

Applicable in the UK between 01 January 2021 – 31 December 2023 ONLY



Vehicle Certification Agency

New UK Car and Van CO₂ Regulations
Guidance for manufacturers on the
legislation governing CO₂ emissions
from new cars and vans sold in the UK



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Contents

1. Disclaimer	6
2. Legislation	7
3. Introduction	9
EU CO ₂ emissions reduction standard regulations	9
EU Exit	9
Retention in UK law and corrections	9
Retained EU Regulations	10
Retained EU Decisions	10
Additional retained Decisions	10
Repealed EU Decisions	11
Repealed EU Decisions by (EU) 2020/1806	11
Northern Ireland Protocol	12
Working group	13
4. Purpose of the guidance	14
Who is this guidance for?	14
Who is the manufacturer?	14
Key Contacts	15
5. Information to be provided by manufacturers	16
6. Monitoring and reporting of emissions data	17
Process - DVLA to VCA	17
Data points to be provided	17
Manufacturer multi-stage van data reporting requirements	17
Calculation of manufacturer/pool CO ₂ targets	19
Publication of provisional data	19
Challenging the provisional dataset	19
Publication of finalised dataset	20
Excess Emissions Premiums	20
Appeals	21
Vehicles exported from UK	21

7. Calculation of emission targets and performance	23
Methodology for targets	23
Methodology for performance	24
Super-Credits	24
Eco-Innovations	25
Northern Ireland Protocol	25
8. Super-Credits	26
Super-credits in 2021 and 2022	26
9. Eco-Innovations	27
Existing Eco-Innovations approved by the European Commission	27
Approved Eco-Innovations in 2021	27
New Eco-Innovations - Testing	28
New Eco-Innovations - Approval	28
Certification of Savings	29
Eco-Innovation Multiplier	29
10. Pooling	30
Applications	30
Decisions	31
Amendments to pools	31
11. Derogations	32
Retention of EU derogation decisions	32
Eligibility/changes to the EU approach	32
Niche Volume Derogations applications	33
Small Volume Derogations applications	34
De Minimis Threshold	35
12. Future Amendments on existing CO ₂ regime	36
Future amendments	36
13. New regulatory CO ₂ regime	37
14. Contacts	38
DfT Contacts	38
VCA Contacts	38
DVLA Contacts	38
Vehicles Statistics	38
15. Annex A – Information flowchart	39
16. Annex B – Niche volume derogation thresholds	40
17. Annex C – Small volume derogation thresholds	41

Applicable in the UK between 01 January 2021 – 31 December 2023 ONLY

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1. Disclaimer

- 1.1 This document is intended to provide manufacturers of new cars and vans that are registered in the United Kingdom (UK) from **1 January 2021 – 31 December 2023** with the information that they require to meet their obligations under domestic car and van CO₂ emissions regulations, section 2 outlines applicable legislation.
- 1.2 Whilst this document seeks to provide general guidance on the relevant regulations, this should not be construed as a definitive view or as a legally binding document. Ultimately the interpretation of the regulations is a matter for the United Kingdom judiciary. Where appropriate, manufacturers should obtain their own legal advice.

2. Legislation

- 2.1 The Road Vehicle Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2019 were made on 11 March 2019. This statutory instrument (SI) was drafted as part of the UK's preparations for withdrawal from the European Union (EU) without a deal in March 2019. This SI corrected for deficiencies arising as a result of EU Regulations 443/2009, 510/2010, and a number of associated delegated regulations and implementing decisions being retained in UK law following a no deal exit from the EU. This SI will be referred to as 'SI 2019/550' throughout this document. You can find SI 2019/550 by following this link:
<https://www.legislation.gov.uk/ukxi/2019/550/contents/made>
- 2.2 SI 2019/550 was made following a full public consultation that ran from 6 November to 28 November 2018 and following specific engagement with affected industry stakeholders. Seven responses were received including representatives of vehicle manufacturers and environmental campaign groups. The public consultation and Government response to that consultation can be found by following this link
<https://www.gov.uk/government/consultations/regulating-co2-emission-standards-for-new-cars-and-vans-if-theres-no-brexite-deal>
- 2.3 The Road Vehicle Carbon Dioxide Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2020 were made on 1 December 2020. This SI corrected for deficiencies arising as a result of EU Regulation 2019/631 (which replaced and repealed EU Regulations 443/2009 and 510/2010 from 01 January 2020), and a number of delegated regulations and implementing decisions being retained in UK law following the end of the transition period. This SI will now on be referred to as 'SI 2020/1418' throughout this document. You can find SI 2020/1418 by following this link:
<https://www.legislation.gov.uk/ukxi/2020/1418/contents/made>
- 2.4 SI 2020/1418 was made following a full public consultation that ran from 10 July to 21 August 2020 and following specific engagement with affected industry stakeholders. Eighteen responses were received including from vehicle manufacturers and environmental campaign groups. The public consultation and Government response to that consultation can be found by following this link
<https://www.gov.uk/government/consultations/regulating-co2-emission-standards-for-new-cars-and-vans-after-transition>
- 2.5 The Road Vehicle Carbon Dioxide Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2021 were made on 22 July 2021. On 17 December 2020, the Withdrawal Agreement Joint Committee agreed to remove references to the EU's car and van CO₂ regulations from the Northern Ireland Protocol, leaving Northern Ireland without regulation. This SI brought Northern Ireland into scope of the GB regulations effective from 1 September 2021, in effect creating a United Kingdom-wide regime. This SI will be referred to as 'SI 2021/898' throughout this document. You can find SI 2021/898 by following this link:
<https://www.legislation.gov.uk/ukxi/2021/898/contents/made>

- 2.6 The Road Vehicle Carbon Dioxide Emission Performance Standards (Cars and Vans) (Miscellaneous Amendments) Regulations 2021 were made on 14 December 2021. The amendments made in this SI were of a technical nature to ensure the continued function of the regulations and were not EU Exit-related. This SI will be referred to as 'SI 2021/1242' throughout this document. You can find SI 2021/1242 by following this link: <https://www.legislation.gov.uk/uksi/2021/1242/made>

3. Introduction

EU CO₂ emissions reduction standard regulations

- 3.1 Since 2009, EU regulations have set carbon dioxide (CO₂) emission targets for new cars and since 2011 for new vans registered in the EU.
- 3.2 The latest Regulation, (EU) 2019/631, established EU-wide average CO₂ performance targets for manufacturers registering new cars and vans within the EEA market. These targets are currently set at 95g CO₂/km and 147g CO₂/km in 2021 for cars and vans respectively. The regulation also set mandatory fleet wide average CO₂ emission reduction targets of 15% in 2025 for both cars and vans and then further reductions of 31% and 37.5% in 2030 for vans and cars respectively, all from a 2021 Worldwide Harmonised Light Vehicle Test Procedure (WLTP) baseline.

EU Exit

- 3.3 The UK has now left the EU, and the transition period ended on 31 December 2020. To provide certainty to industry during the UK's withdrawal, Parliament agreed the European Union (Withdrawal) Act 2018 (the Withdrawal Act). This Act converted all directly applicable EU law into UK legislation at the end of the transition period.
- 3.4 Provisions within the Withdrawal Act allowed for secondary legislation to be made to correct for inoperabilities and deficiencies arising within this retained legislation. Specifically, it allowed the Government to correct provisions within EU law that do not function correctly purely as a result of the legislation being retained in UK law.
- 3.5 Two SIs, SI 2019/550, and SI 2020/1418, were subsequently made to correct inoperabilities and deficiencies from retaining EU Regulation 2019/631, and all associated delegated legislation and implementing decisions, in UK law.
- 3.6 Following the end of the transition period two further SIs, SI 2021/898, and SI 2021/1242, were made. SI 2021/898 brought Northern Ireland into scope of the initially GB-wide regulations, in effect creating a UK-wide regime. SI 2021/1242 made technical amendments to the regulations and is unrelated to EU exit.
- 3.7 These regulations and implementing decisions, along with the above four SIs, now regulate CO₂ emissions from newly registered cars and vans in the UK.

Retention in UK law and corrections

- 3.8 At 23:00 on 31 December 2020, the Withdrawal Act copied across the entire EU acquis (body of EU law) into UK law. At the same time the two statutory instruments, SI 2019/550, and SI 2020/1418 came into effect.

- 3.9 The regulations were retained as they stood at 23:00 on 31 December 2020. Any further amendments made to these EU regulations by the European Commission will not be automatically copied into UK law.

Retained EU Regulations

- 3.10 The following EU regulations pertaining to new car and van CO₂ emissions standards were retained in UK law on 31 December 2020, and subsequently amended by either SI 2019/550 or SI 2020/1418:

- 2019/631
- 1014/2010
- 63/2011
- 725/2011
- 293/2012
- 114/2013
- 427/2014
- 2017/1152
- 2017/1153

- 3.11 Where this guidance refers to the above EU regulations, it is referring to the regulations as they have been amended by either SI 2020/1418 or SI 2019/550.

Retained EU Decisions

- 3.12 The following EU implementing decisions relating to the approval of eco-innovations, were retained in UK law on 31 December 2020, and subsequently amended by either SI 2019/550 or SI 2020/1418:

- 2020/174
- 2020/1167
- 2020/1232

Where this guidance refers to the above EU decisions, it is referring to the decisions as amended by either SI 2019/550 or SI 2020/1418.

Additional retained Decisions

- 3.13 The following implementing decisions were retained at the end of the transition period, however, were adopted by the EU after SI 2020/1418 was laid before Parliament. These have therefore not yet been corrected to function in UK law. Our approach is that any vehicle registered with any of the below eco-innovations will receive credit for that eco-innovation and will be unaffected. We intend to operationalise the below implementing decisions in UK law at the earliest possible opportunity.

- 2020/1806
- 2020/1714
- 2020/1339 as amended by 2020/1714
- 2019/1119 as amended by 2020/1714

Repealed EU Decisions

3.14 The following implementing decisions were eligible to be retained and corrected in UK law, however, have been repealed by SI 2019/550. They were repealed because they related to the collection of excess emissions premiums in line with the EU treaties, which no longer apply in the UK.

- 2012/99/EU
- 2012/100/EU

Repealed EU Decisions by (EU) 2020/1806

3.15 The following implementing decisions were repealed by Implementing Decision 2020/1806, effective as of 1 January 2021. As 2020/1806 was retained in UK law, this also means that the following implementing decisions were retained following the end of the transition period, and were subsequently repealed in UK law as 1 January 2021.

- 2013/128/EU
- 2013/341/EU
- 2013/451/EU
- 2013/529/EU
- 2014/128/EU
- 2014/465/EU
- 2014/806/EU
- 2015/158
- 2015/206
- 2015/279
- 2015/295
- 2015/1132
- 2015/2280
- 2016/160
- 2016/265
- 2016/362
- 2016/587
- 2016/588

- 2016/1721
- 2016/1926
- 2017/785
- 2017/1402
- 2018/1876
- 2018/2079
- 2019/313
- 2019/314
- 2019/1861
- 2020/728
- 2020/759
- 2020/1102
- 2020/1168
- 2020/1222

Northern Ireland Protocol

- 3.16 Regulations (EC) 443/2009 and (EU) 510/2011 were originally listed in Annex 2 of the Northern Ireland Protocol (the Protocol). As Regulation (EU) 2019/631 was a successor regulation, it was also deemed to be in scope of the Protocol.
- 3.17 As a result, it was intended that vehicles registered for use in Northern Ireland would continue to be captured by the EU regime, so the retained version of the regulation was corrected to set obligations in GB only.
- 3.18 On 17 December 2020, the Withdrawal Agreement Joint Committee agreed the first amendments to the Protocol following its introduction. One of these amendments removed the references to Regulation (EU) 443/2009 and Regulation (EU) 510/2011 from the Protocol, effective from 18 December 2020. As a successor regulation, this also meant that Regulation (EU) 2019/631, was also no longer classed as being in scope of the Protocol.
- 3.19 This amendment meant that, following the end of the transition period, the EU regulations would not apply in Northern Ireland, allowing the UK Government to enforce carbon dioxide emissions standards on newly registered cars and vans in Northern Ireland instead.
- 3.20 SI 2021/898 was made on 22 July 2021 and brought Northern Ireland, and therefore cars and vans registered in Northern Ireland, in scope of the regulations effective from 1st September 2021. This in effect created a UK wide car and van CO₂ emission reduction regime.
- 3.21 Legislation cannot apply retrospectively, therefore all vehicles that were registered with the DVLA in Northern Ireland from 1 January 2021 to 30 August 2021 are not in scope of the regulation. This means all calculations using 2021 data including, but not limited to, the specific emissions reference target; specific emissions target; and

Applicable in the UK between 01 January 2021 – 31 December 2023 ONLY

2021 baseline data, will use registration data from GB plus Northern Ireland from 1 September.

- 3.22 The above conditions are covered in Articles 2(2) and 2(5) of 2019/631 as amended by SI 2020/1418. With regard to Northern Irish registrations and Article 2(2), prior to 1 September if a vehicle is registered in Northern Ireland and is then subsequently exported to GB within 3 months of that initial registration, that vehicle is in scope of the regulation and its CO₂ emissions will count towards manufacturers' emissions totals for 2021.
- 3.23 This is the same if the vehicle is exported from Northern Ireland to elsewhere in the EU 27 + Norway and Iceland. With regard to Article 2(5), prior to 1 September if a vehicle is registered in GB and then is subsequently exported to Northern Ireland within 3 months it will not count towards any CO₂ emissions. The EU does not have an equivalent provision.

Working group

- 3.24 During the UK car and van CO₂ regulations workshop held on 30 March by the Vehicle Certification Agency (VCA) and the Department for Transport (DfT), stakeholders agreed it would be beneficial to set up a working group to discuss the UK car and van CO₂ regulations.
- 3.25 This working group has met twice, once in September 2021 to discuss the Green Paper on the UK's new future regulatory CO₂ regime and in December to discuss obligations under the existing CO₂ regulations.
- 3.26 It is expected the working group will meet quarterly to discuss any and all changes to the existing regime and the formation of the future regime. Please contact environmental.strategy@dft.gov.uk if you would like to attend these meetings and are not currently contacted.

4. Purpose of the guidance

- 4.1 This guidance has been produced by the DfT and the VCA (who are 'the enforcement authority' on vehicle CO₂ regulation). This document is intended to provide manufacturers of cars and vans that are registered in the United Kingdom after 1 January 2021 with the information they need to meet their obligations under the UK's car and van CO₂ emissions regulations.
- 4.2 Whilst this document seeks to provide general guidance on the relevant regulations, this should not be construed as a definitive view as ultimately the interpretation of the regulations is a matter for the United Kingdom judiciary.
- 4.3 Where appropriate, manufacturers should obtain their own legal advice.
- 4.4 This document will be kept under review and may be amended from time to time based on user experience, feedback, and changes to the regulatory regime.

Who is this guidance for?

- 4.5 This guidance is aimed at vehicle manufacturers that register new cars and vans with the Driver and Vehicle Licensing Agency (DVLA) for use in the UK. This will include vehicle manufacturers who are based outside of the UK, but either import or sell and register vehicles for use in the UK.
- 4.6 This guidance covers the process for new vehicle eco-innovations, pooling and derogation applications. This will be of interest to vehicle parts manufacturers and parts suppliers who may wish to have particular vehicle technologies approved for use as CO₂ reducing technologies on vehicles registered in the UK.

Who is the manufacturer?

- 4.7 As defined in Regulation 2019/631, the manufacturer is the 'person or body responsible to the approval authority for all aspects of the European Community (EC) type approval procedure in accordance with Directive 2007/46/EC and for ensuring conformity of production'.
- 4.8 In the UK, a 'provisional' type approval system currently applies in respect of vehicles registered in GB. This means that a vehicle must first obtain EU type approval, and then apply for 'provisional' type approval in GB.
- 4.9 Therefore, the person or body responsible for obtaining that EU type approval shall be considered to be the manufacturer in respect of the UK CO₂ emissions regulation.
- 4.10 It is expected that the UK will move to a full type approval system in 2022. This definition will be subject to review when this new type approval system is developed.

Key Contacts

- 4.11 The contact point for all policy matters is the Department for Transport: environmental.strategy@dft.gov.uk
- 4.12 The contact point for any operational or enforcement matters is the Vehicle Certification Agency: fleetaverage@vca.gov.uk
- 4.13 Section 13 of this document outlines further contact details.

5. Information to be provided by manufacturers

- 5.1 The enforcement process begins with manufacturers being required to submit several pieces of data to the UK enforcement body, the VCA. The VCA will check the data to ensure that any errors in the data are identified and/or clarified with manufacturers.
- 5.2 Manufacturers are required to report the following information to the VCA, as soon as practically possible following the end of the transition period and no later than 31 May 2021:
- The name/names of any manufacturer who is responsible for any vehicles registered in the UK, that they indicate, or intend to indicate, on the Certificates of Conformity (CoC) (Article 8, Regulation 1014/2010);
 - The first section (World Manufacturer Identifier code) of any Vehicle Identification Number (VIN) that they indicate or intend to indicate on the Certificates of Conformity (CoC) (Article 8, Regulation 1014/2010);
 - The relevant names and addresses of contacts for each manufacturer to whom the VCA should address the notification of provisional data. An email address is not legally required, but is also requested for ease of communication.
- 5.3 It is expected that the above information may change over time. Manufacturers must notify the VCA at the earliest possible opportunity of any changes to avoid any issues with calculating specific emissions of CO₂ performance or with the notification of a provisional dataset.
- 5.4 The above information should be sent via email to fleetaverage@vca.gov.uk and environmental.strategy@dft.gov.uk, or with express permission from the VCA it can be sent to the Vehicle Certification Agency's address: Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office Centre, Eastgate Road, Bristol, BS5 6XX.
- 5.5 If the above information is not provided by manufacturers, the following circumstances shall apply:
- Where the name of the manufacturer or the first section of the VIN is not provided, the VCA will use the name on CoC or in type-approval documentation to complete the detailed monitoring data.
 - Where a relevant name, address and email address is not provided, the VCA will use existing resources to locate a relevant contact. The responsibility will lie with manufacturers to ensure that any information sent to them is handled correctly and by the correct contact.

6. Monitoring and reporting of emissions data

- 6.1 This section explains the flow of information that is required with regard to the monitoring and reporting of vehicle registration and CO₂ emissions data, through to the publication of final performance by manufacturers against CO₂ targets, the issuing of excess emissions penalties and the rights of manufacturers in respect of any penalties. A flowchart with this information can be found in Annex A.

Process - DVLA to VCA

- 6.2 As is the case now, manufacturers will be required to register new vehicles with the DVLA in order to receive a registration number and to ensure that the vehicle can legally be driven on UK roads.
- 6.3 At the end of each calendar year, the DVLA will collate information on all newly registered cars and vans in the UK and transmit that information to the DfT.
- 6.4 The DfT will ensure that the data provided is consistent, formatted correctly and contains all of the information required under the UK regime. The DfT will then pass this data to the VCA by 28 February of the following year e.g. the full 2021 dataset must be transmitted to the VCA no later than 28 February 2022. This will be the first transfer of registrations data to the VCA.

Data points to be provided

- 6.5 No additional information will be collected by the DVLA as a result of the VCA being the enforcement body. The process for registering a vehicle remains unchanged.
- 6.6 All of the information that was previously provided to the European Commission by the DfT will now instead be provided to the VCA. A full list of the data points required can be found in Regulation 2019/631.

Manufacturer multi-stage van data reporting requirements

- 6.7 In accordance with Annex III of Regulation 2019/631 base vehicle manufacturers are required to report the CO₂ emissions of completed vehicles when based on either an incomplete or complete base vehicle, among other values, to the VCA, starting from 28 February 2022. The full list of values can be found in paragraph 1.2.2, Annex III of 2019/631.
- 6.8 The reported CO₂ emissions calculated from the incomplete base vehicles are then attributed to the base vehicle manufacturer for the purpose of the CO₂ regulations,

replacing the official CO₂ value as collected when the completed vehicle is first registered with the DVLA.

- 6.9 This requirement was brought in to prevent excessive burden on base vehicle manufacturers who are held responsible for the resulting CO₂ emissions of the completed multi-stage van. Base vehicle manufacturers are not aware of, nor can they fully control, the final CO₂ emissions of the completed van as this depends on the amendments made by the 2nd and 3rd stage body builders. Therefore, this reporting requirement will reduce any unknown burden as base vehicle manufacturers will now provide the CO₂ emissions to be used to calculate a manufacturer's CO₂ compliance.
- 6.10 Once a manufacturer reports the incomplete base vehicle CO₂ emission values, among others, to the VCA, the VCA will then do a VIN match exercise to ensure this value replaces the official CO₂ values taken from first registration.
- 6.11 If no data is provided for multi-stage vans by the base vehicle manufacturer, the official CO₂ values as captured by the DVLA will be used to assess manufacturer compliance.

Calculations

- 6.12 To calculate the CO₂ emissions of an incomplete base vehicle, paragraph 1.2.4, Annex III of 2019/631 provides a methodology. This is in line with type-approval legislation, point 3.2.3.2 to 3.2.4 of Sub-Annex 7 to Annex XXI of Regulation 2017/1151.
- 6.13 The legislation requires the frontal area (m²) to be provided to the VCA alongside other datapoints including CO₂ emissions of the incomplete base vehicle. However, if a manufacturer uses the wind tunnel method, as defined in (EU) 2017/1151 Annex XXI, Sub Annex 4, to calculate CO₂ emissions of the incomplete base vehicle no frontal area will be calculated. Therefore, in its place the drag co-efficient value multiplied by the frontal area (C_DX A_f) can be provided.

The calculations provide a body mass (B₀) value which all manufacturers must use to calculate the resulting CO₂ emissions. This value was due to be updated by 31 October 2021 for 2022 to 2024. To calculate this value data from 2018, 2019 and 2020 is needed, once the European Commission publishes the final 2020 data the UK Government will legislate for a new UK B₀ value. Manufacturers can continue to use the old B₀ value for 2022.

Representativeness of the monitoring CO₂ value

- 6.14 The VCA shall monitor the CO₂ emissions reported by the base vehicle manufacturer for the incomplete base vehicles, and shall compare these values against the official CO₂ values of the same completed vehicles when first registered.
- 6.15 If the VCA finds that, over a two-year period, there is more than a 4% divergence between the values, the VCA shall inform the manufacturer and in the following year will only use the official CO₂ emissions as recorded at first registration for the completed vehicle.

Reporting deadlines

- 6.16 Current UK legislation sets out that manufacturers must report this data by 28 February, starting from 2022. Therefore, manufacturers are asked to provide this data where possible for this deadline.

6.17 However, there will be another opportunity following the VCA publishing the provisional dataset where manufacturers can amend the dataset and provide the data points required by the regulations. This is expected to be between 30 June and 30 September.

6.18 *Process for reporting*

6.19 The VCA has created a .CSV template which manufacturers can use to provide this data. This data must be sent to the VCA by 28 February starting from 2022 or during the three-month window following the provisional data being published. The template can be found here on the VCA website [Average Emissions Monitoring - Vehicle Certification Agency \(vehicle-certification-agency.gov.uk\)](https://www.vehicle-certification-agency.gov.uk) and must be returned to VCA using ShareFile to ensure a secure transfer of the data. Please contact fleetaverage@vca.gov.uk for more information on using ShareFile.

Calculation of manufacturer/pool CO₂ targets

6.20 Please see section 7 below for more information on how the CO₂ targets for each manufacturer will be calculated.

Publication of provisional data

6.21 Following the transmission of the vehicle registration data to the VCA, they will have a four-month period in which they will be tasked with calculating:

- the provisional CO₂ emissions target for the reporting period for each manufacturer or pool;
- the provisional CO₂ emissions performance of each manufacturer or pool;
- the difference between the two figures and whether the manufacturer or pool has met their emission target.

6.22 This provisional dataset shall be notified to manufacturers by 30 June of the following year, and shall also be published online on <https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/>. The online dataset shall have certain information redacted in line with General Data protection Regulation (GDPR) requirements e.g. the VIN.

6.23 The notification to manufacturers, detailing the calculations as outlined above for each manufacturer or pool, shall be sent to the nominated contacts provided in accordance with section 5.2 of this guidance document.

Challenging the provisional dataset

6.24 Following the notification of the provisional dataset to manufacturers and pools by the VCA, there is a period of three months for manufacturers to analyse the dataset and to propose any amendments/highlight any errors.

6.25 For cars, should manufacturers or pools wish to make any changes to the provisional dataset, they must do so in accordance with the requirements in Article 7, paragraph 5 of Regulation 2019/631, and Article 9, paragraphs 3-5 of Regulation 1014/2010.

For vans, manufacturers or pools must follow the requirements in Article 7, paragraph 5 of Regulation 2019/631, as well as Article 10a of Regulation 293/2012.

- 6.26 Should manufacturers or pools not submit any amendments/corrections to the VCA within three months of being notified of the provisional dataset, then the provisional calculations will be final.
- 6.27 In order to submit any corrections or amendments, manufacturers and pools should send any such amendments by a secure, non-erasable electronic data carrier to the VCA's address: Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office Centre, Eastgate Road, Bristol, BS5 6XX, and should also be sent via email to environmental.strategy@dft.gov.uk and fleetaverage@vca.gov.uk

Publication of finalised dataset

- 6.28 Upon receipt of any amendments proposed by manufacturers and pools to the provisional dataset, the VCA will consider each amendment in turn. Each amendment will either be accepted, and will thus amend the dataset, or will be disregarded, in which case the provisional information for that entry will be finalised.
- 6.29 Following the consideration of all proposed amendments, the VCA will publish a finalised dataset by 31 October, containing:
- the final CO₂ emissions target for each manufacturer or pool;
 - the specific emissions of CO₂ for the manufacturer or pool;
 - the difference between the two listed figures; and
 - whether that manufacturer or pool has met their emissions target.
- 6.30 As with the provisional dataset, this notification will be sent to the nominated contact provided in accordance with section 5.2 of this guidance document, as well as being published online for public consumption (with specific data points removed) on <https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/>.

Excess Emissions Premiums

- 6.31 If a manufacturer or a pool has exceeded their emissions target, they will be issued with an excess emissions premium.
- 6.32 The excess emissions premium will be issued in the form of a civil penalty.
- 6.33 The amount payable will be £86 per gram of exceedance multiplied by the number of vehicles registered, this reflects the exchange rate in June 2020 and is in line with Regulation 2019/631, Article 8, paragraph 2.
- 6.34 The excess emissions premium will be sent either to the nominated contact point for the manufacturer or, in the case of a pool, to the pool manager.
- 6.35 The excess emissions premium will:
- Be in writing;
 - Be dated;
 - Set out the reasons for which the excess emissions premium is imposed;

- Set out the amount of the excess emissions premium and how it has been calculated;
- Set out how to pay the excess emissions premium;
- Require payment to be made before the end of a period of 28 days after the date of the notice;
- Include an explanation of the steps the manufacturer or pool manager must take if they wish to object to the excess emissions premium, including the manner and form in which any notice of objection must be served; and
- Include an explanation of the steps the VCA or Secretary of State may take to recover an unpaid excess emissions premium.

6.36 Excess emissions premiums must be paid within 28 days unless an appeal to the First Tier Tribunal is made.

Appeals

6.37 After challenging the provisional dataset, the VCA may disagree with amendments proposed. Where the manufacturer or pool has been found to be in breach of their CO₂ emissions target, and disagrees with the VCA's assessment, that manufacturer or pool has the right to appeal to the First Tier Tribunal on the basis that the VCA's calculation is based on an error of fact.

6.38 The Tribunal will either confirm the specific emissions of CO₂ figure, or will substitute its own value based on its own calculations.

6.39 No excess emissions premium can be imposed while an appeal is in progress.

6.40 Following the completion of the appeal, should a manufacturer or pool have been deemed to have missed their target, thus leading to the levying of an excess emissions premium, that manufacturer or pool will be required to pay that premium within 28 days of the relevant notice being served on them, as per the guidance above.

Vehicles exported from UK

6.41 To mitigate against potential problems due to vehicles moving from GB to Northern Ireland when the regulations were listed in Annex 2 of the Protocol, a new 'permanent removal' provision was created.

6.42 The EU's regime included a provision for 'used' vehicles, whereby any vehicle that is registered outside the EU, and subsequently moved into the EU within 3 months of registration, is classed as a 'new' vehicle and captured under the regulation. This therefore could have led to a situation where a vehicle is registered in GB, thus counting under the UK regime, before being moved into either Northern Ireland or being exported overseas within 3 months, and also counting under the EU framework.

6.43 To prevent this situation, a provision was added (Article 2(5) of 2019/631) preventing a vehicle from being double counted under both GB and EU regimes. The provision initially covered vehicles being registered in GB and subsequently being moved permanently to Northern Ireland or overseas within 3 months. Following the amendments to the Protocol, this provision has been updated to reflect the fact that

Applicable in the UK between 01 January 2021 – 31 December 2023 ONLY

Northern Ireland was brought in scope of the UK regulations from 1 September 2021. Prior to this date, the original clause remains active with respect to vehicles being exported from EU/Northern Ireland to GB.

7. Calculation of emission targets and performance

Methodology for targets

- 7.1 In 2022 and subsequent years, the DfT will send the previous reporting period's registration data to the VCA e.g. in 2022 the DfT will send all the registration data for 2021 to the VCA. In combination with the CO₂ figures reported by manufacturers via the multi-stage vans exercise, the VCA will then calculate the WLTP CO₂ emissions target for each manufacturer and/or pool.

WLTP target specific calculation

- 7.2 In accordance with 2019/631, Annex I, Part A and B, the following methodology shall be used to calculate a manufacturer or pool's, specific WLTP emissions target.
- Firstly, when calculating the WLTP reference target, for both cars and vans the manufacturer's and/or pool's 2020 EU values shall be used for all of the required data fields. This means that the VCA shall use the dataset published by the European Commission in respect of the 2020 reporting period to derive the WLTP specific emissions reference target in the UK. Please refer to Annex I, 2019/631 for further information on the data fields.

$$\text{WLTP specific emissions reference target} = \text{WWWWWWWWCCCCC} \cdot \left(\frac{\text{NNNNNNCCCCNCCNNNNNNNNNNNNNNNNNN}}{\text{NNNNNCC CCCCC}} \right)$$

- The WLTP reference target figure will then be fed into the 'Specific emissions target' formula.

$$\text{Specific emissions target} = \text{WLTP}_{\text{reference target}} + a [(M_{\theta} - M_0) - (M_{\theta 2020} - M_{0,2020})]$$

- 7.3 In 2021, for cars, the values to be used to calculate 'specific emissions target' are:
- WLTP reference target as set out above;
 - $a = 0.0333$
 - M_{θ} = the average mass in running order of the new cars of the relevant manufacturer/pool in 2021 in GB plus Northern Ireland from 1 September
 - $M_0 = 1379.88\text{kg}$
 - $M_{\theta 2020}$ = the average mass in running order of the new cars of the relevant manufacturer/pool in 2020 in the UK

- $M_{0,2020} = 1379.88\text{kg}$

7.4 In 2021, for vans, these values are:

- WLTP reference target as set out above;
- $a = 0.096$
- M_{θ} = the average mass in running order of the new vans of the relevant manufacturer/pool in 2021 (subject to additional qualifications as set out for multi-stage vehicles) in GB plus Northern Ireland from 1 September
- $M_0 = 1825.23\text{kg}$
- $M_{\theta 2020}$ = the average mass in running order of the new vans of the relevant manufacturer/pool in 2020 in the UK
- $M_{0,2020} = 1766.4\text{kg}$

7.5 SI 2021/1242 came into force on 26 November and provides a methodology to calculate CO₂ targets for specific manufacturers who were previously unable. This includes:

- Manufacturers with zero CO₂ emissions in 2020;
- Manufacturers who are new to market in 2021 onwards;
- Manufacturers who merge together to form a new manufacturer/legal entity;
- Manufacturers who have been granted a certain derogation in 2021; and
- Manufacturers who are new to market and are eligible for a derogation from 2021.

Methodology for performance

7.6 For each manufacturer and pool, the VCA will assess the average specific emissions of CO₂ that are emitted by the newly registered fleet in the previous year's reporting period.

7.7 From 2021 onwards the VCA will be assessing performance using WLTP values, in accordance with 2019/631.

Super-Credits

7.8 Under the UK scheme, manufacturers will be eligible to receive super-credits for registering zero or low emission vehicles (ZLEVs) into the UK market. These credits can then be used against emission targets.

7.9 For 2021 and 2022, each ZLEV produced will count as 1.67 and 1.33 cars, respectively. As such, manufacturers may benefit from a maximum of 3.75g CO₂/km reduction in their specific emissions of CO₂ performance over this period.

Eco-Innovations

- 7.10 Where a vehicle has been fitted with approved eco-innovations and has had the CO₂ emissions saving independently tested and verified, this figure shall be taken into account by the VCA when calculating the specific emissions of CO₂ for that particular vehicle. Further details can be found in section 9.

Northern Ireland Protocol

- 7.11 As is the case now, manufacturers will be required to register new vehicles for use across the UK, including in Northern Ireland, with the DVLA, to receive a registration number.
- 7.12 Due to changes being made to the Protocol after SI 2020/1418 was laid, vehicles registered for use in Northern Ireland. between 1 January 2021 to 31 August are out of scope the regulations. From 1 September onwards, registrations in Northern Ireland will count towards manufacturer CO₂ compliance.

8. Super-Credits

- 8.1 Under the EU regulation, manufacturers could benefit from super-credits for registering zero or low emission vehicles (ZLEVs). A ZLEV is defined as any car with CO₂ emissions of less than 50g CO₂/km, whether NEDC or WLTP. These credits can then be used against emission targets, the more ZLEVs a manufacturer sells the more super-credits it will receive. Super-credits will continue to apply in the UK scheme.

Super-credits in 2021 and 2022

- 8.2 As mentioned in paragraph 7.11, under the UK scheme for the years 2021 and 2022, each ZLEV produced will count as 1.67 and 1.33 cars, respectively.
- 8.3 Manufacturers may benefit from a cumulative maximum of 3.75g CO₂/km (WLTP) reduction in their specific emissions of CO₂ performance over the course of the two-year period in which super-credits apply. Super-credits will automatically apply when a manufacturer registers ZLEVs into the market, therefore it is possible for all 3.75g CO₂/km credits to be used up in 2021.
- 8.4 The super-credits are applied automatically, and therefore must be used if vehicles are eligible. A manufacturer may not voluntarily decline the use of super-credits in 2021 in order to use them in 2022, if they have registered eligible vehicles in 2021.
- 8.5 If super-credits apply, but a manufacturer/pool is still in breach of their emissions target, the multiplication of vehicles shall not apply for the 'number of new passenger cars' in the excess emissions premium calculation.

9. Eco-Innovations

- 9.1 Manufacturers will continue to be able to receive 'credits' for eco-innovations - vehicle technologies that reduce CO₂ emissions when the vehicle is in use on the road but that may not be taken into account during the traditional vehicle CO₂ emissions test procedure. An example of this is LED lighting vs traditional halogen lighting, as lights are not switched on during the emissions test.

Existing Eco-Innovations approved by the European Commission

- 9.2 All eco-innovations that had been approved for use as CO₂ emissions reduction technologies, and were not repealed before 31 December 2020, will continue to be approved for use in the UK as CO₂ emissions reduction technologies.
- 9.3 The technology will remain approved; the methodology for certifying the CO₂ saving on the vehicle will remain the same; the eco-innovation code to be used when registering the vehicle will remain the same; and any other caveats such as time limits will also remain the same.
- 9.4 A list of the retained eco-innovations, including those that are yet to be corrected by an SI to ensure they function appropriately in a UK context, can be found in sections 3.12 and 3.13 above. For all retained, but uncorrected eco-innovations, our approach is that any vehicle registered with these eco-innovations will receive credit for that eco-innovation and will be unaffected. We intend to operationalise these implementing decisions in UK law at the earliest possible opportunity.
- 9.5 For the avoidance of doubt, sections 3.14 and 3.15 provide a list of all eco-innovations that have been repealed, and therefore do not have effect in UK law.

Approved Eco-Innovations in 2021

- 9.6 The Government recognises that the below eco-innovations were in the process of being approved by the European Commission, but had not been approved, at the point that the UK exited the transition period.
- 9.7 Therefore, in order to minimise any additional administrative burden, these eco-innovations will be approved in the UK in the same manner, subject to any irregularities.
- 9.8 The specific certification of savings from the approved eco-innovations will come from the CoC as assessed during the type approval procedure. Both the VCA, the UK type approval authority, and EU type approval authorities will be able to provide this whilst the provisional GB type approval is in place.

Implementing Decision (EU) 2021/136

- 9.9 Due to the minor amendment made by this eco-innovation, no formal application is required to the VCA for this eco-innovation to be approved in the UK. The certification of savings will come from EU type approval documentation.

Implementing Decision (EU) 2021/488

- 9.10 Due to the minor amendment made by this eco-innovation, no formal application is required to the VCA for this eco-innovation to be approved in the UK. The certification of savings will come from EU type approval documentation.

New Eco-Innovations - Testing

- 9.11 Manufacturers will continue to be able to use technical services within Europe and the UK that are recognised as such by the EU Type Approval Framework Directive. This is so manufacturers will be able to test and verify that their provisional eco-innovation meets all the requirements of the UK eco-innovations approval regulations and prevent manufacturers or parts suppliers having to 'double-test' their product in the EU and the UK.

New Eco-Innovations - Approval

- 9.12 An application for any new eco-innovation will need to be approved separately in the UK from the 1 January 2021.
- 9.13 Manufacturers/parts suppliers will be asked to provide all of the information that they have previously provided to the European Commission to the VCA, the nominated enforcement body for these regulations, instead. The application shall be made in accordance with Article 4 of Regulation 725/2011 or in accordance with Article 4 of Regulation 427/2014.
- 9.14 If an application has been made to the European Commission at the same time for the same technology, and such approval has been provided by the Commission before the VCA has come to a decision, then it is requested that the manufacturer or parts supplier include details of the approval.
- 9.15 If a technology has been approved by both the European Commission and the VCA, then the VCA intend for the code used on the CoC in the UK to be the same as it is within the EU.
- 9.16 If an application has only been made in the UK, and the application is approved, then it is intended that the code to be used on the CoC shall start from 99 and will countdown by 1 for every approved application afterwards i.e. the first UK only eco-innovation will have a code of 99, the second eco-innovation will have a code of 98, and so on.
- 9.17 If an application is subsequently made to the European Commission, and the application is approved, it is intended for the UK only eco-innovation code e.g. 99, to be replaced by the number mandated by the European Commission to ensure alignment and consistency.

- 9.18 You can find an application form to apply for an eco-innovation on the VCA's website <https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/>.
- 9.19 Applications must be made to the VCA in writing and sent to Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office Centre, Eastgate Road, Bristol, BS5 6XX and emailed to fleetaverage@vca.gov.uk and environmental.strategy@dft.gov.uk.

Certification of Savings

- 9.20 Once full GB type approval is in place, a manufacturer wishing to benefit from a reduction in its specific CO₂ emissions from an eco-innovation should apply to the VCA for a UK type approval certificate of the vehicle fitted with the eco-innovation.
- 9.21 The application should provide the necessary information specified in the Road Vehicles (Approvals) Regulations 2009, and should refer to the decision to approve the eco-innovation.
- 9.22 The savings provided by an eco-innovation on a vehicle will only be certified if it meets the minimum threshold of 0.5g CO₂ /km per eco-innovation.
- 9.23 If more than one eco-innovation is fitted to a vehicle, and these eco-innovations interact, then this 0.5g CO₂/km threshold is multiplied by the number of eco-innovations fitted to the vehicle.
- 9.24 The application for, and certification of, CO₂ savings from eco-innovations for individual vehicle types shall be made in accordance with Article 11 of Regulation 725/2011, and with Article 11 of Regulation 427/2014.
- 9.25 If an eco-innovation is approved by the VCA, but full GB type approval is not in place, the CO₂ savings from EU type approval documentation may be used in its place.

Eco-Innovation Multiplier

- 9.26 As only CO₂ savings due to eco-innovations that are not covered by the WLTP test procedure may be taken into account from 2021, the following adjustments, covered in Article 6 of Regulation 2017/1153, will be used:
- In 2021: $\text{EI savings}_{\text{adjusted 2021}} = \text{WLTP}_{\text{EI savings 2021}} \cdot 1.9$
 - In 2022: $\text{EI savings}_{\text{adjusted 2022}} = \text{WLTP}_{\text{EI savings 2022}} \cdot 1.7$
 - In 2023: $\text{EI savings}_{\text{adjusted 2023}} = \text{WLTP}_{\text{EI savings 2023}} \cdot 1.5$

10. Pooling

- 10.1 Manufacturers continue to have the opportunity to pool their registrations together and, for the purposes of calculating a CO₂ emissions target and calculating performance against that target, be considered as one entity.
- 10.2 Manufacturers should note that pooling arrangements have not been retained in the UK following EU Exit. Should a manufacturer wish to enter into a pooling arrangement, an application to the VCA will therefore be required.
- 10.3 As the existing pooling arrangements have not been retained in the UK, manufacturers are not compelled to form the same pools for their UK registrations.

Applications

- 10.4 Any applications to form a pool must be made and sent to the VCA, and must be made in accordance with Article 6 of Regulation 2019/631.
- 10.5 Applications to form an open pool must be submitted before 31 October of the first year in which the pool is requested to apply from. Although the pool may last for no more than 5 years, the VCA will now only approve both open and closed pools up to and including 2023. This is due to the proposed new UK ZEV mandate and CO₂ framework regime that will be coming into force in 2024
- 10.6 For any manufacturer that has entered into a pooling agreement in the UK that exceeds 2023 the intention is for this to be dissolved once the new regime enters into effect.
- 10.7 The deadline for forming a closed pool is the 31 December, however the VCA request that any applications are received by 1 December in order to allow time to process the application.
- 10.8 The first year under the UK scheme applications can be sent in is 2021. All applications must include the manufacturers to be included in the pool; the name of the pool manager; and proof that the pool manager will be able fulfil their obligations in respect of any excess emissions premium that may be levied.
- 10.9 Once an application to form an open pool is sent to the VCA, the VCA will then publish this intent to form a pool on the VCA website. A 30-day window will then open for other manufacturers to apply to the pool manager to join the pool.
- 10.10 You can find both the open and closed application forms on the VCA website <https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/>.
- 10.11 The pooling application form should be sent via email to fleetaverage@vca.gov.uk and environmental.strategy@df.gov.uk, or with express permission from the VCA it can also be sent to the Vehicle Certification Agency's address: Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office Centre, Eastgate Road, Bristol, BS5 6XX.

Decisions

10.12 Provided that the application to form a pool meets the requirements stated in Article 6 of Regulation 2019/631, the VCA shall grant the pool and, for the purposes of CO₂ emissions performance and targets, shall consider the manufacturers listed in the application to effectively be one entity.

Amendments to pools

10.13 Manufacturers must inform the VCA as soon as possible of any change to the pool manager and/or their details; to any change regarding the financial status of the pool in so far as its ability to pay any excess emissions premium imposed on the pool in accordance with Article 8 of 2019/631, and of any changes to the membership of the pool including the dissolution of the pool.

10.14 Any such changes must be notified by 31 December of the reporting period in which a pool would wish to make changes.

11. Derogations

- 11.1 Manufacturers continue to be able to apply for a niche volume or small volume derogation from the overall CO₂ emission target.
- 11.2 Under the EU regime, manufacturers who register between 10,000 and less than 300,000 new cars a year are eligible for a niche volume derogation.
- 11.3 Manufacturers who register between 1,000 and less than 10,000 cars a year are eligible to apply for a small volume derogation. The threshold for a small volume derogation for vans is 1,000 to 22,000.
- 11.4 For both cars and vans the threshold to count as out of scope for any CO₂ regulation is fewer than 1,000 vehicles registered.

Retention of EU derogation decisions

- 11.5 EU decisions relating to the granting of derogations have been retained in UK law and continue to work without amendment. Therefore, any manufacturer that had an approved EU derogation for 2021 may continue to use that same derogation in respect of their UK registrations in 2021.
- 11.6 However, all such decisions will be revoked in 2021, effective from 1 January 2022, in line with Article 10, paragraph 6 of Regulation 2019/631.
- 11.7 This will mean that any manufacturer that has an active derogation in 2021 and wishes to continue to receive a derogation in 2022, will need to reapply in the UK.
- 11.8 Any such niche derogations applied for and granted in the UK will be based on a 2007 UK baseline for cars. There is no niche volume derogation available for vans.
- 11.9 With that in mind, manufacturers that have an active EU derogation in 2021 that has been retained in UK law may also apply for a UK-derived derogation in 2021.

Eligibility/changes to the EU approach

- 11.10 To ensure that manufacturers continue to qualify for the same style of derogation that they have previously qualified for in the EU, the derogation thresholds have been amended by SI 2020/1418.
- 11.11 For both cars and vans, manufacturers will receive individual thresholds based on the percentage of EU sales in 2017 that occurred in the UK, and on the original EU derogation thresholds of 300,000/10,000 cars and 22,000 vans. These thresholds will not change when transitioning from a GB to UK scheme.
- 11.12 For example, if a manufacturer registered 200,000 cars in the EU in 2017, 100,000 of which were in the UK, this is a percentage of 50%. The manufacturer would then have an individual threshold of 150,000 cars (50% of 300,000) that will be used as the basis for their derogation application (should one be made).

- 11.13 Another example, but for vans, if a manufacturer registered 15,000 vans in the EU in 2017, 7,500 of which were in the UK, this is a percentage of 50%. The manufacturer would then have an individual threshold of 11,000 cars (50% of 22,000) that will be used as the basis for their derogation application (should one be made).
- 11.14 The formulae to work out individual manufacturer thresholds can be found in SI 2020/1418, as well as Annex B and Annex C of this document for niche volume derogations and small volume derogations respectively.
- 11.15 When calculating the thresholds for individual manufacturers, and thus eligibility for a derogation, the finalised EU dataset for 2017 will be used to derive the proportion of 2017 EU registrations that occurred in the UK. This dataset can be found at <https://www.eea.europa.eu/data-and-maps/data/co2-cars-emission-16>.

Niche Volume Derogations applications

- 11.16 Applications for a niche volume derogation must be made in accordance with Article 10, paragraph 4 of Regulation 2019/631 and in accordance with Articles 3,4 and 6 of Regulation 63/2011.
- 11.17 The formulae for an individual manufacturer to calculate its niche volume derogation threshold can be found in SI 2020/1418 or Annex B.
- 11.18 Applications must be submitted before 31 October of the first year in which the derogation is requested to apply from. The first year under the UK scheme applications can be sent in is 2021. Derogations can last for up to 5 years, however due to the proposed new UK ZEV mandate and CO₂ framework being brought in in 2024, the VCA will only grant a derogation upto and including 2023.
- 11.19 For any manufacturer that has a derogation in the UK that exceeds 2023 the intention is for the to be revoked once the new scheme enters into effect.
- 11.20 The VCA may request additional information if the application is deemed to be incomplete
- 11.21 Where the VCA has raised no objections within nine months of receiving a completed application, the conditions for applying for a derogation shall be deemed to be satisfied.
- 11.22 Where an application is rejected due to incompleteness or because the VCA finds the proposed emissions target is deemed to be incompatible with the manufacturer's emissions potential, another application may be made.
- 11.23 If approved, the target shall be a 45% reduction based on the manufacturer's average specific emissions of CO₂ for their UK fleet in 2007. If 2007 figures do not exist, the VCA shall determine an equivalent reduction target based upon the best available CO₂ emission reductions technologies deployed in cars of comparable mass and taking into account the market for the type of car being manufactured.
- 11.24 This 45% reduction is based on NEDC values. The procedure for converting the NEDC-derived target to WLTP is set out in Annex I of Regulation 2019/631.
- 11.25 For clarity, when performing this conversion, EU values shall be used, as is the case with NEDC/WLTP conversion for the 95g CO₂/km target.
- 11.26 Manufacturers must inform the VCA immediately of any changes which may affect the eligibility of the derogation.

- 11.27 Where the VCA considers that a manufacturer is no longer eligible for a derogation, it shall be revoked with effect from 1 January of the following reporting period. The VCA will notify the manufacturer in such circumstances.
- 11.28 You can find applications to apply for a niche volume derogation on the VCAs website <https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/>.
- 11.29 Applications must be made to the VCA in writing and sent to Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office Centre, Eastgate Road, Bristol, BS5 6XX and emailed to fleetaverage@vca.gov.uk and environmental.strategy@dft.gov.uk.

Small Volume Derogations applications

- 11.30 Applications for a small volume derogation for car manufacturers must be made in accordance with Article 10, paragraph 1 of Regulation 2019/631 and in accordance with Articles 3-5 of Regulation 63/2011.
- 11.31 For vans, the application must be made in accordance with Article 10 of Regulation 2019/631, and in accordance with Articles 3-5 of Regulation 114/2013.
- 11.32 The formulae for an individual manufacturer to calculate its small volume derogation threshold can be found in Regulation 3 paragraph 29 of SI 2020/1418 (which inserts a new Annex 4 into Regulation 2019/631) or Annex C of this document.
- 11.33 Applications must be submitted before 31 October of the first year in which the derogation is requested to apply from. The first year under the UK scheme applications can be sent in is 2021. Derogations can last for up to 5 years, however due to the proposed new UK ZEV regime mandate and CO₂ framework being brought in in 2024, the VCA will only grant a derogation up to and including 2023.
- 11.34 For any manufacturer that has a derogation in the UK that exceeds 2023 the intention is for the to be revoked once the new scheme enters into effect.
- 11.35 The VCA may request additional information if the application is deemed to be incomplete.
- 11.36 Where the VCA has raised no objections within 9 months of receiving a completed application, the conditions for applying for a derogation shall be deemed to be satisfied.
- 11.37 Where an application is rejected due to incompleteness or because the VCA finds the proposed the proposed emissions target is deemed to be incompatible with the manufacturer's emissions potential, another application may be made.
- 11.38 If approved, the target shall be as agreed between the manufacturer and the VCA. The VCA shall assess the proposed CO₂ emissions target based upon the manufacturer's reduction potential (both economic and technological) and based upon the characteristics of the market for the type of vehicle manufactured.
- 11.39 As this will be a bespoke target, no conversion is required, as the target will be set using WLTP values.
- 11.40 However, for existing EU-derived targets in 2021, these will be converted in the same manner as niche-volume derogated targets, using the full EU dataset.

- 11.41 Manufacturers must inform the VCA immediately of any changes which may affect the eligibility of the derogation.
- 11.42 Where the VCA considers that a manufacturer is no longer eligible for a derogation, it will be revoked with effect from 1 January of the following reporting period. The VCA will notify the manufacturer in such circumstances.
- 11.43 You can find applications to apply for a niche volume derogation on the VCAs website <https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring>.
- 11.44 Applications must be made to the VCA in writing and sent to Fleet Average CO₂ Emissions, VCA Headquarters, 1 Eastgate Office Centre, Eastgate Road, Bristol, BS5 6XX and emailed to fleetaverage@vca.gov.uk and environmental.strategy@dft.gov.uk.

De Minimis Threshold

- 11.45 Although, the derogation thresholds have been amended for the UK-only regulation, the de minimis threshold has not been amended.
- 11.46 Therefore, the de minimis threshold will remain at 1,000 vehicles for both cars and vans.
- 11.47 Any manufacturer registering fewer than 1,000 vehicles in a calendar year shall be deemed to be out of scope of the regulation, unless that manufacturer is part of an agreed pool.
- 11.48 Any pool registering fewer than 1,000 vehicles in a calendar year shall be deemed out of scope of the regulation if that pool as a whole has registered fewer than 1,000 vehicles.

12. Future Amendments on existing CO₂ regime

12.1 This regulation is now in force; however, changes may be needed to ensure that the regulations keep pace with change to both the UK vehicle market and to wider legislation.

Future amendments

12.2 A number of legislative changes are planned for 2022 to ensure the regulations continue to operate as intended. Changes will include, but are not limited to:

- Article 14 (1) of 2019/631 requires the average mass of a van, the M_0 value, used in CO₂ target calculations for 2024 to be updated by 31 October 2022. The M_0 value is updated every 3 years in order to reflect the average mass of all relevant vehicles registered over the previous 3 years. This allows the regulation to keep pace with changes to the make-up of the UK vehicle market. To note: For any M_0 adjustment that is due to use the 2021 dataset, it should be noted that cars/vans registered in Northern Ireland between 1 January and 31 August 2021 will not be taken into account for this adjustment, as these vehicles will remain out of scope of the regulation.
- Annex III of 2019/631 requires the average body mass of a multi-stage van, the B_0 value, used to calculate CO₂ emission from incomplete base vehicles to be updated by 31 October 2021. This value will be updated in 2022 following the EU publishing the final car and van CO₂ dataset for 2020. The new B_0 value will be used in CO₂ emission calculations in the years 2022 to 2024.
- Eco-innovations that were approved prior to the end of the transition period have been retained into UK law. While most have been corrected to ensure they function in a UK context, a small number of eco-innovations (published just before the end of the transition period) were not. These decisions need to be amended to ensure they function in a UK context.
- Article 12 of 2019/631 obligates the UK Government to collect and report on real world CO₂ emissions data such as fuel consumption starting with vehicles registered in 2021. The UK Government intends to legislate for how this data should be collected in 2022.
- In line with Article 7 (10) evaluate the possibility of developing a methodology for the assessment and reporting of full life cycle CO₂ emissions of a car and van by no later than 2023.
- In line with Article 13 to develop a system to verify CO₂ emissions for vehicles in service.
- In line with Article 15 of Regulation 2019/631, the Government is required to review the effectiveness of this legislation in 2023.

13. New regulatory CO₂ regime

- 13.1 On 14 July 2021 the UK Government published the “*Green Paper on a New Road Vehicle CO₂ Emissions Regulatory Framework for the United Kingdom*”¹. This paper consulted on what future regulatory CO₂ regime the UK will adopt in order to enforce the already agreed phase out dates of 2030 for new petrol and diesel cars and vans, and 2035 for all new non-zero emission cars and vans.
- 13.2 The Green paper also consulted on the definition of significant zero emission capability (SZEC). The definition of SZEC will determine the specification of cars and vans that can be sold between 2030 and 2035.
- 13.3 On 19 October 2021, in the Net Zero Strategy², it was announced the UK Government will adopt a zero-emission vehicle (ZEV) mandate for its future regulatory CO₂ regime. A ZEV mandate will require that a certain percentage of manufacturer sales each year are zero emission, increasing from 2024 to 100% in 2035.
- 13.4 Further consultation on the specific design of the ZEV Mandate regulation will take place in 2022.
- 13.5 All of the policy on the existing CO₂ regime, as outlined in this guidance document, is subject to review and may change one the new regime enters into force.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1007466/green-paper-on-a-new-road-vehicle-CO2-emissions-regulatory-framework-for-the-United-Kingdom-web-version.pdf

² <https://www.gov.uk/government/publications/net-zero-strategy>

14. Contacts

DfT Contacts

- 14.1 DfT officials can be contacted regarding any aspect of the legislation or the policy of the regulations.
- 14.2 The lead division in the DfT overseeing the Regulations is the Environment Strategy team. They can be contacted at environmental.strategy@df.gov.uk

VCA Contacts

- 14.3 VCA officials can be contacted regarding the enforcement of the regulation.
- 14.4 The lead team at the VCA is Corporate Affairs. They can be contacted at fleetaverage@vca.gov.uk

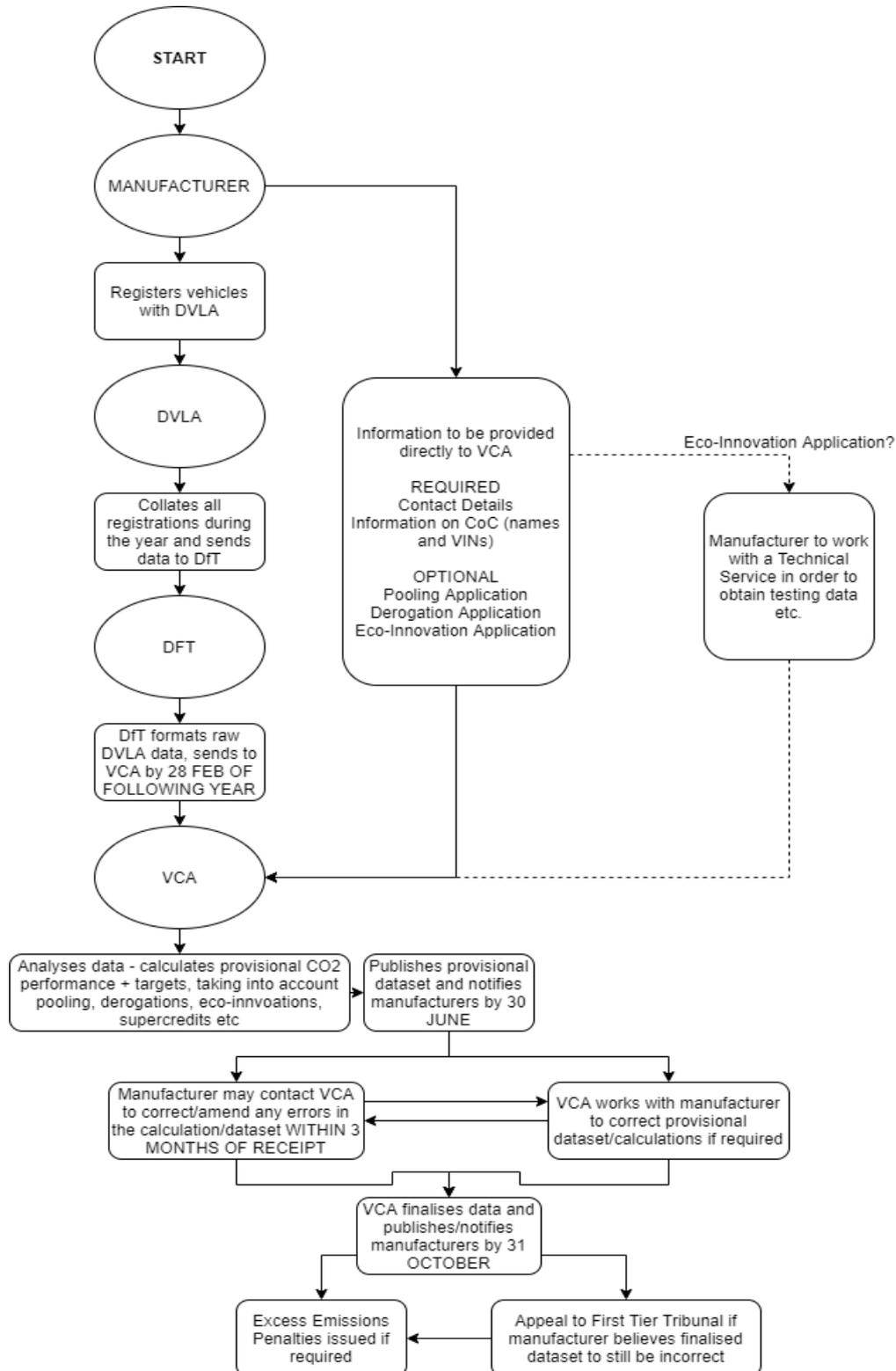
DVLA Contacts

- 14.5 The DVLA can be contacted regarding the collection of registrations data.
- 14.6 They can be contacted using the Basecamp facility. All manufacturers who register vehicles should have access to this forum.
- 14.7 Alternatively, they can be contacted at VED.Reform@dvla.gov.uk

Vehicles Statistics

- 14.8 The Vehicle Statistics team are responsible for collating registrations information from the DVLA and reporting an initial dataset to the VCA.
- 14.9 They can be contacted at vehicles.stats@df.gov.uk

15. Annex A – Information flowchart



16. Annex B – Niche volume derogation thresholds

Niche volume derogation thresholds

15.1. For each of the years from 2020 to 2024¹—

- (a) the niche volume derogation threshold in relation to a manufacturer that was responsible for new passenger cars registered in both the United Kingdom and in an EEA state in the period beginning with 1 January 2017 and ending with 31 December 2017 (“the relevant period”) is:

$$\frac{UK}{EEA} \times 300,000$$

where:

“EEA” is the number of new passenger cars registered in an EEA state in the relevant period for which that manufacturer was responsible, and

“UK” is the number of new passenger cars registered in the United Kingdom in the relevant period for which that manufacturer was responsible,

- (b) the niche volume derogation threshold in relation to a manufacturer not falling within point (a) is 50,000.

¹ The VCA will only approve derogations up until and including 2023 due to the new regime entering into force in 2024.

17. Annex C – Small volume derogation thresholds

Small volume derogation thresholds

16.1. For each of the years from 2020 to 2024²—

- (a) the small volume derogation threshold in relation to a manufacturer that was responsible for new passenger cars registered in both the United Kingdom and in an EEA state in the period beginning with 1 January 2017 and ending with 31 December 2017 (“the relevant period”) is:

$$\frac{UK}{EEA} \times 10,000$$

where:

“EEA” is the number of new passenger cars registered in an EEA state in the relevant period for which that manufacturer was responsible, and

“UK” is the number of new passenger cars registered in the United Kingdom in the relevant period for which that manufacturer was responsible,

- (b) the small volume derogation threshold in relation to a manufacturer not falling within point (a) is 1,700,
- (c) the small volume derogation threshold in relation to a manufacturer that was responsible for new light commercial vehicles registered in both the United Kingdom and in an EEA state in the period beginning with 1 January 2017 and ending with 31 December 2017 (“the relevant period”) is:

$$\frac{UUUU}{EEEEEE} \times 22,000$$

where:

“EEA” is the number of new light commercial vehicles registered in an EEA state in the relevant period for which that manufacturer was responsible, and

“UK” is the number of new light commercial vehicles registered in the United Kingdom in the relevant period for which that manufacturer was responsible,

- (d) the small volume derogation threshold in relation to a manufacturer not falling within point (c) is 4,300.

Applicable in the UK between 01 January 2021 – 31 December 2023 ONLY

² The VCA will only approve derogations up until and including 2023 due to the new regime entering into force in 2024.