



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2014)

**Opinion**

**Title**                                    **DG ENTR – Impact Assessment accompanying a proposal for a Regulation on the approval and market surveillance of motor vehicles and their trailers (review of the Directive 2007/46/EC type-approval framework for motor vehicles)**  
  
(draft version of 3 March 2014)\*

**(A) Context**

The legal framework for the type approval of motor vehicles aims at facilitating the free movement of automotive products in the internal market by putting in place a compulsory EC type-approval system. The ex-post evaluation of Directive 2007/46/EC conducted in 2011 showed that the Directive had proved its relevance but that unsafe and/or non-compliant automotive products were still placed on the market in the EU. This was confirmed by the 2012 pilot fitness check. Taking into account the results of these evaluations, the report analyses how to address the problem of non-compliant or unsafe automobile products.

**(B) Overall opinion: POSITIVE**

**The Board has decided to issue a positive opinion on the condition that the sections relative to the causes of the problems and impacts are significantly improved, most notably with respect to the robustness of the quantitative estimates presented. The report should also better assess the possible reasons for the placing of unsafe and non-compliant automotive products on the EU market and clarify the relevance of the main problem drivers identified. The report should also clarify the extent to which the proposed options represent an alignment to provisions of already existing horizontal legislation (i.e. the New Legislative Framework) and/or parallel type approval regulations, or propose new, tailor-made solutions for the automotive sector. The report should also better assess the proportionality of some of the proposed measures, the impact on third countries and the risk that persisting poor enforcement by some Member States may limit the proposal's effectiveness.**

**(C) Main recommendations for improvements**

**(1) Better present the policy context and the links with other initiatives.** The report should better explain the policy and regulatory context as well as the key features of the sector (structure of the value chain and distribution channels, market for technical services

\* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

and relevance of SMEs, imports and replacement goods). The report should also better present the scope of this initiative and establish a clearer link with (i) the technical acts setting out the relevant health and safety requirements,; (ii) the New Legislative Framework (NLF) and its review (i.e. the Product Safety and Market Surveillance - PSMS - Package), (iii) the changes made in the parallel L and T-categories Regulations (in particular with regard to the strengthening of market surveillance alongside type approval procedures). In so doing, the report should clarify whether the key driver of the initiative is an alignment of the type-approval framework for motor vehicles and trailers or a need for tailor-made solutions.

**(2) Strengthen the problem definition and better assess the underlying drivers.** The report should provide a more comprehensive overview of the possible reasons for unsafe and non-compliant automotive products being placed on the EU market, distinguishing between: irregularities (e.g. occurring due to lack of awareness of the requirements, etc.) and genuine illegal activity; imported and EU-produced goods and components sold as part of a car and separately as spare parts. To do so, the report should make more explicit use of the available evidence, in particular stakeholders' views and the results from studies. In this way, the report should clarify: (i) how the five main drivers were selected, more clearly explaining, or reconsidering, their estimated contribution to the problem (table on p.21); (ii) what the other factors accounting for between 30% to 75% of the problem are and why they are not tackled directly; (iii) the relevance of poor enforcement and/or weak administrative capacity in some Member States. The report should also provide more evidence about the shortcomings of current tools and explain why infringement procedures would not suffice to solve the cases of non-compliance with existing EU legislation. Finally, the report should develop a more robust and complete baseline scenario, taking into account recent trends or initiatives, such as the PSMS Package. More concrete evidence on the cross-border dimension of the problem should be used to strengthen the subsidiarity and proportionality analysis.

**(3) Better present the options.** The report should clarify the obligations that arise from the standard provisions of the existing horizontal legislation (i.e. the NLF), what needs to be adapted to take into account the specificity of the automotive sector and what goes beyond. It needs to better define the content of the options and how they would work in practice, e.g. explaining what would be the role of national authorities and how the exchange of information between the authorities would be ensured. The report should also explain why no options were put forward regarding certain issues raised by stakeholders, such as concept of new vehicle type and the conditions for granting extensions to type-approvals. The views of different categories of stakeholders should be better presented in particular in the options section and the representativeness of the answers received through the consultations should be critically discussed. The report should mention if micro-enterprises are included in the scope of this initiative and if so why.

**(4) Improve the analysis of impacts and the comparison of options.** The robustness of the quantitative estimates provided and the reliance on the value of non-compliant and unsafe products on the market as a proxy for benefits should be critically reassessed, especially in view of the uncertainty surrounding the actual relevance of the causes included in the scope of the exercise. The qualitative assessment of impacts should also be strengthened relying on the wealth of preparatory analysis carried out. In so doing, the report should better justify the proportionality of the proposed measures, in particular regarding the new requirements for technical services and importers. In view of the latter, the report should more critically assess likely impacts on trade and explain why the requirement of having a legal representative in the EU would not be perceived as a barrier

to trade by third countries. The report should also assess the impacts on different Member States, including whether they have sufficient administrative capacity to comply with the new requirements. In this context, the report should also assess how the proposed measures would tackle the identified lack of proper enforcement in some Member States. Finally, the options should be explicitly compared in terms of their effectiveness, efficiency and coherence.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.*

**(D) Procedure and presentation**

The report should be significantly shortened avoiding repetitions and focusing the main text on the significant impacts only. More operational monitoring and evaluation arrangements should be proposed. The coherence between the different sections of the report should be improved. For instance, the views of/complaints from consumers, proposed as an indicator to monitor the success of the initiative, should be referred to in the problem definition section. The executive summary should be shortened to a maximum of 10 pages and its content should respect the Guidelines.

**(E) IAB scrutiny process**

Reference number	2011/ENTR/011
External expertise used	No
Date of IAB meeting	26 March 2014