

PUBLISHED REPLACEMENT EU ACT ASSESSMENT OF IMPACT

Reference: Regulation (EU) 2026/1738

Date: 05/08/2026

Department: Department for Infrastructure

Published Replacement EU Act

Regulation (EU) 2026/1738 of the European Parliament and of the Council of 8 July 2026 on circularity requirements for vehicle design and on management of end-of-life vehicles, amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2019/1020 and (EU) 2023/1542 and repealing Directives 2000/53/EC and 2005/64/EC

Summary of the Act

The regulation aims to repeal and combine elements of the currently separate instruments for the management of end-of-life vehicles and vehicle type approval into a single instrument. The elements in scope are those with respect to reusability, recyclability and recoverability which require manufacturers to demonstrate compliance with those recyclability requirements at the type approval stage. The regulation has a phased 2-6 year implementation timeline.

Its main objective is to establish a closer link between vehicle construction and their end-of-life management, improving circular design to increase the recovery of materials from end-of-life vehicles. It focuses on three main aspects: the recyclability of vehicles, the management of end-of-life vehicles and the export of used vehicles.

The proposed type-approval requirements place obligations on manufacturers to use at least 15%-25% (6-10 years after coming into force) of plastic recycled from post-consumer waste including from end-of-life vehicles, restrict the use of lead and other heavy metals, and to not hinder the removal of parts that can be reused. These requirements will apply six years from the date the Regulation enters into force.

Manufacturers will be required to prove compliance at the type-approval stage. They will have to provide a circularity strategy setting out the actions each will take to follow-up on their obligations and provide information on the safe removal and replacement of vehicle parts. These requirements will apply three years after the regulation enters into force.

Department(s) Responsible

Type approval is a reserved matter. The Secretary of State for Transport has primary responsibility for type approval. The associated department is the Department for Transport (DfT).

Department for Environment Food and Rural Affairs (DEFRA) have an interest in this proposed regulation in as much as it relates to achieving Net Zero by 2050 and broadly aligns with the government's commitment to reduce waste by moving to a circular economy.

The infrastructure minister and her Department have an interest in the amendment of Regulation (EU) 2018/858 and the repeal of directive 2005/64/EC as they relate to vehicle type approval.

Assessment of Impact

As this is a fully reserved matter and the responsibility of UK Government, DfT has provided their assessment below.

This Regulation will apply in Northern Ireland under Article 13(3) of the Windsor Framework, which provides for the automatic application of EU acts that amend or replace EU instruments listed in the annexes of the Windsor Framework. This application is subject to the democratic scrutiny arrangements established under the Windsor Framework and enacted through domestic legislation via Schedule 6B of the Northern Ireland Act 1998.

Considering the scope of the Windsor Framework, only specific provisions of this Regulation shall apply in respect of Northern Ireland, as set out in Article 58 of the Regulation. This targeted application accounts for the unique application of the Regulation in respect of Northern Ireland, as the Regulation merges and updates two distinct EU instruments: Directive 2005/64/EC on vehicle circularity, which is listed in Annex 2 of the Windsor Framework; and Directive 2000/53/EC (on end-of-life vehicle disposal), which is not listed in Annex 2 of the Windsor Framework.

The full detailed list of what parts of the Regulation apply under the Windsor Framework is set out in Article 58, but to summarise, this includes:

- Articles 1-13: establish the general provisions, scope and definitions, alongside the upstream circularity and ecodesign requirements for vehicle manufacturing, including restrictions on hazardous substances and targets for recycled plastic content;

- Article 14, with exceptions: requires the establishment of one or more competent authorities responsible for the obligations that do apply in Northern Ireland;
- Articles 30 and 31: establishing the technical and labelling requirements for parts removed from end-of-life vehicles, and how such parts are traded and placed on the market;
- Article 35(1): applying export restrictions to end-of-life vehicles to those vehicles being exported to non-UK and non-EU destinations, in the same way that end-of-life vehicle exports are currently controlled under the Windsor Framework;
- Articles 36-44: set out the criteria for legally distinguishing between used vehicles and end-of-life vehicles, export controls on used vehicles for non-UK and non-EU destinations, and electronic data exchanges;
- Articles 45 and 46: require national vehicle registries to connect to the EU's centralised MOVE-HUB electronic data exchange platform, which will be used to automate customs clearance for used vehicle exports outside of the EU.
- Articles 47-50 (parts thereof): setting out domestic enforcement, inspection, regulatory cooperation and reporting requirements, which only apply insofar as they relate to the parts of the Regulation that do apply in Northern Ireland;
- Articles 51-59: final provisions covering delegated powers, evaluation timelines, committee structures and technical amendments to type-approval legislation.

Only the specific set of provisions listed above will apply in Northern Ireland, whereas the full Regulation will apply in the EU.

As noted above, the application of this Regulation is targeted and limited to specific provisions under the Windsor Framework (as set out in Article 58). Consequently, Northern Ireland will not adopt the full EU Regulation, instead it will continue to follow the UK's domestic producer responsibility system as well as the UK's domestic rules on waste treatment. The assimilated version of Directive 2000/53/EC (on end-of-life vehicle disposal) will continue to apply UK-wide, for example the existing waste handling requirements on ATFs and extended producer responsibility for vehicle manufacturers. These matters are subject to future determinations on UK and devolved policy. The specific provisions that do apply in Northern Ireland (such as those relating to type approval, used parts labelling and waste export requirements) are focused on product standards and trade in goods.

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.

The UK Government will maintain a presumption in favour of alignment on vehicle type-approval rules for circularity, with the intent to engage stakeholders on introducing similar measures in Great Britain ahead of the EU's phased 2-6 year implementation timeline.

It does not therefore appear likely that the application of the proposed replacement EU act would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist.

UK Government Explanatory Memorandum

An Explanatory Memorandum (EM) was completed by the Department for Transport (DfT) in April 2024 and was provided to the Committee at that time.

DfT are currently finalising an updated EM and liaising with DEFRA on their responsibilities.

DfT have advised that an unsigned copy of this EM should be provided to the Committee on Wednesday 5 August 2026.

We have drawn from that draft document in the completion of the Summary and Assessment sections of this form.

Analysis by the European Commission on its Impact Assessment

Working documents for the EU Commission's Impact Assessment and Executive Summary of the Impact Assessment Report are available here:

Impact Assessment Report - [52023SC0256](#)

Executive Summary of the Impact Assessment Report - [52023SC0257](#)

Departmental Engagement

DfI engaged with DfT officials on this matter during the creation of the EM of April 2024 and continue to engage with DfT officials on the creation of the updated EM. DEARA is engaging with DfT officials on this matter on an ongoing basis.