

EXPLANATORY MEMORANDUM TO
THE MOTOR VEHICLES (COMPULSORY INSURANCE) (INFORMATION CENTRE
AND COMPENSATION BODY) (AMENDMENT) REGULATIONS 2007

2007 No. 2982

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

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

2. **Description**

This instrument amends the Motor Vehicles (Compulsory Insurance) (Information Centre and Compensation Body) Regulations 2003 (S.I. 2003/37) (“the 2003 Regulations”) by removing the otiose definition of “guarantee fund” from regulation 2(1).

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

This instrument corrects an error in regulation 2(1) of the 2003 Regulations, as reported by the Joint Committee on Statutory Instruments in its Sixteenth Report of 2002-03.

In the same Report, the Joint Committee also reported that it considered regulation 9(7) of the 2003 Regulations to be of doubtful vires. The Department does not propose to take any action in relation to regulation 9(7) for the reasons set out in Table 8A (column 4, first entry) to the Joint Committee’s First Special report of 2006-07 entitled *Scrutinising Statutory Instruments: Departmental Returns, 2006*.

4. **Legislative Background**

4.1 The 2003 Regulations gave effect in part to the Directive of the European Parliament and the Council of 16 May 2000 on the approximation of laws of the member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives 73/239/EEC and 88/357/EEC (Fourth Motor Insurance Directive) (No. 2000/26/EC) (OJ No. L181, 20/07/2000, p. 65). The Fourth Motor Insurance Directive supplemented the arrangements established by Directives 72/166/EEC, 84/5/EEC and 90/232/EEC.

4.2 In view of this, a Transposition Note was prepared in conjunction with the 2003 Regulations setting out how the Government would transpose into UK law the main elements of that Directive. The Transposition Note is available in the libraries of both Houses of Parliament. A hard copy is also available from the following address: Banking and General Insurance Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ.

4.3 Working drafts of the 2003 Regulations had included a reference (in regulation 15) to the “guarantee fund”, but that reference was subsequently replaced with a reference to the Motor Insurers’ Bureau. Under regulation 10 of the 2003 Regulations, the Motor Insurers’ Bureau is approved as the compensation body for the United Kingdom. The definition of “guarantee fund” should have been removed from regulation 2(1) of the 2003 Regulations before they were made. Its inclusion was an error.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

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

7. Policy background

The 2003 Regulations need to be amended in order to correct the defective drafting referred to above.

8. Impact

A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

Tom Roberts – Policy Adviser at the Department for Transport Tel: 0207 944 8871 or e-mail: tom.roberts@dft.gsi.gov.uk can answer any queries regarding the instrument.