



Vehicle Excise and Registration Act 1994

1994 CHAPTER 22

PART I

VEHICLE EXCISE DUTY AND LICENCES

Trade licences

11 Issue of trade licences

(1) Where—

- (a) a motor trader or vehicle tester, or
- (b) a person who satisfies the Secretary of State that he intends to commence business as a motor trader or vehicle tester,

applies to the Secretary of State (in the manner prescribed by regulations made by the Secretary of State) to take out a licence under this section (a “trade licence”), the Secretary of State may, subject to the conditions so prescribed, issue such a licence to him on payment of vehicle excise duty at the rate applicable to the licence.

(2) In the case of a motor trader who is a manufacturer of vehicles, a trade licence is a licence for—

- (a) all vehicles which are from time to time temporarily in his possession in the course of his business as a motor trader,
- (b) all vehicles kept and used by him solely for purposes of conducting research and development in the course of his business as such a manufacturer, and
- (c) all vehicles which are from time to time submitted to him by other manufacturers for testing on roads in the course of that business.

(3) In the case of any other motor trader, a trade licence is a licence for all vehicles which are from time to time temporarily in his possession in the course of his business as a motor trader.

(4) In the case of a vehicle tester, a trade licence is a licence for all vehicles which are from time to time submitted to him for testing in the course of his business as a vehicle tester.

12 Use of vehicles by holders of trade licences

- (1) The holder of a trade licence is not entitled by virtue of the licence—
 - (a) to use more than one vehicle at any one time,
 - (b) to use a vehicle for any purpose other than a purpose prescribed by regulations made by the Secretary of State, or
 - (c) except in such circumstances as may be so prescribed, to keep any vehicle on a road if it is not being used on the road.
- (2) The Secretary of State shall by regulations prescribe—
 - (a) the conditions subject to which trade licences are to be issued, and
 - (b) the purposes for which the holder of a trade licence may use a vehicle by virtue of the licence.
- (3) The purposes which may be prescribed as those for which the holder of a trade licence may use a vehicle under the licence shall not include the conveyance of goods or burden of any description other than—
 - (a) a load which is carried solely for the purpose of testing or demonstrating the vehicle or any of its accessories or equipment and which is returned to the place of loading without having been removed from the vehicle except for that purpose or in the case of accident,
 - (b) in the case of a vehicle which is being delivered or collected, a load consisting of another vehicle used or to be used for travel from or to the place of delivery or collection,
 - (c) a load built in as part of the vehicle or permanently attached to it,
 - (d) a load consisting of parts, accessories or equipment designed to be fitted to the vehicle and of tools for fitting them to the vehicle, or
 - (e) a load consisting of a trailer other than a trailer which is for the time being a disabled vehicle.
- (4) For the purposes of subsection (3), where a vehicle is so constructed that a trailer may by partial superimposition be attached to the vehicle in such a manner as to cause a substantial part of the weight of the trailer to be borne by the vehicle, the vehicle and the trailer are deemed to constitute a single vehicle.
- (5) In subsection (3)(e) “disabled vehicle” includes a vehicle which has been abandoned or is scrap.

13 Trade licences: duration and amount of duty

- (1) A trade licence may be taken out—
 - (a) for one calendar year,
 - (b) for a period of six months beginning with the first day of January or of July, or
 - (c) where subsection (2) applies, for a period of seven, eight, nine, ten or eleven months beginning with the first day of any month other than January or July.
- (2) This subsection applies where the person taking out the licence—
 - (a) is not a motor trader or vehicle tester (having satisfied the Secretary of State as mentioned in section 11(1)(b)), or
 - (b) does not hold any existing trade licence.
- (3) The rate of duty applicable to a trade licence taken out for a calendar year is—

- (a) the annual rate currently applicable to a vehicle under sub-paragraph (1)(c) of paragraph 2 of Schedule 1 if the licence is to be used only for vehicles to which that paragraph applies, and
 - (b) otherwise, the annual rate currently applicable to a vehicle under paragraph 1(b) of Schedule 1.
- (4) The rate of duty applicable to a trade licence taken out for a period of six months is fifty-five per cent. of the rate applicable to the corresponding trade licence taken out for a calendar year.
- (5) The rate of duty applicable to a trade licence taken out for a period of seven, eight, nine, ten or eleven months is the aggregate of—
- (a) fifty-five per cent. of the rate applicable to the corresponding trade licence taken out for a calendar year, and
 - (b) one-sixth of the amount arrived at under paragraph (a) in respect of each month in the period in excess of six.
- (6) In determining a rate of duty under subsection (4) or (5) any fraction of five pence—
- (a) if it exceeds two and a half pence, shall be treated as five pence, and
 - (b) otherwise, shall be disregarded.

14 Trade licences: supplementary

- (1) Nothing in sections 11 to 13 prevents a person entitled to take out a trade licence from holding two or more trade licences.
- (2) The holder of a trade licence may at any time surrender the licence to the Secretary of State.
- (3) Where—
- (a) the Secretary of State refuses an application for a trade licence by a person entitled to make such an application, and
 - (b) the applicant, within the period prescribed by regulations made by the Secretary of State, requests him to review his decision,
- the Secretary of State shall comply with the request and (in doing so) consider any representations made to him in writing during that period by the applicant.
- (4) Regulations made by the Secretary of State may provide for—
- (a) the issue of a new trade licence in the place of a licence which is or may be lost, stolen, destroyed or damaged, and
 - (b) the fee to be paid on the issue of a new licence.