
DRAFT STATUTORY INSTRUMENTS

2023 No.

The Vehicle Emissions Trading Schemes Order 2023

Part 1

Introductory provisions

Citation and commencement

1. This Order may be cited as the Vehicle Emissions Trading Schemes Order 2023 and comes into force on the later of—

- (a) 1st January 2024; or
- (b) the day which is 21 days after the day on which this Order is made.

Extent

- 2.—(1) This Order extends to England and Wales and Scotland, subject to paragraph (2).
(2) This Part and [Part 8](#) extend to England and Wales, Scotland and Northern Ireland.

Interpretation

3.—(1) In this Order—

“administrator” means the administrator of the Trading Schemes, appointed in accordance with [article 6\(1\)](#);

“allowance” means a CCTS allowance, a CRTS allowance, a VCTS allowance or a VRTS allowance;

“approval authority” means the authority with competence for all aspects of the type-approval of a vehicle, or of the individual vehicle approval, in accordance with Regulation (EU) 2018/858;

“base vehicle” means a vehicle which is used at the initial stage of a multi-stage type-approval;

“baseline”—

- (a) in relation to a CCTS participant, is the number resulting from the calculation applicable to that participant which is specified in [Part 1 of Schedule 1](#); and
- (b) in relation to a VCTS participant, is the number resulting from the calculation applicable to that participant which is specified in [Part 2 of Schedule 1](#);

“car” means a passenger car, other than an SPV, which is a vehicle of category M1;

“car club” means a person who meets the conditions in [Schedule 2](#);

“car club service” means the service described in [paragraph 2 of Schedule 2](#);

“CCTS” means the Non-Zero-Emission Car CO₂ Trading Scheme, established by [article 4\(1\)\(b\)](#);

“CCTS allowance” has the meaning given in [article 33](#);

“CCTS participant” means a manufacturer which is a CCTS participant in accordance with [article 32\(1\)](#) or a group of manufacturers which is a pool CCTS participant in accordance with [article 32\(2\)](#);

“certificate of conformity”, in relation to a car, a van, an SPV or a base vehicle, means the document referred to in Articles 36 and 37 of Regulation (EU) 2018/858 and issued by a manufacturer which certifies that the vehicle conforms to the approved type of vehicle and complies with all regulatory requirements applicable at the time of its production;

“civil penalty” means a financial penalty or non-financial penalty which may be imposed under [articles 97 to 106](#);

“complete”, in relation to a van or a base vehicle, means a van or a base vehicle which does not need to be completed in order for that vehicle to satisfy the relevant technical requirements of Regulation (EU) 2018/858;

“completed”, in relation to a van, means a van resulting from a multi-stage type-approval which satisfies the relevant technical requirements of Regulation (EU) 2018/858;

“connected”, in relation to two or more manufacturers, means connected within the meaning of section 1122 of the Corporation Tax Act 2010(1);

“credit” means a CRTS credit or a VRTS credit;

“CRTS” means the Non-Zero-Emission Car Registration Trading Scheme, established by [article 4\(1\)\(a\)](#);

“CRTS allowance” has the meaning given in [article 12\(1\)](#);

“CRTS credit” means a CRTS credit acquired in accordance with [articles 18 to 23](#);

“CRTS participant” means a manufacturer which is a CRTS participant in accordance with [article 11\(1\)](#) or a group of manufacturers which is a pool CRTS participant in accordance with [article 11\(2\)](#);

“eco-innovation” means an innovative technology approved as an eco-innovation pursuant to Article 11 of Regulation (EU) 2019/631;

“incomplete”, in relation to a base vehicle, means a base vehicle which must undergo at least one further stage of completion in order for the base vehicle to satisfy the relevant technical requirements of Regulation (EU) 2018/858;

“individual vehicle approval” means the procedure whereby the approval authority certifies that a particular vehicle, whether unique or not, satisfies the relevant administrative provisions and technical requirements for individual vehicle approval in accordance with Regulation (EU) 2018/858;

“individual vehicle approval certificate”, in relation to a car, a van, an SPV or a base vehicle, means an EU individual vehicle approval certificate, as referred to in Article 44.4 of Regulation (EU) 2018/858, or a national individual vehicle approval certificate, as referred to in Article 45.5 of that Regulation;

“low-volume CRTS participant” means a CRTS participant which is to be treated as a low-volume CRTS participant in accordance with [Schedule 4](#);

“low-volume VRTS participant” means a VRTS participant which is to be treated as a low-volume VRTS participant in accordance with [Schedule 4](#);

“manufacturer”, except in Part 8—

- (a) in relation to a car, a complete van or an SPV which has a certificate of conformity, means the person identified as the manufacturer on that certificate;

- (b) in relation to a car, a complete van or an SPV which has an individual vehicle approval certificate, means the person who obtained that approval;
- (c) in relation to a completed van which is not within paragraph (e), the base vehicle of which has a certificate of conformity, means the person identified as the manufacturer on that certificate of conformity;
- (d) in relation to a completed van, the base vehicle of which has an individual vehicle approval certificate, means the person who obtained the individual vehicle approval;
- (e) in relation to a completed van, where the completed vehicle was type-approved in accordance with Annex 21 to Regulation (EU) 2017/1151, means the person identified as the manufacturer on the certificate of conformity for the completed vehicle;

“mass in running order”, in relation to a car, a van, an SPV or a base vehicle, means the mass of the vehicle, with its fuel tank filled to at least 90% of its capacity, including the mass of the driver, the fuel and liquids, fitted with the standard equipment in accordance with the manufacturer’s specifications and, when they are fitted, the mass of the bodywork, the cabin, the coupling and the spare wheel as well as the tools;

“member”, in relation to a pool participant in the Trading Schemes, means a manufacturer which is a member of a group of manufacturers in relation to which the administrator has granted an application under [Schedule 5](#) (application by two or more manufacturers to be a pool participant in the Trading Schemes);

“multi-stage type-approval” means the procedure whereby one or more approval authorities certifies that, depending on its state of completion, an incomplete or completed type of vehicle satisfies the relevant administrative provisions and technical requirements of Regulation (EU) 2018/858;

“NZE car” means a car in relation to which the zero-emission conditions are not met;

“NZE van” means a van in relation to which the zero-emission conditions are not met;

“participant in the Trading Schemes” means a manufacturer or group of manufacturers which is a participant in one or more of the Trading Schemes;

“pool CCTS participant” means a CCTS participant consisting of a group of two or more manufacturers which is a pool CCTS participant in accordance with [article 32\(2\)](#);

“pool CRTS participant” means a CRTS participant consisting of a group of two or more manufacturers which is a pool CRTS participant in accordance with [article 11\(2\)](#);

“pool participant in the Trading Schemes” means a pool CCTS participant, a pool CRTS participant, a pool VCTS participant or a pool VRTS participant;

“pool VCTS participant” means a VCTS participant consisting of a group of two or more manufacturers which is a pool VCTS participant in accordance with [article 64\(2\)](#);

“pool VRTS participant” means a VRTS participant consisting of a group of two or more manufacturers which is a pool VRTS participant in accordance with [article 43\(2\)](#);

“registered” and “registration” are to be construed in accordance with paragraphs (2) and (3);

“registry” has the meaning given in [article 6\(2\)](#);

“Regulation (EC) No 595/2009” means Regulation (EC) No 595/2009 of the European Parliament and of the Council of 18 June 2009 on type-approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and amending Regulation (EC) No 715/2007 and Directive 2007/46/EC and repealing Directives 80/1269/EEC, 2005/55/EC and 2005/78/EC, as that Regulation has effect in domestic law(2), or, as the case may be, as it has effect in EU law from time to time and by virtue of the Windsor Framework(3);

(2) EUR 595/2009, amended by [S.I. 2022/1273](#).

“Regulation (EU) 2017/1151” means Commission Regulation (EU) 2017/1151 of 1 June 2017 supplementing Regulation (EC) No 715/2007 of the European Parliament and of the Council on type-approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information, amending Directive 2007/46/EC of the European Parliament and of the Council, Commission Regulation (EC) No 692/2008 and Commission Regulation (EU) No 1230/2012 and repealing Commission Regulation (EC) No 692/2008, as that Regulation has effect in domestic law⁽⁴⁾, or, as the case may be, as it has effect in EU law from time to time and by virtue of the Windsor Framework⁽⁵⁾;

“Regulation (EU) 2018/858” means Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC, as that Regulation has effect in domestic law⁽⁶⁾, or, as the case may be, as it has effect in EU law from time to time and by virtue of the Windsor Framework⁽⁷⁾;

“Regulation (EU) 2019/631” means Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011⁽⁸⁾;

“Regulation (EU) 427/2014” means Commission Implementing Regulation (EU) No 427/2014 of 25 April 2014 establishing a procedure for the approval and certification of innovative technologies for reducing CO₂ emissions from light commercial vehicles pursuant to Regulation (EU) No 510/2011 of the European Parliament and of the Council⁽⁹⁾;

“Regulation (EU) 725/2011” means Commission Implementing Regulation (EU) No 725/2011 of 25 July 2011 establishing a procedure for the approval and certification of innovative technologies for reducing CO₂ emissions from passenger cars pursuant to Regulation (EC) No 443/2009 of the European Parliament and of the Council⁽¹⁰⁾;

“scheme year” means the period beginning with the date on which this Order comes into force and ending with 31st December 2024, or any of the six subsequent calendar years during the trading period, and—

- (a) a reference to the 2024 scheme year is a reference to the period beginning with the date on which this Order comes into force and ending with 31st December 2024; and
- (b) a reference to a later scheme year described by a calendar year (for example, the “2026 scheme year”) is a reference to the scheme year beginning with 1st January of that year;

“specific emissions of CO₂”, in relation to a car, a van or an SPV, means the CO₂ emissions of the car, van or SPV, expressed in grams of CO₂ per kilometre and determined in accordance with paragraphs (4) to (6);

“SPV” means a vehicle which—

- (a) is of category M1 or N1, or is a vehicle of category N2 which falls within the description in paragraph (c) of the definition of “van”; and

(3) OJ No. L 188, 18.7.2009, p. 1; amended by Commission Regulation (EU) No 582/2011 and 133/2014, Regulation (EU) 2018/858 and Regulation (EU) 2019/1242.

(4) EUR 2017/1151, amended by S.I. 2022/1273.

(5) OJ No. L 175, 07.07.2017, p. 1; amended by Commission Regulation (EU) 2017/1154, 2017/1347 and 2018/1832.

(6) EUR 2018/858, amended by S.I. 2019/648, 2020/818 and 2022/1273.

(7) OJ No. L 151, 14.06.2018, p.1; amended by Regulation (EU) 2019/2144 and Commission Delegated Regulation (EU) 2021/1445.

(8) EUR 2019/631, amended by S.I. 2020/1418, 2021/898, 2021/1242 and 2022/1361.

(9) EUR 2014/427, amended by S.I. 2019/550 and 2022/1361.

(10) EUR 2011/725, amended by S.I. 2019/550 and 2022/1361.

- (b) has specific technical features that enable it to perform a function that requires special arrangements or equipment, as set out in point 5 of Part A of Annex 1 to Regulation (EU) 2018/858;

“SPV car manufacturer” means a person who—

- (a) is not a CRTS participant, nor a member of a group of manufacturers which is a pool CRTS participant, for a scheme year;
- (b) is the manufacturer of a ZE SPV of category M1 which is registered during the scheme year; and
- (c) notifies the administrator in accordance with [article 74\(2\)](#) (notification of SPV manufacturer’s contact details) for that scheme year;

“SPV manufacturer” means an SPV car manufacturer or an SPV van manufacturer;

“SPV van manufacturer” means a person who—

- (a) is not a VRTS participant, nor a member of a group of manufacturers which is a pool VRTS participant, for a scheme year;
- (b) is the manufacturer of a ZE SPV of the following kind which is registered during the scheme year—
 - (i) a ZE SPV of category N1; or
 - (ii) a ZE SPV of category N2 which falls within the description in paragraph (c) of the definition of “van”; and
- (c) notifies the administrator in accordance with [article 74\(2\)](#) (notification of SPV manufacturer’s contact details) for that scheme year;

“trading period” means the period beginning with the date on which this Order comes into force and ending with 31st December 2030;

“Trading Schemes” has the meaning given in [article 4\(1\)](#);

“trading window” means the period beginning with 1st November and ending with 31st December of the year following a scheme year;

“type-approval” means the procedure whereby the approval authority certifies that a type of vehicle satisfies the relevant administrative provisions and technical requirements for type-approval in accordance with Regulation (EU) 2018/858, and “type-approved” is to be construed accordingly;

“van” means a vehicle, other than an SPV, which is—

- (a) a vehicle of category N1 which is type-approved in accordance with Annex 21 to Regulation (EU) 2017/1151;
- (b) a vehicle—
 - (i) of category N1;
 - (ii) which is type-approved in accordance with Regulation (EC) 595/2009; and
 - (iii) in relation to which the zero-emission conditions are met; or
- (c) a vehicle—
 - (i) of category N2;
 - (ii) which is type-approved in accordance with Annex 21 to Regulation (EU) 2017/1151 or Regulation (EC) 595/2009;
 - (iii) which has a maximum mass for the purposes of Article 4 of Regulation (EU) 2018/858 which exceeds 3,500 kilograms but which does not exceed 4,250

kilograms, and the proportion of that mass which exceeds 3,500 kilograms is attributable entirely to the mass of the vehicle’s energy storage system; and

(iv) in relation to which the zero-emission conditions are met;

“VCTS” means the Non-Zero-Emission Van CO₂ Trading Scheme, established by [article 4\(1\)\(d\)](#);

“VCTS allowance” has the meaning given in [article 65](#);

“VCTS participant” means a manufacturer which is a participant in the VCTS in accordance with [article 64\(1\)](#) or a group of manufacturers which is a pool VCTS participant in accordance with [article 64\(2\)](#);

“VRTS” means the Non-Zero-Emission Van Registration Trading Scheme, established by [article 4\(1\)\(c\)](#);

“VRTS allowance” has the meaning given in [article 44\(1\)](#);

“VRTS credit” means a VRTS credit acquired in accordance with [articles 50 to 55](#);

“VRTS participant” means a manufacturer which is a participant in the VRTS in accordance with [article 43\(1\)](#) or a group of manufacturers which is a pool participant in the VRTS in accordance with [article 43\(2\)](#);

“Windsor Framework” means the part of the EU withdrawal agreement known as the Windsor Framework by virtue of Joint Declaration No. 1/2023 of 24th March 2023 made between the EU and the United Kingdom in the Joint Committee established by the EU withdrawal agreement(11);

“ZE”, in relation to a car, a van or an SPV, means a car, a van or an SPV, as the case may be, in relation to which the zero-emission conditions are met;

“ZE wheelchair accessible SPV” means a ZE SPV which—

- (a) is a vehicle of category M1; and
- (b) is constructed or converted specifically so that it accommodates one or more persons seated in their wheelchairs when travelling on the road;

“the zero-emission conditions” are—

- (a) in relation to a car, a van or an SPV in relation to which type-approval or individual vehicle approval was granted before the date on which this Order comes into force, conditions A and C in paragraphs (7) and (9); and
- (b) in relation to any other car, van or SPV, conditions A to C in [paragraphs \(7\) to \(9\)](#).

(2) Subject to [paragraph \(3\)](#), a reference to registration, in relation to a car, a van or an SPV, is a reference to the first registration in Great Britain of that car, van or SPV under section 21 of the Vehicle Excise and Registration Act 1994(12), and references to such a vehicle being “registered” are to be construed accordingly.

(3) A reference to registration, in relation to a car, a van or an SPV, does not include the registration of a car, van or SPV which—

- (a) was registered (within the meaning of Article 3(53) of Regulation (EU) 2018/858) outside Great Britain more than three months before the date of its registration within the meaning of [paragraph \(2\)](#); or
- (b) is permanently removed from Great Britain within the period of three months beginning with the date of its registration within the meaning of [paragraph \(2\)](#).

(11) Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1145699/Joint_Declaration_by_the_United_Kingdom_of_Great_Britain_and_Northern_Ireland_and_the_European_Union_in_the_Withdrawal_Agreement_Joint_Declaration.pdf

(12) 1994 c. 22. Section 21 was amended by section 19 of, and Schedule 4 to, the Finance Act 1995 and section 18 of, and Schedule 3 to, the Finance Act 1997.

(4) The specific emissions of CO₂ of a car, a complete van or an SPV, other than a vehicle within paragraph (5), are the CO₂ emissions of the vehicle which are specified as the “combined” CO₂ emissions in the certificate of conformity or individual vehicle approval certificate, as the case may be.

(5) Where a car, a complete van or an SPV is classed as an OVC-HEV hybrid electric vehicle in the certificate of conformity or individual vehicle approval certificate, its specific emissions of CO₂ are those specified as the “weighted, combined” CO₂ emissions in that certificate.

(6) The specific emissions of CO₂ of a completed van are determined in accordance with [Schedule 3](#).

(7) Condition A is that the car, the van or the SPV must have specific emissions of CO₂ of zero grams per kilometre.

(8) Condition B—

- (a) in relation to a car, a complete van or an SPV, is that the minimum electric range, determined in accordance with Annex 21 to Regulation (EU) 2017/1151, must be at least 100 miles; and
- (b) in relation to a completed van, is that the minimum electric range of the base vehicle, determined in accordance with Annex 21 to Regulation (EU) 2017/1151, must be at least 100 miles.

(9) Condition C—

- (a) in relation to a car, or in relation to an SPV of category M1, is that the manufacturer must provide a warranty with the car or the SPV—
 - (i) in respect of any traction battery, hydrogen fuel cell stack or hydrogen tank, covering a warranty period of at least eight years, or a distance of least the first 100,000 miles, whichever is reached first;
 - (ii) in respect of any traction battery, providing for replacement of the battery if it falls below 70% capacity during the warranty period in [paragraph \(i\)](#); and
 - (iii) in respect of the remainder of the vehicle, covering a warranty period of at least three years, or a distance of at least the first 60,000 miles, whichever is reached first; and
- (b) in relation to a van, an SPV of category N1 or an SPV of category N2 which is within the description in paragraph (c) of the definition of “van”, is that the manufacturer must provide a warranty with the van or the SPV—
 - (i) in respect of any traction battery, hydrogen fuel cell stack or hydrogen tank, covering a warranty period of at least eight years, or a distance of least the first 100,000 miles, whichever is reached first;
 - (ii) in respect of any traction battery, providing for replacement of the battery if it falls below 65% capacity during the warranty period in [paragraph \(i\)](#); and
 - (iii) in respect of the remainder of the vehicle, covering a warranty period of at least three years, or a distance of at least the first 60,000 miles, whichever is reached first.

(10) A reference in this Order to a vehicle being a vehicle of category M1, N1 or N2 is a reference to that vehicle category as defined in Article 4 of Regulation (EU) 2018/858.

(11) Subject to [paragraph \(12\)](#), any reference in this Order to rounding a number to the nearest whole number, or to calculating a number to the nearest decimal place, is to be read as a reference to rounding down any fraction of less than one half and rounding up any other fraction.

(12) [Paragraph \(11\)](#) does not apply where a provision of this Order specifies that a number which is not a whole number is to be rounded up to the nearest whole number.

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
