

These notes should be kept by the applicant and made available to everyone who use the trade plates.

The following notes are intended as a brief guide. For more detailed information please refer to the Vehicle Excise and Registration Act 1994 (VERA) and the Road Vehicles (Registration and Licensing) Regulations 2002 (RV(R&L) Regs) (S1 2002 No. 2742) available from the Stationery Office Publications Centre website: www.ukstate.com

1. Issue of trade licences

Please note: There is no automatic right to the issue of a trade licence and only those that can fully comply with the specified criteria will be eligible to become a trade licence holder.

To be eligible to apply for a trade licence they must either be:

A motor trader – defined as:

- a manufacturer or repairer of, or dealer in, mechanically propelled vehicles, or
- a dealer in vehicles, if they carry on a business consisting wholly or mainly of collecting or delivering mechanically propelled vehicles and not including any other activities except those of a manufacturer or repairer of or dealer in such vehicles. This includes hire and leasing companies and also finance/HP companies.

Vehicle testers – defined as:

- a person other than a motor trader who regularly in the course of their business engages in the testing on roads of mechanically propelled vehicles belonging to other people.

2. How to fill in the Application for a trade licence (VTL301)

- Questions numbered 1 to 10 **must** be filled in.
- You must answer at **least one** of the questions numbered 11 to 14.
- The application form must be signed and dated.
- If you currently hold trade licences, you **must** fill in Appendix A.

Your application may be returned to you if you do not supply the requested information.

3. Supporting Documents

When submitting an application for a Trade Licence you must provide supporting documentation. Please provide one form of personal identity and one form of business identity from the lists below.

Personal Identity

- Photocard Driving Licence
- Passport
- Bank/Building Society Statement

Business Identity

- VAT Registration Certificate
- Company Utility Bill
- Bank/Building Society Statement
- Certificate of Company Insurance

4. Permitted uses of trade licences

- a. A motor trader may use the trade licence on mechanically propelled vehicles **only** if they are temporarily in their possession in the course of their business. A motor trader who is a manufacturer may also use the licence on a vehicle kept only for research and development purposes, or on vehicles that are submitted to them for testing by other manufacturers.
- b. A vehicle tester may use the trade licence only on vehicles submitted to them for testing (including the vehicles trailer, its accessories or equipment).

Trade licences must be used only for the particular business purposes for which they were issued. These include:

- test or trial of a vehicle, its accessories or equipment during or immediately after construction, modification or repair
- return journey to public weighbridge or for registration or inspection by an authorised official
- undertaking a test trial for the benefit of a prospective purchaser or the press
- demonstrating the operation of a vehicle, its accessories or equipment, when being handed over to a purchaser and delivering it to the place where they intend to keep it
- movement of vehicles:
 - for valeting or accessory fitting between traders' premises
 - a workshop where special equipment or accessories are fitted
 - between traders' premises and a place where it starts or finishes a journey
 - between traders' premises and auctions or other places of sale
- proceeding to and from a DVLA local office for an inspection associated with an application to transfer or retain a vehicle registration number, or
- proceeding to and from places of test and for proceeding to a place for breaking and dismantling.

5. Offences

It is an offence to:

- knowingly make a false declaration on the application form or any supporting material used in the application process
- use more than one vehicle under a trade licence at any one time
- keep a vehicle on a road when not in use except in certain emergency situations
- use a vehicle without displaying a current trade plate licence and both plates as specified
- misuse, alter, deface or damage a trade plate or licence
- display anything on a vehicle that could be mistaken for a trade plate or licence
- display trade plates or licence other than those issued by DVLA
- display trade plates if the trade licence has expired
- display trade plates if you become ineligible to be a trade plate holder
- use the vehicle for any purpose other than those specified in the regulations
- use a vehicle for the general conveyance of good or burden. Exceptions to this include
 - non returnable loads
 - collection and delivery of parts, accessories or equipment carried for the purpose of being fitted to the vehicle
- use a vehicle, which is permanently in the possession of the trade licensee unless they are a manufacturer and the vehicle is one kept solely for research and development.

6. Penalties

There is a maximum fine of £5,000 and a possible prison term not exceeding two years for:

- making a false or misleading declaration or providing false or misleading evidence in an application
- fraudulently altering or using trade plates, or
- fraudulently lending them or allowing them to be used by another person.

There is a maximum fine of £1,000 or five times the rate of duty chargeable in respect of the vehicle or vehicles, whichever is the greater, for:

- using a trade licence for a purpose not permitted by the regulations.

7. Refunds

A refund can be surrendered at any time for a refund of the duty. To get a refund for each full calendar month left on the trade licence, you must send your application before the first day of the month.

Main points to note

- **A trade licence is NOT transferable and if any change occurs in the name, proprietorship, legal entity or address of the holder, you MUST inform the DVLA local office immediately.**
- **There is no automatic exemption from MoT testing for vehicles used under a trade licence. A vehicle used under a trade licence is only exempt from the MoT testing requirement when being driven during the course of, or on completion of repairs, or when being driven to and from a pre-booked MoT test. A vehicle that has failed the test and has no current MoT in place must be towed to the place of breaking.**
- **Trade plates should not be used on a vehicle that is carrying passengers for hire and reward as the purposes for a trade licence being issued does not allow passengers to be carried on a commercial or personal basis.**