EXPLANATORY MEMORANDUM TO

THE GOODS VEHICLES (LICENSING OF OPERATORS AND INTERNATIONAL ROAD TRANSPORT PERMITS) (AMENDMENT) REGULATIONS 2024

2024 No. 830

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.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Lilian Greenwood MP, Parliamentary Under Secretary of State at the Department for Transport, confirms that this Explanatory Memorandum meets the required standard.

2.2 Claire Spink, Deputy Director, Road Freight Regulation, at the Department for Transport, confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Morag Rethans at the Department for Transport, Telephone: +44 (0)7342 089 293 or email: freight@dft.gov.uk, can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument amends the Goods Vehicles (Licensing of Operators) Regulations 1995 ("1995 Regulations")[1] and the Goods Vehicles (International Road Transport Permits and Haulage Within the EU) Regulations 2024 ("2024 Regulations").[2]

4.2 Through these amendments, this instrument gives effect to the amendments to the Agreement on International Road Transport between the Government of the United Kingdom of Great Britain and Northern Ireland ("UK") and the Government of the Kingdom of Norway ("Norway"), with Protocol (the "UK-Norway RTA"),[3] agreed by

[1] The 1995 Regulations: https://www.legislation.gov.uk/uksi/1995/2869/contents/made
[2] The 2024 Regulations: https://www.legislation.gov.uk/uksi/2024/679/contents/made
[3] The consolidated UK-Norway Agreement on International Road Transport, with Protocol: https://www.gov.uk/government/publications/uknorway-agreement-on-international-road-transport-with-protocol-as-amended-ts-no272024 as amended by exchange of letters on 30 December 2020, https://www.gov.uk/government/publications/uknorway-exchange-of-letters-on-the-agreement-on-international-road-transport-and-the-protocol-to-the-agreement-ts-no222024 and an exchange of notes on 24 January 2024 : https://assets.publishing.service.gov.uk/media/6630dd07f3e54f33b3bb0849/TS_23.2024_UK_Norway_Exchange_of_Notes_International_Road_Transport.pdf. Printed or pdf copies of the agreement, and the associated documents, can be obtained free of charge, on request, from the International Road Haulage Permit Office. Email:irhp@dvsa.gov.uk or telephone: +44(0)20 8158 0250.

means of an exchange of notes which took place in Oslo on 24 January 2024[4] ("2024 Exchange of Notes").

4.3 The instrument also makes some minor amendments, including related to which vehicles from outside of Great Britain may be authorised to enter Great Britain for the purposes of the movement of goods, by operators undertaking "own account" transport who are based in Northern Ireland. "Own account" journeys involve the transport of goods belonging to the operator or business transporting them, or the transport of goods not for hire or reward.

4.4 Finally, the instrument also makes amendments to correct errors identified in a previous instrument, affecting certain goods vehicles used by operators authorised abroad, including in Azerbaijan. This is set out in more detail at paragraph 5.14.

Where does the legislation extend to, and apply?

4.5 Regulations 1 and 3 extend to England and Wales, Scotland, and Northern Ireland. Regulation 2 extends to England, Wales, and Scotland only.

4.6 The territorial application of this instrument (that is, where the instrument produces a practical effect) for regulations 1 and 3 is England and Wales, Scotland, and Northern Ireland. The amendments to the 1995 Regulations, covered by regulation 2 of this instrument, apply to England and Wales and Scotland only.

4.7 The instrument only applies in Great Britain in relation to exemptions from operator licensing for vehicles brought temporarily into Great Britain. Operator licensing is devolved in Northern Ireland, however, equivalent exemptions from Northern Ireland operator licensing requirements are provided for through Northern Ireland legislation which cross-refers to the relevant Great Britain legislation.[5]

Consultation with Northern Ireland Executive

4.8 The Department for Infrastructure in Northern Ireland was consulted on a draft of the instrument before it was laid in Parliament and agreed with the amendments being made to the 2024 Regulations.

Northern Ireland Protocol

4.9 The approach taken does not reduce any rights, safeguards or equality of opportunity protections that are in place in relation to the Northern Ireland Protocol included in the EU-UK Withdrawal Agreement[6] or the Windsor Framework.[7]

[4] UK-Norway 2024 Exchange of Notes: https://treaties.fcdo.gov.uk/awweb/awarchive?item=82414. Printed or pdf copies of the agreement can be obtained free of charge, on request from the International Road Haulage Permit Office using the details in footnote 3.
[5] See paragraph 19(1) of the Schedule to the Goods Vehicles (Licensing of Operators) (Exemption) Regulations (Northern Ireland) 2012: https://www.legislation.gov.uk/nisr/2012/256/schedule/made.
[6] The EU-UK Withdrawal Agreement 2020: https://www.legislation.gov.uk/eut/withdrawal-agreement/contents/adopted.
[7] The Windsor Framework 2023: https://www.gov.uk/government/publications/the-windsor-framework.

5. Policy Context

What is being done and why?

Amendments to the UK-Norway RTA.

5.1 The UK-Norway RTA was signed on 18 March 2019 in Oslo and came into force on 30 December 2020. It regulates the international carriage of goods and passengers by road by transport carriers established in one Party (the UK or Norway), both between the Parties and in transit through their territories. This work supports trade and other connections.[8]

5.2 Under Article 4 of the UK-Norway RTA, carriers established in either the UK or Norway (the contracting parties) were required to have a permit for temporary admission of their goods vehicles to the territory of the other Party for most international haulage journeys, which were: (i) between any point within the territory of one Party, and any point within the territory of the other Party ("point to point bilateral" transport), (ii) involving transit through or across the other Party, and (iii) in relation to triangular traffic transport, as set out in paragraph 5.6.

5.3 However, the UK and Norwegian Governments agreed to commence the UK-Norway RTA with temporary permit-free access rights, as outlined in Article 1 of the Protocol. This was in order to allow more time to consider whether permanent or long-term non-permit arrangements would be feasible (for example by including road transport in a wider free trade agreement between the UK and Norway); and because of the time required to establish a functioning permit system.

5.4 The purpose of the 2024 Exchange of Notes was to determine the date from which permits are required for the bilateral transport of goods between the UK and Norway, removing temporary permit-free arrangements which were previously in force.

5.5 Triangular traffic transport rights provide for operators from one country picking up goods from another country and taking them to a third. For example, a UK based operator, picking up goods in Norway (both countries which are parties to this bilateral agreement) and then taking them to Germany (which is not party to this bilateral agreement).

5.6 Triangular traffic rights, which were included in the UK-Norway RTA were also removed, replicating the approach to such transports between the UK and the European Union ("EU") member states in the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part ("TCA").[9]

5.7 The UK-Norway RTA was amended by the 2024 Exchange of Notes to bring into effect the permits system from 1 July 2024. It also removes the possibility of triangular traffic under the UK-Norway RTA.

[8] The UK-Norway RTA also includes provisions on passenger and goods transport; taxation and the application of national laws and regulations and infringements.

[9] The UK-EU Trade and Cooperation Agreement 2020 ("TCA"): https://assets.publishing.service.gov.uk/media/608ae0c0d3bf7f0136332887/TS_8.2021_UK_EU_EAEC_Trade_and_Cooperation_Agreement.pdf. The TCA can also be inspected (on reasonable notice) free of charge by contacting the Treaty Enquiries Service, telephone: +44 (0)20 7008 1109.

5.8 Journeys benefitting from a specific exemption as listed in Article 5 of the UK-Norway RTA, such as those undertaken by light goods vehicles or for a specific purpose, such as "own account" transport, will still be allowed without a permit.

Changes made affecting operators from Northern Ireland

5.9 This instrument updates the 1995 Regulations by removing the additional requirements for "own account" operators based in Northern Ireland, which helps minimise administrative requirements within the United Kingdom's internal market related to commercial road transport.

5.10 However, as with Great Britain based operators with restricted licences, Northern Ireland based own account operators can still be required to produce evidence at roadside in Great Britain that their journey is for "own account" rather than "hire or reward" purposes, or face enforcement.

5.11 There is a greater exchange of information between Great Britain and Northern Ireland now as compared to 1996 (from which the relevant provision in the 1995 Regulations dates). Therefore, these additional requirements are not necessary for the current enforcement regimes in Great Britain and Northern Ireland, respectively.

Operator Licensing

5.12 Goods Vehicle Operator licences are required to be held by businesses that transport goods using road vehicles over a certain weight. There are three categories of operator licence:

- Restricted Licence: allows an operator business to carry its own goods, but not those of other people or businesses. This is known as "own account transport."
- Standard National Licence: allows an operator business to carry their own goods nationally and internationally, but the goods of other people or businesses can only be carried within the UK.
- Standard International Licence: allows an operator business to carry their own goods, or those of other people and businesses both within the UK or internationally.

5.13 Further information about operator licensing, including how to apply for a licence, and the relevant criteria that need to be fulfilled in order to hold a licence is published on gov.uk.[10]

Other changes

5.14 The instrument also makes some minor amendments relating to the 1995 Regulations to address errors, as inserted by the Goods Vehicles (Licensing of Operators) (Exemptions and Modifications) (Amendment) Regulations 2023 ("2023 Regulations").[11] These amendments relate to:

- the definition of "livestock" inserted into Schedule 3 to the 1995 Regulations;
- provisions of the 2023 Regulations associated with implementation of the Agreement between the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Azerbaijan on International

[10] Information on types of operator licence, and vehicle operator licensing is published on gov.uk: https://www.gov.uk/being-a-goods-vehicle-operator/types-of-licence

[11] The 2023 Regulations: https://www.legislation.gov.uk/uksi/2023/805/contents/made.

Road Transport,[12] related to the transport of humanitarian cargo in case of emergencies;

- small typographical and cross-reference changes in new paragraphs 64 and 68, respectively, of Schedule 3 to the 1995 Regulations; and
- additional modifications to section 5 of the Goods Vehicles (Licensing of Operators) Act 1995[13] to align with the other modifications made by means of new paragraph 2 of Schedule 3A to the 1995 Regulations.

What was the previous policy, how is this different?

5.15 Prior to leaving the EU, the UK was party to the Agreement on the European Economic Area ("EEA Agreement"),[14] by virtue of its membership of the EU. One of the effects of leaving the EU was the UK was no longer party to the EEA Agreement.

5.16 The UK-Norway RTA was intended to replicate the effects of the EEA Free Trade Agreement in relation to the access rights between UK and Norway for commercial goods and passenger road transport as far as possible. This included making provision for the eventuality that there was no agreement between the UK and the EU covering road transport in place before the UK left the EU.

5.17 There were some minor amendments made to the UK-Norway RTA Agreement, primarily addressing provisions affected by the agreement of the TCA, by means of an exchange of letters on 30 December 2020.[15]

5.18 Further negotiations between the UK and Norwegian Governments on the reintroduction of permits were finalised by the 2024 Exchange of Notes.

5.19 An effect of this instrument is to enable the requirements regarding permits in the UK-Norway RTA, as amended by the 2024 Exchange of Notes, to be enforced and implemented fully for UK and Norwegian operators when operating between the Parties and in transit through their territories.

5.20 The instrument removes the possibility of triangular traffic under the UK-Norway RTA, thereby replicating the approach to such transports taken in the TCA. However, UK and Norwegian hauliers which wish to undertake triangular traffic transports will still be able to do this if they also hold a European Conference of Ministers of Transport ("ECMT") permit issued under the ECMT multilateral quota scheme.

5.21 The ECMT multilateral quota scheme is a permit-based system for pan-European haulage operating in the 43 member countries, comprising most of the EU and nearby states. UK operators use ECMT permits to make journeys outside of the EU, for example to Serbia or Ukraine. Information about the eligibility criteria and conditions for the use of the permits is published in the ECMT user guide,[16] and on gov.uk.[17]

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[12] The Agreement between the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Azerbaijan on International Road Transport 2023: https://www.gov.uk/government/publications/ukazerbaijan-agreement-on-international-road-transport-cs-azerbaijan-no12023.

[13] The Goods Vehicles (Licensing of Operators) Act 1995: https://www.legislation.gov.uk/ukpga/1995/23.

[14] EEA Agreement, Chapter 6 covers transport by rail, road, and inland waterway: https://www.legislation.gov.uk/eut/eea-agreement/contents.

[15] A link to the 2020 exchange of letters, and information on how to obtain printed copies can be found at footnote 3.

[16] ECMT User Guide: https://www.itf-oecd.org/ecmt-multilateral-quota-user-guide-2022-0.

[17] Information about permits is published on gov.uk: https://www.gov.uk/guidance/international-authorisations-and-permits-for-road-haulage.

6. Legislative and Legal Context

How has the law changed?

Bilateral permits between the UK and Norway and triangular traffic rights

6.1 This instrument amends the 1995 Regulations to give effect to the permit regime by exempting Norway vehicles brought temporarily into Great Britain from operator licensing requirements in certain circumstances. It also amends the 2024 Regulations in relation to requiring permits for most UK operators travelling to Norway.

6.2 There are other amendments made to the 1995 Regulations in relation to errors identified in the 2023 Regulations, in part by the Joint Committee on Statutory Instruments (see paragraphs 4.4 and 5.14).

Northern Ireland own account operators

6.3 This instrument also makes amendments to the requirements for Northern Ireland established operators using a Northern Ireland vehicle for the carriage of goods other than for hire or reward in Great Britain, as set out in the 1995 Regulations, most recently updated by 2023 Regulations.

6.4 Previously, Northern Ireland "own account" operators were required to have their drivers carry more documentation than their counterparts established in Great Britain when operating there. Operators and their drivers would have been required to produce details including the name and address of the driver and operator, the nature of the trade or business, the nature of the goods being transported, all loading and unloading locations for the goods, and the planned route of the vehicle, if requested at the roadside.

6.5 These provisions were inserted into the 1995 Regulations by the 2023 Regulations but followed the approach taken in the Goods Vehicles (Licensing of Operators) (Temporary Use in Great Britain) Regulations 1996.[18] Since 1996, the operator licensing regime in Northern Ireland has developed and expanded significantly, particularly through the Goods Vehicles (Licensing of Operators) Act (Northern Ireland) 2010[19] and now closely aligns with the operator licensing regime in Great Britain.

Why was this approach taken to change the law?

6.6 This instrument was required to effectively implement changes to the UK-Norway RTA in domestic law. It was also considered sensible to include other changes, relating to Northern Ireland "own account" operators and defects in other legislation, in this instrument.

7. Consultation

Summary of consultation outcome and methodology

7.1 A short, written stakeholder consultation was held with the devolved administrations and selected trade associations (Logistics UK and the Road Haulage Association, which have more than 25,000 members between them, made up of a mixture of

[18] The Goods Vehicles (Licensing of Operators) (Temporary Use in Great Britain) Regulations 1996: https://www.legislation.gov.uk/uksi/1996/2186/contentshttps://www.legislation.gov.uk/uksi/1996/2186/contents which were revoked and replaced by amendments made by the 2023 Regulations (see footnote 11).
[19] The Goods Vehicles (Licensing of Operators) Act (Northern Ireland) 2010: https://www.legislation.gov.uk/nia/2010/2/contents.

individuals and companies) in relation to the changes to the UK-Norway RTA and other amendments being made through this instrument, between 2 January and 13 February 2024. This consultation has not been published.

7.2 There were only two responses to this consultation, from the Northern Ireland Executive and the Road Haulage Association, who were both content with the proposed amendments introduced by this instrument.

7.3 This approach to consultation was considered appropriate because the change relates to points of detail in relation to, the arrangements for permits for goods transport between the UK and Norway, Northern Ireland "own account" operators and minor corrections in relation to provisions inserted by the 2023 Regulations. The UK does not have published figures on the number of goods vehicles undertaking relevant journeys between the UK and Norway, because the numbers are usually too low within the sampling to be recorded.[20]

8. Applicable Guidance

8.1 Guidance on international road haulage permits[21] and associated information is published on gov.uk.[22] This guidance is updated when changes are made, as necessary.

8.2 Information on the requirements for permits is published on gov.uk alongside information on other bilateral permits. This page may be updated on the coming into force of this instrument. The Department sought to publicise the changes through trade associations, and other industry focused communication channels, prior to the implementation.

[20] Statistics are published on gov.uk. Table RFS0214 "international goods lifted to and from the UK by foreign-registered HGVs" and RFS0202 "International road haulage by UK-registered vehicles: goods lifted by country of unloading" (and related datasets) can be accessed on gov.uk: https://www.gov.uk/government/statistical-data-sets/rfs02-international-road-haulage#foreign-road-freight-activity-within-the-uk.

[21] Guidance on International Road Haulage Permits for UK Operators: https://www.gov.uk/guidance/international-authorisations-and-permits-for-road-haulage. Copies can be requested using the details in footnote 3.

[22] Transport Goods Out of the UK by road: step-by-step: https://www.gov.uk/transport-goods-from-uk-by-road. Copies can be obtained free of charge, on request from The Department for Transport, 33 Horseferry Road, London, SW1P 4DR, email: freight@dft.gov.uk or telephone: +44(0)300 330 3000.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it has a very low level of cost or impact per business. Bilateral permits can be obtained by operators at a cost of £8 each. It is not anticipated that there will be a substantial number of operators of goods vehicles taking up and using the 3,000 permits the Department has agreed to exchange with the Norwegian Government.

9.2 Operators that wish to undertake triangular traffic will still be able to do this, despite the changes to the UK-Norway RTA, by holding an ECMT permit. A link to information on how to apply for permits, including ECMT permits can be found in footnote 21.

Impact on businesses, charities, and voluntary bodies

9.3 There is no, or no significant, impact on businesses, charities, or voluntary bodies. The legislation relates partly to movements of goods by road between the UK and Norway, for commercial purposes, which will now require a permit to be held to authorise the vehicle movement.

9.4 The legislation will encompass small or micro businesses based in the UK which undertake affected transports to Norway. Small businesses make up most operators by number of licences operating in the freight industry.

9.5 There is no specific action proposed to minimise regulatory burdens that may arise because of these legislative changes, because it is not possible to specifically exempt small businesses from the requirement to hold a valid permit to make the journey from the UK to Norway for the purposes of goods transport.

9.6 There is no, or no significant, impact on the public sector, because the public sector has only limited engagement in international freight transport. International freight transport is almost exclusively a commercial activity undertaken by business.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation will include continuing liaison with the Driver and Vehicle Standards Agency ("DVSA"), the Traffic Commissioners in Great Britain, the Driver and Vehicle Agency and the Traffic Regulation Unit in Northern Ireland. These bodies will provide the Department for Transport with information on the level of compliance. The International Road Haulage Permits Office, which is part of the DVSA, will also be able to provide information on the number of permits applied for and used by UK operators.

10.2 A statutory review clause is not included in the instrument, as the cost to business, even if all 3,000 permits costing £8 each are taken up, (which is considered unlikely), is £24,000 per annum. This cost would be spread across the haulage industry and should have almost no impact, even on operators who frequently travel to Norway.

10.3 This approach has been taken as the amendments to the regulations above are small and this is a proportionate way of assessing the effect of this instrument.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This instrument includes provisions correcting errors in the 2023 Regulations. Accordingly, this instrument is being issued free of charge to all known recipients of that instrument.

11.2 The instrument will come into force 21 days after it is laid, which will occur at a time when Parliament is not sitting. This approach is necessary to ensure the UK's international obligations are implemented at the earliest opportunity.

12. European Convention on Human Rights

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

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).