

EXPLANATORY MEMORANDUM TO
THE MOTOR VEHICLES (DRIVING LICENCES) (AMENDMENT)
REGULATIONS 2023

2023 No. 666

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of His Majesty.

2. Purpose of the instrument

- 2.1 This instrument amends the Motor Vehicles (Driving Licences) Regulations 1999 (S.I. 1999/2864) (“the 1999 Regulations”) to allow individuals who have entry clearance or permission to stay in Great Britain (GB) under one of the Ukrainian Visa Schemes (Family, Sponsor and Extension Visa Schemes) to drive on their Ukrainian licence in GB for up to three years (36 months) from the date on which they become resident, instead of the current one year period, before being required to obtain a GB licence. This would apply only to Ukrainian motorcycle and car licences (Category A and B respectively).

3. Matters of Special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

4. Extent and Territorial Application

- 4.1 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales and Scotland.
- 4.2 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales and Scotland.

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

6. Legislative Context

- 6.1 The provisions of sections 88 and 105 of the Road Traffic Act 1988 (“the 1988 Act”) confer powers on the Secretary of State to make regulations concerning driving licences for people who become resident in GB. The 1999 Regulations are made under these provisions of the 1988 Act. This instrument inserts a new regulation to the 1999 Regulations to allow individuals who have entry clearance or permission to stay under one of the Ukraine Visa Schemes to drive on their Ukrainian driving licence in GB for up to three years (36 months) after becoming resident, before being required to obtain a GB licence.

7. Policy background

What is being done and why?

- 7.1 On 24th February 2022, Russia illegally invaded Ukraine. This unprovoked attack had a huge impact on Ukraine, its people and its transport sector. The UK has led the way in supporting Ukraine following the illegal invasion by Russia, and until the conflict is resolved, intends to continue to do so. As a result, the Government introduced the Ukraine Visa Schemes (Family, Sponsor and Extension Visa Schemes) that make provisions for those seeking refuge in the UK to be granted a three-year period of stay. As of 29 May 2023, there have been over 175,000 arrivals under the Schemes.
- 7.2 The Department for Transport has been actively engaged in making the transition to life in the UK as seamless as possible for those arriving here under such difficult circumstances. One area where the Department has recognised the potential difficulties for Ukrainians in maintaining this transition is driving licence exchange. As a result, the Department has proposed this legislation as a proportionate means to ease the disproportionate burden on Ukrainians given their unique situation in the UK.
- 7.3 For the first year (12 months) of being resident in GB, Ukrainians may use their Ukrainian licence in GB to drive all classes of small vehicles authorised by that licence, both automatic and/or manual vehicles (car), unless the licence shows a restriction. In May 2021, legislation was put in place to allow a Ukrainian car licence to be exchanged for a GB licence without the need to take a GB driving test. This followed Ukrainian testing standards being assessed as equivalent to those in GB by the Driver and Vehicle Standards Agency. However, the law only allows drivers who took a test in Ukraine before 28 December 2021 to be issued with a GB licence to drive vehicles with automatic transmission when their Ukrainian licence is exchanged. This is because, until 28 December 2021, the Ukrainian licencing authority did not record the transmission of the vehicle presented for test and would award a successful test candidate for both manual and automatic vehicles. This information is now recorded, and a successful test candidate is awarded either an automatic licence or manual licence. Many of these licence holders own a car with manual transmission.
- 7.4 A holder of a Ukrainian licence who exchanges their licence for a GB one, but is restricted to driving automatic vehicles, can upgrade this by taking a manual practical test for which they would not be required to pass a GB theory test. The current requirement for a holder of a Ukrainian driving licence who is resident in GB to exchange it for a GB licence after the first year (12 months) to continue driving without passing a GB test, has specific impacts on Ukrainian licence holders on one of the Ukraine Visa Schemes to provide refuge from the conflict that started in February 2022.
- 7.5 The restriction to entitlement to drive vehicles with automatic transmission is not unique to the exchange arrangement for Ukrainian licence holders. It is also applied to driving licence exchange arrangements with other countries that do not hold information to confirm the type of vehicle in which a test was taken. However, evidence from representations received by the Department for Transport and its Agencies suggests that a number of those arriving here because of the conflict have fled with their own car.
- 7.6 In these circumstances, the requirement to exchange and the issue of a GB licence restricted to vehicles with automatic transmission means many individuals who have arrived with their vehicle would no longer be able to drive their vehicle in GB. To

continue driving, they would need to either dispose of their existing car and incur the cost of acquiring a new vehicle with automatic transmission or incur the £62 cost of a GB manual driving test. This would be in addition to the £43 cost of exchanging their Ukraine licence and assumes a first-time pass. Evidence from representations also suggests that even those without their own car may on exchange lose the ability to drive cars they have been given use of by their hosts.

- 7.7 These issues are of course faced by other holders of foreign licences living in GB, including asylum seekers and refugee groups. However, the circumstances of Ukrainians in GB because of the conflict may be distinct. It is unlikely that large numbers from other refugee groups will have arrived in GB with their own car and, unlike those who have come to live in GB for other reasons (e.g., to take up employment or join family), Ukraine licence holders fleeing the conflict are unlikely to have had the opportunity to plan for the motoring issues they now face.
- 7.8 Typically, those arriving under the Ukraine Visa Schemes (Family, Sponsor and Extension) are allowed to stay for up to three years with the intention that they return to Ukraine when circumstances allow. Other schemes such as the Afghan Citizens Resettlement Scheme and the British National Overseas Visa Scheme for those from Hong Kong provide for the applicant to remain permanently. In this context, the requirement to exchange a Ukrainian licence and then apply for its reinstatement on return to Ukraine (exchangeable driving licences have to be surrendered on application for a GB licence and, if exchanged, are returned to the issuing authority) represents a potentially unnecessary burden.

Proposed Intervention

- 7.9 This instrument inserts a new regulation to extend the period to obtain a GB licence from one year (12 months) after arriving in GB to three years (36 months) for Ukrainians driving licences. This increase matches the length of the visa they have been granted (Family, Sponsor and Extension visa schemes). This would allow Ukrainian licence holders to continue using their Ukrainian licence in GB for up to three years from the date on which they become resident, or, up to the point in time at which they leave the UK. This extension would only apply to the driving of a vehicle in Category A (motorcycle) and Category B (car). Licences in other, heavier categories are not being considered at this time.
- 7.10 Any Ukrainian licence holder that stays in GB beyond the initial time period of three years (36 months) and who had passed their test in Ukraine before 28 December 2021, would be expected to either exchange for an automatic entitlement licence or undergo a manual practical test should they want a manual entitlement licence.
- 7.11 If an individual were to enter GB on a Ukraine Visa Schemes, but subsequently transfers to a different visa before the end of the three-year period (i.e., skilled worker visa) they will still be entitled to the full initial three-year period from entry under the Ukraine Visa Scheme, before being required to exchange. Likewise, individuals who have entered into GB since February 2022 and subsequently transfer onto a Ukraine Visa Scheme, can also benefit from a pre-exchange period of three years from date of entry.

Explanations

What did any law do before the changes to be made by this instrument?

- 7.12 Under the current legislation, driving licences issued by countries outside the EEA are valid for driving in GB for one year from the date on which the licence holder becomes resident. After this period, the driver must obtain a GB licence to continue driving in GB. There is similar provision at regulation 2 of the Motor Vehicles (International Circulation) Order 1975.

Why is it being changed?

- 7.13 The legislation is being amended to address the disadvantages faced by Ukraine Scheme Visa holders who, given the unique and temporary nature of their residence in GB, face additional administrative and financial burdens with regards to obtaining a GB licence, which may act as impediment to accessing driving opportunities, and therefore successful integration into UK community, work and family life.

What will it now do?

- 7.14 The amendments will extend the period for holders of a Ukraine driving licence to drive on their Ukraine licence in GB from one year (12 months) after becoming resident in GB, to three years (36 months). After the three-year (36-month) period ends, then the requirements in place today (after one year) would apply.
- 7.15 The extension is limited to Ukrainian driving licence holders who can demonstrate they are on one of the specified Ukrainian Visa Schemes (Family, Sponsor and Extension visa schemes) as opposed to all Ukrainian driving licence holders in GB. As well as those specified in 7.11.
- 7.16 The extended period to three years (36 months) will not be automatically extended in line with any policy to extend the terms of the existing Ukraine Visa Schemes. With the rationale that in the case of any visa extension past three years (36 months), those individuals resident in GB can be seen as longer term and therefore the requirement to obtain a GB licence should be in place.

8. European Union Withdrawal and Future Relationship

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 There are no current plans to consolidate the 1999 Regulations.

10. Consultation outcome

- 10.1 A four-week public consultation was held between 4 April and 2 May 2023 with over 3000 responses received.
- 10.2 The consultation received responses from organisations and members of the public.
- 10.3 Responses to the consultation indicate that the majority of people supported this proposal – 99% of responses were in favour of extending the period to allow Ukrainian Visa Scheme holders to drive on their Ukrainian licence in GB, and 89% agreed with the proposal to extend this period to three years (36 months).

- 10.4 The consultation and consultation outcome are available online at <https://www.gov.uk/government/consultations/ukraine-driving-licence-exchange>¹ and is also available in hard copy by contacting the Driving Licence Team, Road Safety Division, Great Minster House, 33 Horseferry Road, London, SW1P 4DR.

11. Guidance

- 11.1 Guidance on licence exchange for Ukraine Visa Scheme holders with a Ukrainian driving licence will be published online at GOV.UK when the law changes in July 2023.

12. Impact

- 12.1 There is no significant impact on business, charities, or voluntary bodies. The only direct impact on business is familiarisation costs for Approved Driving Instructors (£0.33). There are no other direct impacts to business as this intervention gives Ukrainian refugees a choice to not have to exchange their licence for the duration of their temporary stay in GB. The only indirect impact to business is the potential loss of revenue for Approved Driving Instructors if Ukrainians do not take any lessons or take less lessons given they would not need to pass a practical driving test in order to have a valid drivers licence in GB (£6.21m). Since this impact is indirect, it does not contribute to the EANDCB.
- 12.2 There is no significant impact on the public sector. The lost revenues to HMG from Ukrainians not having to pay for licence exchanges or manual tests is offset by the avoidance of having to process those exchanges and tests as it is assumed that HMG charges at cost.
- 12.3 A full Impact Assessment has been prepared for this instrument although this falls below the threshold of £5m Equivalent Annual Net Direct Cost to Business (EANDCB), making it a non-qualifying regulatory provision. An Impact Assessment has been undertaken because it contains novel or contentious elements, however it is not required to be published or go through Regulatory Policy Committee (RPC) clearance. All on-going monetised impacts mentioned in this section are discounted and correspond to the central scenario in the preferred option 2, using a 10-year appraisal period.
- 12.4 The key non-monetised costs are potentially higher insurance costs for Ukrainians without a GB licence, familiarisation costs for employers who potentially employ Ukrainians, as well as potential road safety costs that arise from allowing Ukrainians to drive in GB without a GB driving licence. These have been left unmonetised due to the lack of data available for insurance costs and employers, and because in cases of collisions, it is not possible to prove whether the fact that a driver holds a Ukrainian driving licence instead of a GB one is the cause of the collision. All the unmonetised costs are indirect due to the permissive nature of this regulation.
- 12.5 There is a positive impact on Ukrainians from the reduced cost burden of not having to pay for automatic licence exchanges (£0.01m), manual exchanges and tests (£1.29m), reduced cost burden from manual driving lesson avoidance (£6.21m), as well as time savings associated with travelling to and from test locations (£0.10m), and not having to take lessons (£1.18m) and tests (£0.08m). This is somewhat offset by familiarisation costs for Ukrainian driving licence holders (£0.26m) and potentially

¹ www.gov.uk/government/consultations/ukraine-driving-licence-exchange

by higher insurance costs, which have only been indicatively monetised due to lack of robust data available.

- 12.6 The main unmonetised benefits are a better quality of life for Ukrainian refugees and lower barriers to entry into jobs that require a full driving licence. These are also indirect.
- 12.7 Given the assumptions and limitations that have been mentioned throughout the IA, sensitivity analysis has been conducted for inputs and calculations to account for possible differences in the low, central, and high scenarios of the impacts outlined.
- 12.8 The best estimate for the Net Present Value in the preferred option is £26m.

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 The approach to monitoring of this legislation is that a Post Implementation Review (PIR) will be carried out after three years to assess the impact of the policy change.

15. Contact

- 15.1 Jenny Arthur at the Department of Transport (Telephone: 07814068308, email: Jenny.Arthur@dft.gov.uk) can be contacted with any queries regarding the instrument.
- 15.2 Pauline Reeves, Deputy Director for Road Safety, at The Department of Transport can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Richard Holden, MP, Parliamentary Under Secretary of State at the Department for Transport can confirm that this Explanatory Memorandum meets the required standard.