

PROPOSED REPLACEMENT EU ACT UPDATED ASSESSMENT OF IMPACT

Date: 26/05/2026

DSC REF: DSC/08a/2025

Proposed Replacement EU Act

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on circularity requirements for vehicle design and on management of end-of-life vehicles, amending Regulations (EU) 2018/858 and 2019/1020 and repealing Directives 2000/53/EC and 2005/64/EC [COM 2023/0284 \(COD\) \(02/26\)](#)

An Initial Assessment of Impact was previously provided to the Committee in 2025 (Reference – DSC/08a/2025). The initial assessment was that the application of the proposed Regulation, under the Windsor Framework, would not result in any significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist. This updated assessment reflects subsequent developments, in particular the European Union's position regarding the proposed Regulation's applicability in Northern Ireland under the Windsor Framework.

Summary of the Act

[Directive 2000/53/EC.](#)

The proposed Regulation will repeal and replace Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles (This Directive is not listed in the Windsor Framework).

[Directive 2005/64/EC.](#)

The proposed Regulation will repeal and replace Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC (Annex 2 – Heading 9 – Motor vehicles, including agricultural and forestry tractors).

[Regulation \(EU\) 2018/858](#)

The proposed Regulation will amend Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems,

components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (Annex 2 – Heading 9 – Motor vehicles, including agricultural and forestry tractors).

[Regulation \(EU\) 2019/1020](#)

The proposed Regulation will amend Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance and compliance of products and amending Directive 2004/42/EC and Regulation (EC) No 765/2008 and (EU) No 305/2011 (applies insofar as it amends Regulation (EC) No 765/2008 (Annex 2 — Heading 8 Goods – general provisions)).

The proposed Regulation aims to accelerate the EU's automotive sector from the linear to the circular economy, at all stages of the vehicle lifecycle - from design to final treatment at end-of life. With a focus on improving circularity, it sets out requirements to ensure that new vehicles are designed in a way that facilitates recycling and re-use of spare parts when they reach their end-of-life.

Summary of main changes from existing legislation:

- 'Design Circular' to focus on attempting to 'design out waste' from concept to end-of-life status;
- revised methodology to calculate recyclability and re-usability of new vehicles at type-approval stage;
- development of an environmental vehicle (digital) passport;
- proposed tighter controls on the export of unroadworthy vehicles to 3rd countries (outside the EU) on safety and environmental grounds;
- new vehicles to have mandatory minimum targets for content of recycled material;
- introduce new traceability & control measures regarding the persistent problem of 'missing vehicles' across the union;
- ensure that the vehicles made available on the market are collected and treated and that waste management operators treating such vehicles meet recycling targets.

The proposed Regulation aims to promote more circularity by linking design issues to end-of-life treatment, considering rules on mandatory recycled content for certain materials of components and improving recycling efficiency. The EU envisage merging the two existing directives into a single instrument, covering the whole life cycle of the automotive sector. Overall, the proposed Regulation anchors circularity requirements into the type-approval of new vehicle types.

For the first time binding targets for recycled material would be introduced. 6 years after the entry into force, all new vehicles will be required to contain at least 25% of plastic recycled from post-consumer plastic waste, with 25% of such material coming from recycled end-of-life vehicles.

Legal Context and Applicability Under the Windsor Framework

The previous assessment of impact was based on an earlier iteration of the proposed Regulation and our assessment of its applicability in Northern Ireland.

The most recent iteration of the proposed Regulation, dated 25th February 2026 (linked above), introduces Article 56a, which explicitly sets out (in the EU's view) provisions within the Regulation that would not apply to the UK in respect of Northern Ireland, and by implication those that would apply. DAERA and UK Government are currently working through the technical and legal implications of these iterations and this work is ongoing. Until the final Regulation is published, it remains a draft proposal. It will not be possible to provide a definitive view on impacts until publication of the final text. DAERA will provide an updated assessment once publication has occurred.

Department(s) Responsible

Department for Infrastructure, is the lead department for Regulation (EU) 2018/858 and Directive 2005/64/EC in respect of type approval; however, type approval of vehicles is typically reserved to the UK Government.

Regulation (EU) 2019/1020 on market surveillance is reserved to the UK Government. DfE may also have an interest from the perspective of the Circular Economy Strategy, specifically in regard to 'designing circular'.

Department of Agriculture, Environment and Rural Affairs, is the lead department for Directive 2000/53/EC, in respect of end-of-life waste and extended producer responsibility (EPR).

Updated Assessment of Impact

Pending the aforementioned, ongoing work and on the basis that this remains a draft proposal, it is not possible at stage to provide a comprehensive updated assessment of impact.

If applicable in Northern Ireland as the EU intends, the proposed Regulation may include the following provisions:

- obligations to assess all components removed from ELVs;
- requirements to prioritise reuse over remanufacturing, refurbishment and recycling where technically feasible;

- mandatory labelling of parts suitable for reuse, remanufacturing or refurbishment;
- consumer guarantees regarding the functional performance of reused, remanufactured or refurbished parts;
- data reporting to the Commission, including:
 - i. numbers and weight of ELVs exported or shipped for further treatment;
 - ii. quantities of parts, components and materials removed for purpose of reuse and remanufacturing or refurbishment.

Compliance may require the development of a bespoke IT reporting system to allow for data reporting from businesses, such as car dismantlers and scrap metal recyclers.

It is likely that there would be some degree of impact to businesses in Northern Ireland. However, further analysis would be required to fully understand the extent of this impact, both in terms of any increased requirements and additional benefits, and how those may in turn extend to Northern Ireland communities more broadly.

The application of the proposed Regulation in Northern Ireland may also indirectly impact sectors and systems beyond DAERA's remit, on which DAERA is not in a position to comment.

The policy objectives of the proposed Regulation broadly align with the aims set out for road vehicles in Defra's 2023 policy paper, "The waste prevention programme for England: Maximising Resources, Minimising Waste" and could contribute towards efforts in achieving Net Zero by 2050.

UK Government Explanatory Memorandum

The UK Government has not drafted an updated Explanatory Memorandum (EM) to take account of the introduction of Article 56a. The UK Government will provide an updated EM once the draft Regulation is finalised and the final text has been published. The current EM is available at the following link:

[EM on EU regulations in scope of Windsor Framework regarding vehicle end of life and recyclability.pdf](#)

Paragraph 16 of the EM states that the UKG considers this proposal an attempt to improve the current requirements applicable for vehicles within the type-approval process. It may lead to increased recycling and re-use of materials from end-of-life vehicles, but without further analysis it is not possible to assess its likely impact.

Analysis by the European Commission on its Impact Assessment

The need to revise the 'ELV' and '3 R's' Directives (2000/53/EC & 2005/64/EC) was stressed in the European Green Deal and the Circular Economy Action Plan (CEAP)⁴. Review & evaluation of these Directives has shown that considerable improvements were needed to boost the transition of the automotive sector towards a circular economy, thereby reducing the environmental footprint linked to the production and end-of-life treatment of vehicles and strengthening the sustainability of the automotive and recycling industry in Europe. The automotive manufacturing industry, which is a key pillar of the EU economy, largely relies on the supply of primary raw materials (steel, aluminium, copper, plastics) and uses a limited amount of recycled materials, while the treatment of ELVs results in important but low-quality metal scrap and very limited plastic recycling.

The EU heads of state have made the transition to a circular economy a priority, to reduce the vulnerability of the EU industry supply chains, especially for critical raw materials essential for the EU's strategic autonomy and for the transition to a carbon neutral economy.

There was no evidence within the EU Impact Assessment of Northern Ireland stakeholders having any input.

[EU impact Assessment \(ELVs\)](#)

[The EU Impact Assessment is accessible from the link above however, due to its size, it is saved in 4 parts (at source)]

Departmental Engagement

DAERA officials continue to engage with colleagues in Defra and the Department for Infrastructure on the proposed Regulation. The UK Government recognises the merits of the policy intent of the proposed Regulation and, as mentioned above, already has similar policy plans. DAERA officials will continue to engage with UK and Northern Ireland policy counterparts as consideration is given to similar measures across the UK.

DAERA officials attended the (Defra led) ELV Stakeholder Consultation Group, which met quarterly throughout 2023 & 2024 and was attended by a broad range of representatives from the metals, waste and motor (sales & manufacturing) industry, along with policy officials from all 4 UK nations. On publication of the final text of the proposed Regulation, DAERA will recommence engagement with industry on ELV specific provisions.