5. For a car which is fuelled by both petrol and...
 - Part 2 — Information relating to vans, ZE SPVs of category N1 and certain ZE SPVs of category N2
6. The information referred to in article 73(1)(b) and article 74(3)(b)...
7. The information mentioned in sub-paragraphs (u), (v) and (w) of...
8. Paragraph 9 applies in relation to a van which is...
9. For a van to which this paragraph applies, the administrator...
10. For a van which is fuelled by both petrol and...
 - Part 3 — Information relating to the base vehicle of completed vans
11. The information referred to in article 73(1)(c) is set out...
12. Where the completed van is based on an incomplete base...
13. Where the completed van is based on a complete base...

Explanatory Note