THE DRIVING LICENCES (EXCHANGEABLE LICENCES) (AMENDMENT) ORDER 2007

2007 No.96

FINAL REGULATORY IMPACT ASSESSMENT

Introduction

1. Certain countries outside the EEA are legally designated in Great Britain for driver licensing exchange purposes. These countries are Australia, Barbados, British Virgin Islands, Canada, Falkland Islands, Hong Kong, Japan, Monaco, New Zealand, Republic of Korea, Singapore, South Africa, Switzerland and Zimbabwe.

2. These countries have formally requested acceptance of the licences in Great Britain, and this has been granted because their driver testing and licensing procedures have been assessed as satisfactory.

3. A new resident who holds a driving licence from one of these countries may exchange it for a British licence without the need to pass a further driving test. For designated countries, "licences" do not include licences to drive vehicles over 3,500kgs, or passenger carrying vehicles with more than 8 passenger seats. Britain has also designated Gibraltar, the Channel Islands and the Isle of Man, with additional entitlements. For these countries, "licences" include licences to drive larger vehicles, provided entitlement is shown on the driving licence.

Issue – A – The Faroe Islands

4. The Faroe Islands licensing authorities have requested that we consider their driving licences for licence exchange purposes i.e. that Faroe Islands driving licences become designated for licence exchange purposes.

5. The objective is to make an Order which would provide for the designation of the Faroe Islands.

6. Following the assessment of the Faroe Islands driver testing and licensing standards, we believe there would be no risks to road safety by agreeing to their request to designation.

7. The benefit of this proposal is that designation would allow drivers who hold Faroe Islands driving licences with entitlement to drive motor cars to exchange the licence for the British equivalent.

Issue – B – Kenyan Licences

8. Kenyan licences are no longer acceptable for licence exchange in the UK; however, it is possible that a driver who held such a licence may have exchanged it for a licence from another country which is currently designated for licence exchange with the UK.

9. The objective is to make an Order which would remove Kenya from the list of exchangeable countries listed in the Schedule to the Driving Licences (Exchangeable Licences) Order 1999. Statutory Instrument 1999 No. 1641.

10. If we do not address this loophole there is a potential risk to road safety and the integrity of UK driving licences.

11. The benefit to this proposal is that it will prevent the issue of British licences to the holders of licences from designated countries which originated in Kenya, a country which was de-designated for licence exchange purposes on 21 June 2002.

Compliance Costs for Business, Charities and Voluntary Organisations

12. The proposals would have no foreseeable effect on charities or voluntary organisations.

Policy Costs

Issue A

13. Under the current arrangements, drivers who wish to exchange a licence from a designated country incur the exchange licence fee cost. This fee is the same as the current cost for applying for a British provisional driving licence. If permitted to simply exchange a licence, drivers from the Faroe Islands would no longer incur the driving test(s) costs, but as a result there would be a corresponding loss of income for the Driving Standards Agency. It may have an (un-quantified) impact on driving schools and publishers of driving manuals, who might otherwise expect these individuals to take driving lessons or purchase their publications. However, as the number of Faroese drivers coming to live in the United Kingdom is likely to be very low, it is felt that the actual impact will be negligible.

Issue B

14. No additional charges will be incurred as a result of this proposal.

Implementation Costs

15. There are no implementation costs associated with these proposals.

Small Business Service

16. There is no impact on small business.

Competition

17. Some of these drivers may wish to apply for driving lessons in order to become familiar with the road and traffic conditions in this country before applying to exchange their driving licence. As a result, they may apply for lessons to a driving school to gain a better understanding of road traffic rules in this country. As there is

no restriction on the choice of driving school to which individuals may go, we do not believe there will be any significant impact on competition.

Enforcement and Sanctions

18. There will be no new enforcement implications or sanctions as a result of the implementation of these proposals.

Conclusion following Consultation

19. The consultation exercise has been completed. There were no objections to the proposals laid down in this document.

Ministerial clearance of Regulatory Impact Assessment

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17th January 2007