



Cabinet Office

Windsor Framework Taskforce
100 Parliament Street
London
SW1A 2BQ

E wftf-sg@cabinetoffice.gov.uk

cabinetoffice.gov.uk

Marie Austin
Clerk, Windsor Framework Democratic Scrutiny Committee
Room 382, Parliament Buildings
Stormont
Belfast, BT4 3XX

1 July 2024

Dear Marie,

Regulation (EU) 2024/1257 of the European Parliament and of the Council of 24 April 2024 on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7), amending Regulation (EU) 2018/858 of the European Parliament and of the Council and repealing Regulations (EC) No 715/2007 and (EC) No 595/2009 of the European Parliament and of the Council, Commission Regulation (EU) No 582/2011, Commission Regulation (EU) 2017/1151, Commission Regulation (EU) 2017/2400 and Commission Implementing Regulation (EU) 2022/1362

I write further to your letter dated 21 May 2024 to the Department for Transport regarding the above mentioned Regulation. The Committee has requested further details regarding consultations and financial implications. I am responding on behalf of officials in the Department for Transport.

Please find accompanying this letter an explanatory memorandum on the published Regulation, prepared by officials in the Department for Transport, which sets out the Government's up-to-date assessment of its effects.

I trust that this memorandum will provide the information the Committee needs to carry out its functions, and would be grateful if you could please circulate it onwards to the Chair and members of the Committee.

**GEORGE ROBINSON
DEPUTY DIRECTOR**

**EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION/DOCUMENTS
WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR
FRAMEWORK**

PE-CONS 109/23 Rev 2

Regulation (EU) 2024/1257 of the European Parliament and of the Council of 24 April 2024 on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7), amending Regulation (EU) 2018/858 of the European Parliament and of the Council and repealing Regulations (EC) No 715/2007 and (EC) No 595/2009 of the European Parliament and of the Council, Commission Regulation (EU) No 582/2011, Commission Regulation (EU) 2017/1151, Commission Regulation (EU) 2017/2400 and Commission Implementing Regulation (EU) 2022/1362

Submitted by Department for Transport,

19 June 2024

SUBJECT MATTER

1. The regulation package referred to as 'Euro 7' relates to the type-approval of motor vehicles and engines and of systems, components and separate technical units, with respect to their emissions and battery durability. This regulation package replaces the existing 'Euro 6 (or VI)' standards.
2. Euro 7 intends to address three key issues from existing emission standards: the complexity of the standards, which have caused burden to industry; the need to tighten limits for the emission of pollutants; and the insufficient control of pollutants over the vehicle lifetime.
3. Vehicles in scope of the proposed regulations are passenger cars, buses and coaches, vans and heavy goods vehicles (HGVs). In summary, the regulation introduces:
 - a. Stricter limits for the emission of nitrogen oxides for buses and HGVs, cutting emissions to roughly half compared with Euro VI. In addition, limits for nitrous oxide, which is currently unregulated, have been introduced. For cars and vans, emission limits are to remain largely the same as those established under Euro 6.
 - b. Updated durability requirements, and provisions for continuous on-board monitoring of emissions over the vehicle's lifetime.
 - c. Minimum performance requirements for battery durability for electric and plug-in hybrid passenger and light goods vehicles, based on international standards set at the UN. Options have also been reserved

to set similar requirements for buses, coaches and heavy goods vehicles in the future.

- d. Introduction of limits for brake wear particles and for tyre abrasion, based on international standards set at the UN. This is expected to require manufacturers to use technologies such as low-emission tyres, brake pads and discs, or potentially particle collectors, on new vehicles.
- e. Requirements for a digital record of environmental data to be made available to consumers and users with an Environmental Vehicle Passport.

A more detailed description of the proposal is provided below:

- 4. Chapter I of the proposal (Articles 1 to 3) sets out the subject matter, the scope of application, and definitions of the key terms and technical concepts used in the regulation.
- 5. Chapter II (Articles 4 to 9) contain obligations of high- and low-volume vehicle manufacturers for the type approval of vehicles, new systems, components and separate technical units in order to be designated as “Euro 7” vehicles. Additional criteria are included to declare vehicles as “Euro 7G” where vehicles are equipped with geofencing technologies. This Chapter also sets measures on anti-tampering and cybersecurity systems, and durability requirements to ensure vehicles comply over their lifetime. Finally, this chapter outlines requirements of user access to onboard environmental performance data and the state of health of the traction battery in electrified vehicles. The data must be made available to users, and where appropriate, displayed inside the vehicle via on-board monitoring (OBM) systems.
- 6. Chapter III (Articles 10 to 12) details the obligations for putting in place the necessary measures for testing and inspection when granting emission type approval, and to ensure conformity of production and appropriate market surveillance. In addition, specific obligations concerning the emission type approval of systems, components and separate technical units are set out.
- 7. Chapter IV (Article 13) details the checks to be performed for in-service conformity. It references the test requirements for emissions type-approval of brake systems, which are newly introduced with Euro 7.
- 8. Chapter V (Articles 14 to 15) details the methods, tests, documentation and criteria required for vehicle manufacturers to prove compliance against requirements. Adaptations to these requirements will be made for small-volume manufacturers.

9. Chapter VI (Articles 16 to 18) details conditions for the delegation of powers, in addition to general provisions on procedure as well as reporting on the application of the Regulation and the emissions reductions.
10. Chapter VII (Articles 19 to 21) explains that Regulation (EC) 2018/858 is to be amended, Regulation (EC) No 715/2007 ('Euro 6') and its implementing regulation is repealed from 1 July 2030, and Regulation (EC) No 595/2009 ('Euro VI') and its implementing regulations are repealed from 1 July 2031. The dates of application of the Regulation are as follows:
 - a. For passenger cars and light goods vehicles, 29 November 2026 for the approval of new vehicle types and 29 November 2027 for all new vehicles being registered.
 - b. For HGVs, buses, coaches and trailers, 29 May 2028 for the approval of new types and 29 May 2029 for all new vehicles being registered.
 - c. For passenger cars and light goods vehicles produced by small-volume manufacturers, 1 July 2030.
 - d. For HGVs, buses and coaches produced by small-volume manufacturers, 1 July 2031.
 - e. For all new C₁ class tyres (used in passenger cars), 1 July 2028; for C₂ class tyres (used for vans), 1 April 2030; and for C₃ class tyres (used for trucks, buses and coaches), 1 April 2032.

SCRUTINY HISTORY

11. This legislation has been subject to scrutiny as EU document 14598/22 on which the Government submitted an EM dated 2 December 2022 (EM on "Euro 7" type approval regulation (14598/22, COM(2022)586) - GOV.UK (www.gov.uk)). The House of Commons European Scrutiny Committee reported that the proposal raised issues of political importance in report 19, 22/23 and completed their scrutiny on 29 November 2023. The proposal has been examined by the House of Lords Windsor Framework Sub-Committee and remains under scrutiny.

MINISTERIAL RESPONSIBILITY

12. The Secretary of State for Transport.

INTEREST OF THE DEVOLVED GOVERNMENTS (DGs)

13. The topic of vehicle type approval is a reserved matter. The Devolved Administrations have an interest and have been consulted in the preparation of this Explanatory Memorandum.

LEGAL AND PROCEDURAL ISSUES

14. There are no legal or procedural issues.

- i. **Legal Base:** The legal basis of the proposal is Article 114 of the Treaty on the Functioning of the European Union (TFEU).
- ii. **Voting Procedure:** The European Parliament and the Council adopted the proposal through the ordinary legislative procedure by qualified majority voting.
- iii. **Timetable for adoption and implementation:** The Regulation entered into force on 28 May 2024 and application to begin from 29 November 2026 (full details in Point 10).

POLICY AND LEGAL IMPLICATIONS

- 15. Overall, the Regulation intends to reduce complexity of the current emission standards by eliminating different application dates for limits and tests, and removing the requirement for multiple emission tests when not needed. This is likely to be welcomed by manufacturers owing to the complexity of the current emissions regulations due to numerous amendments over the past decade.
- 16. The regulation is expected to reduce the health and environmental impacts of pollution from road vehicles by updating limits for relevant air pollutants that take into consideration up-to-date emission control technologies. Further improvements are expected from improved control of real-world emissions for a greater proportion of the vehicle's lifetime. This would be achieved through advancements in emission measurement equipment and extended emission control system durability requirements.
- 17. Continuous emissions monitoring, and detection of non-compliance and malfunctions might be expected to enable improved enforcement of emissions compliance throughout the lifetime of the vehicle. For battery electric and plug-in hybrid electric vehicles, introducing the requirement for battery state-of-health monitors is expected to ensure performance and battery longevity and may also improve customer confidence in these vehicles.
- 18. The regulation amends Regulation (EU) 2018/858 and repeals Regulations (EC) No 715/2007 and (EC) No 595/2009, which are listed in Annex 2 of the Windsor Framework. Any application of this Regulation in Northern Ireland (NI) would therefore follow the democratic scrutiny process set out in Article 13(3a) of the Windsor Framework. The Government will make a decision on whether to apply the measures covered in the Euro 7 regulation in Great Britain (GB).
- 19. Should the regulation apply in NI, vehicle manufacturers and component suppliers would need to conform with the updated type approval requirements if placing products on the market in NI.

20. However, the requirements of the new regulation would apply under the UKNI type-approval scheme, which enables access to the whole UK market, and is available to manufacturers if they wish to use it. In any event, unfettered access, which is unaffected by the Regulation, would enable access to the GB market for NI-based manufacturers. The movement of used vehicles between GB and NI would be unaffected.
21. On 16 May, the UK Government published 'A vision for GB type approval', which sets out core principles for the future of GB type approval. As a first principle, it sets out an aim to apply all relevant regulations under the United Nations Economic Commission for Europe (UNECE).
22. Some implementing measures in Euro 7 will be, or have been, developed through regulations within the UNECE. This Regulation is therefore expected to shape the global standards for pollutant emissions, minimising divergence in the areas covered by these regulations. The UK is a contracting party of the UNECE and will therefore have the ability to influence the development of these standards. Indeed, the Department for Transport was already directly involved in shaping and supporting the development of UN Global Technical Regulations on battery durability and non-exhaust emissions, which some of the Euro 7 measures are based upon.
23. The Department for Transport has undertaken analysis on the impacts of the Euro 7 proposal to evaluate the financial and social impacts, and the environmental benefits that similar updates to emission standards in GB could bring to the UK. This analysis, which included engagement with key stakeholders involved in the manufacture and supply of vehicles, has been used to inform options for future emission standards applying to GB. Details of the approach to future emission standards for GB Type Approval will be consulted on in due course.

CONSULTATION

24. The Devolved Administrations were consulted in the preparation of this Explanatory Memorandum.
25. The Department for Transport has undertaken a stakeholder workshop to explore the impact of the EC's initial Euro 7 proposal. Those consulted include vehicle manufacturers, organisations that represent the interests of vehicle rental and leasing as well as fleet sector members, technical industry experts, NGOs and public authorities. Findings on the following impacts were recorded and further analysed: investment impacts on supply chain and manufacturer investments; impacts on employment; industry competitiveness; vehicle exports; research and innovation; waste and circular economy. These will be used to help inform the

Department's approach to future emission standards within GB, which will be subject to future consultation.

FINANCIAL IMPLICATIONS

26. The 2022 impact assessment that accompanied the proposal estimates the cost per vehicle to increase by £263 for cars/vans and £2,316 for vans/buses. The assessment estimated total regulatory costs for vehicle manufacturers to increase as a result of increasing costs of vehicle hardware and R&D, which will fall on manufacturers and suppliers and are likely to be transferred to consumers. A further impact assessment of the final regulation has not been produced. Comparative assessments conducted by industry, quoted higher costs. Based on the adopted Regulation, we expect that costs are likely to be reduced due to the reduced stringency of the requirements since the proposal was first published.
27. Since manufacturers typically supply the same vehicle models across the whole European market, we do not expect any specific financial implications for NI, noting it is likely that these costs will in any event be incurred across the UK.
28. The initial impact assessment from the EC also estimated that the regulation is expected to lead to a total monetary health benefit of savings of £164 billion over the period 2025-2050.
29. No significant impacts on national budgets and administrations are expected.



Marie Austin

Committee Clerk, Windsor
Framework Democratic Scrutiny
Committee (DSC)

Ref: DSC 137/24

21 May 2024

Phil Earl
Deputy Director for International Vehicle Standards –
Department for Transport

Issued via email to: phil.earl@dft.gov.uk

Dear Phil

At its meeting on 16 May 2024, the Windsor Framework Democratic Scrutiny Committee considered the following replacement EU act: [Regulation \(EU\) 2024/1257 of the European Parliament and of the Council of 24 April 2024 on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability \(Euro 7\).](#)

The DSC understands that full implementation of the Regulation will be the responsibility of the UK Government and that the Department for Transport is the responsible department.

Following discussion on the Regulation, and consideration of the Explanatory Memorandum (EM) dated 22 December 2022, which states that:

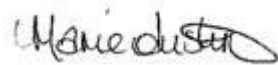
“Total regulatory costs for vehicle manufacturers are predicted to increase as a result of increasing costs on equipment and R&D, which will fall on manufacturers and suppliers and are likely to be transferred to their consumers. Overall cost per vehicle is estimated to increase by £263 for cars/vans and £2,316 for lorries/buses. Regulatory costs are estimated at £46 billion across the EU.”

the Committee agreed that I write to request details of any consultation that was carried out with both car manufacturers and car dealerships (including bodies who might reasonably be expected to represent car manufacturers and car dealerships) and the outcome of that consultation.

The DSC is particularly interested to hear about the scale of the costs that are likely to be passed on to consumers in Northern Ireland if the EU act was to come into force.

I would appreciate a response by 5 June 2024.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Marie Austin', with a stylized flourish at the end.

**Marie Austin, Committee Clerk
Windsor Framework Democratic Scrutiny Committee**