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

17 August 2026

**Regulation (EU) 2026/1738 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**

Dear Marie,

Thank you for the letter from the Chair of the Democratic Scrutiny Committee to the Minister for EU Relations dated 6 August 2026, regarding Regulation (EU) 2026/1738. I am responding on behalf of the Minister.

**Impact of the Regulation's Application in Northern Ireland**

The Government's assessment of this Regulation has been set out in the Explanatory Memorandum from the Department for Transport dated 4 August 2026, which I am attaching for completeness. This has been supplied by the Government in line with its scrutiny commitments.

The Regulation applies in Northern Ireland only to the extent that it amends or replaces measures which already apply in Northern Ireland under the Windsor Framework, as set out in Article 58 of the Regulation. This means that Northern Ireland will continue to follow the UK's domestic producer responsibility system as well as the UK's domestic rules on waste treatment.

The Government has set out that it will maintain a presumption in favour of alignment to EU type-approval requirements for road vehicles. This principle will also apply to vehicle design rules for circularity. Vehicles approved under the small series schemes and parts added by multi-stage manufacturers are exempt from these requirements. Given there are no known mass production vehicle manufacturers based in Northern Ireland that manufacture vehicles within scope of the Regulation, the local manufacturing industry is unlikely to be affected by this Regulation.

The Government's assessment of, and engagement with, the automotive salvage and recycling sectors shows that it is a highly varied domestic market. With regard to end-of-life vehicle requirements concerning assessments of parts and labelling requirements, large-scale operators will likely already operate advanced digital tracking and assessment systems, though the picture for smaller independent dismantlers and local operators is less



clear. These organisations may need to make adjustments to their operations in order to assess and label components parts that are removed from used vehicles prior to the onward sale of vehicle parts.

The Government, in close coordination with DAERA and DfI officials, has been seeking to engage with smaller businesses to better understand how these organisations seek to adapt to the Regulation. These requirements will be phased over three years, and therefore it is expected businesses will have a suitable amount of time to make necessary adjustments to their business models.

Since your letter dated 6 August, DAERA officials have engaged with one car dealership and two vehicle dismantling companies, with a particular focus on provisions relating to the assessment of removed parts. On balance, these responses do not alter the fundamental assessment provided to the Committee by DAERA, nor that provided by the UK Government.

- The car dealership in question provided its assessment on the basis that sales of non-MOT vehicles to other traders would be subject to the obligations of the Regulation, which is not the case. The UK Government's Explanatory Memorandum states that the requirement for an independent assessment would not apply to business-to-business transactions.
- The sample of car dismantling companies is small and its representativeness cannot be confirmed, given the views set out represent views of a small fraction (roughly 2%) of vehicle dismantlers. Furthermore, these responses are predicated on onerous assessment requirements, requiring complex processes, facilities or equipment. The Regulation is not prescriptive on the form that assessments must take and businesses can choose to adopt proportionate, risk-based and appropriate means for assessing parts, including through basic visual inspection where appropriate. The Government will work with DAERA to undertake further engagement and provide guidance to business to ensure that this is fully understood over the three year period available for transition.

The Regulation also introduces vehicle traceability and export controls for used and end-of-life vehicles, aimed at addressing the significant number of used vehicles that disappear from official records as a result of illegal dismantling or illicit export. The Regulation establishes a new mechanism to differentiate legitimate second-hand vehicles from waste streams, which means that when a used vehicle undergoes a commercial transfer of ownership, it must be accompanied by evidence of its roadworthiness.

However, the Regulation provides for targeted exemptions and administrative flexibilities to ensure the legitimate trading of used vehicles without an MOT is not subject to regulatory disruption. Automotive retail and dealership sectors will be able to defer evidence of the roadworthiness of a vehicle under the point of its onward transfer to an end-consumer, as long as a declaration is passed along the commercial supply chain. It is therefore expected that these traceability requirements on used vehicles without an MOT will carry minimal practical impact for most commercial operators.



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The Regulation's requirements concerning export controls to third countries do not extend to vehicle movements from Northern Ireland to Great Britain, which are protected by Northern Ireland's unfettered access to Great Britain under the Windsor Framework. Therefore, these controls will only affect Northern Ireland vehicle exports to non-UK and non-EU destinations, where they do not have a valid MOT certificate.

The UK Government is fully dedicated to safeguarding the integrity of the UK internal market and protecting Northern Ireland's place within it. In line with this core principle, the Government will commit to taking any necessary steps to protect the UK's internal market, including considering equivalent measures in Great Britain where necessary. As such, it will explore with industry and stakeholders the relative merits of taking similar measures across Great Britain, with regard to upstream design and type approval, trade in used parts, as well as used vehicle, waste status and waste export controls.

Taking all of this into account, the Government does not expect the Regulation to create significant barriers to the movement of goods from GB into NI, due to the two to six year transition period for industry, as well as the provisions of targeted exemptions and administrative flexibilities contained within the Regulation. The specific provisions applicable in Northern Ireland under the Windsor Framework are targeted at product standards, commercial trade, and export controls, while intentionally excluding domestic waste handling, and are designed to support everyday commercial trade in such products.

### **Impact if the Regulation does not apply in Northern Ireland**

Conversely, in a situation where the Regulation were not to apply under the Windsor Framework, there would be regulatory divergence for Northern Ireland businesses trading automotive parts and used vehicles into the EU market. NI businesses would only be able to sell such products in the EU, if they satisfied the relevant EU regulatory requirements.

### **Next Steps**

The Government has been engaging closely with officials from DAERA and DfI on their interests in this act and will continue to work closely on implementation matters and guidance for businesses in due course.

I trust this information will be of assistance to the Committee.

**Yours sincerely,**

**PAUL FLYNN**  
**DEPUTY DIRECTOR - WINDSOR FRAMEWORK TASKFORCE**

Mrs Ciara Ferguson MLA, Chairperson  
Windsor Framework Democratic Scrutiny  
Committee

REF: DSC 234/26  
6 August 2026

**Rt Hon Hamish Falconer MP**  
**Minister of State (Minister for Intergovernmental Relations and**  
**European Relations)**

Issued via email to: [REDACTED]

CC: [REDACTED]

Hamish, a chara,

At its meeting on 6 August 2026, the Windsor Framework Democratic Scrutiny Committee (DSC) considered [Regulation \(EU\) 2026/1738 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](#). This act was notified to the DSC on 30 July 2026.

The DSC decided to hold an inquiry into the replacement EU act, pursuant to paragraph 8(1) of Schedule 6B to the Northern Ireland Act 1998.

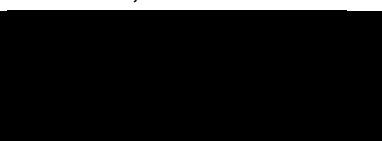
Under paragraph 9(2)(a), the DSC must seek substantive discussion and engagement with the British Government. Therefore, further to the information provided in the Explanatory Memorandum dated 4 August 2026, the Committee is requesting your assessment of:

- Whether it appears likely that the application of the replacement EU act would have a significant impact specific to everyday life of communities here in a way that is liable to persist; and
- Whether it appears likely that not applying the replacement EU act would have a significant impact specific to everyday life of communities here in a way that is liable to persist.

In considering the potential for divergence, the Committee also requests details of the position in England, Scotland and Wales.

I would appreciate a response **by Monday 17 August 2026 at 11.00am.**

Le meas,



Ciara Ferguson, MLA  
**Chairperson, Windsor Framework Democratic Scrutiny Committee**