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STATUTORY INSTRUMENTS

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**2023 No. 1394**

**The Vehicle Emissions Trading Schemes Order 2023**

**Part 3**

**The Trading Schemes**

**Chapter 1**

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

**Borrowing CRTS allowances**

**15.**—(1) Subject to the following provisions of this article, a CRTS participant may, for the 2024 scheme year, the 2025 scheme year or the 2026 scheme year, surrender in accordance with [article 27](#) a number of CRTS allowances which are due to be allocated to it for later scheme years.

(2) A CRTS participant may borrow CRTS allowances provided—

- (a) the number of CRTS allowances which the CRTS participant borrows to surrender for the 2024 scheme year does not exceed 16.5% of the total number of cars of which the participant is manufacturer and which are registered during the 2024 scheme year;
- (b) the number of CRTS allowances which the CRTS participant borrows to surrender for the 2025 scheme year does not exceed 14% of the total number of cars of which the participant is manufacturer and which are registered during the 2025 scheme year; and
- (c) the number of CRTS allowances which the CRTS participant borrows to surrender for the 2026 scheme year does not exceed 8.25% of the total number of cars of which the participant is manufacturer and which are registered during the 2026 scheme year.

(3) The total number of cars of which a CRTS participant is the manufacturer and which are registered during a scheme year is the number notified to the participant by the administrator under [article 79](#).

(4) A CRTS participant may borrow parts of CRTS allowances, but may not borrow a part smaller than one tenth of a CRTS allowance.

(5) Where a CRTS participant intends to borrow CRTS allowances in accordance with this article for use for a scheme year—

- (a) the CRTS participant must notify the administrator of that intention, and of the intended number of borrowed CRTS allowances, before the end of the trading window which follows that scheme year; and
- (b) the administrator must decide whether or not the intended number of borrowed CRTS allowances is appropriate and notify the CRTS participant in writing of that decision.

(6) A CRTS participant may borrow CRTS allowances which are due to be allocated to it for the 2025 scheme year, the 2026 scheme year or the 2027 scheme year and must account for any borrowed allowances in accordance with the following paragraphs of this article.

(7) Where a CRTS participant borrows a number of CRTS allowances to surrender for a scheme year, the participant must account for the borrowed allowances by surrendering an equivalent number

of CRTS allowances or CRTS credits for the following scheme year or a subsequent scheme year, together with an additional number of CRTS allowances or CRTS credits, calculated in accordance with paragraphs (8) to (11).

(8) If the CRTS participant accounts for the borrowed allowances for the scheme year which follows immediately after the scheme year for which the borrowed allowances were surrendered, the CRTS participant must surrender—

- (a) a number of CRTS allowances or CRTS credits which is equal to the number of borrowed allowances; and
- (b) an additional number of CRTS allowances or CRTS credits which amounts to 3.5% of the number of borrowed allowances.

(9) If the CRTS participant accounts for the borrowed allowances for a scheme year which begins one year after the end of the scheme year for which the borrowed allowances were surrendered, the CRTS participant must surrender—

- (a) a number of CRTS allowances or CRTS credits which is equal to the number of borrowed allowances; and
- (b) an additional number of CRTS allowances or CRTS credits which amounts to 7.12% of the number of borrowed allowances.

(10) If the CRTS participant accounts for the borrowed allowances for a scheme year which begins two years after the end of the scheme year for which the borrowed allowances were surrendered, the CRTS participant must surrender—

- (a) a number of CRTS allowances or CRTS credits which is equal to the number of borrowed allowances; and
- (b) an additional number of CRTS allowances or CRTS credits which amounts to 10.87% of the number of borrowed allowances.

(11) Where the number of additional CRTS allowances or CRTS credits which is to be surrendered in accordance with paragraph (8)(b), (9)(b) or (10)(b) is not a whole number, the number is to be rounded up to the nearest whole number of allowances or credits.

(12) A CRTS participant must account for a borrowed CRTS allowance for a scheme year no later than the 2027 scheme year.

(13) Where a CRTS participant decides to account for borrowed CRTS allowances for a scheme year earlier than the 2027 scheme year, that participant must notify the administrator of its decision, before the end of the trading window which follows the scheme year for which the participant intends to account for the allowances.

(14) Where a decision by a CRTS participant not to account for borrowed CRTS allowances for a scheme year would result in the participant having banked CRTS allowances standing in its name in the registry for the following scheme year, the CRTS participant must give a notification under paragraph (13) which relates to the number of borrowed CRTS allowances which would prevent that outcome.

(15) A borrowed CRTS allowance may not be traded under [article 25](#).