

Brexit Factsheet: Automotive

Is your business Brexit ready?

Since Ireland joined the EU Single Market, we have availed of the benefits that membership brings including the ease of trading in goods and services with our nearest neighbour- the United Kingdom (UK).

On 29 March 2017, the UK notified the European Council of its intention to leave the European Union (EU). Unless a ratified withdrawal agreement establishes another date or the European Council, in accordance with Article 50(3) of the Treaty on EU and in agreement with the UK, unanimously decides that the Treaties cease to apply at a later date, all Union primary and secondary law will cease to apply to the UK from 30 March 2019. The UK will then become a third country.

As the UK prepares to leave the EU, we must prepare for this transition. Below you will find some useful information on the changes in trading standards that will likely take place to both products and services post-Brexit.

What are the Brexit impacts on automotive type approval?

This factsheet covers the following vehicles:

- Agriculture vehicles and their trailers
- Passenger vehicles and their trailers
- Commercial vehicles and their trailers
- Passengers cars and their trailers
- 2/3 wheel vehicles
- Motorcycles
- Non Road Mobile Machinery (NRMM)

All EU Member States recognise the activities of each other's EU type approval authorities. These activities include the granting of EC whole vehicle type approval, assessments of



conformity of production procedures and other associated activities. The type approval process ensures that motor vehicles, trailers and their systems, components and separate technical units meet the necessary technical, safety and environmental standards prior to placing on the EU market.

EU and EEA manufacturers are able to access the whole of the EU market by obtaining EU approval from any one of the national approval authorities. This ensures a level playing field for automotive products and services across the EU. Eligibility is met by tests carried out by technical services and approved by a Member State approval authority. It is not permissible for a manufacturer to hold approvals for the same type of motor vehicle from two or more separate authorities at the same time.



The European Commission has stated that when the UK leaves the European Single Market, the UK type approval authority, the Vehicle Certification Agency (VCA) will no longer be recognised as an authorised EU type-approval authority and will not be able to fulfil any of the powers and obligations of an EU type-approval authority. Consequently, manufacturers who have obtained EU approvals from the VCA will need these approvals transferred to an EU-27 issued type-approval. These include products already in production to ensure continued compliance with EU law.



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Possible future regulatory alignment?

The Commission has published <u>regulations</u> setting out how manufacturers can transfer their UK issued type-approvals into an EU-27 issued type-approval. It is the only process available for the transfer of UK issued approvals into an EU-27 issued approval.

The European Commission have indicated that they are aware of the considerable administrative burden that the modification of the approval system will cause for manufacturers and the EU-27 Approval Authorities. Discretion will likely be provided for type-approval authorities in making their decision on whether to grant a new approval in respect of any previous UK approval.



The UK have indicated their willingness to engage constructively with their European counterparts post-Brexit including their continual participation in the UNECE World Forum for the harmonization of vehicle regulations, which underpins many of the EU regulatory standards.

What are the implications for importers?

A significant import/export market has developed between Ireland and the UK. Post-Brexit, imported vehicle parts from the UK could be subject to tariffs and delays. Disruptions could also affect EU-manufactured parts that transit through the UK to Ireland. The EU Automotive Regulation 2018/858 establishes approval

requirements that components must meet before they can be placed on sale or enter into service. Examples of replacement components which require approval in order to be sold or fitted to certain vehicles include; tyres, exhaust silencers, catalytic convertors, glazing, safety belts, brake linings, coupling devices, lights and light bulbs.

Post Brexit, the UK will become a "third country" and manufacturers and importers currently operating from the UK will no longer be considered as being established in the EU. This could have possible impacts for supply chains and obligations being placed on economic operators such as representatives, importers and distributers. It is advised that economic operators examine their current supply chain.

Manufacturers are generally responsible for ensuring compliance with the type approval process and conformity of production of vehicles and their parts. Currently, manufacturers established outside the EU must appoint a single representative who is established in the EU to represent the manufacturer before the national approval authority and for market surveillance purposes. The same representative may carry out both roles.

The main functions of single representatives are set out in their mandate received from the manufacturer. However, the framework regulation assigns certain mandatory tasks such as maintaining of records and documentation, information sharing, co-operation with approval authorities and/or market surveillance authorities and terminating the mandate with the manufacturers if they act contrary to their regulatory obligations as outlined.



Post-Brexit, manufacturers' representatives established in the UK will be deemed as being located outside the EU. Therefore, manufacturers established outside the EU whose representative is based in the UK, are advised to take appropriate action.



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Exporting product into the UK post Brexit?

The UK's automotive industry is highly integrated with European industry and operates complex supply chains across the EU for the supply of automotive components. There are a number of Irish manufacturers who export trailers, cars, vans and buses to the UK. If you are exporting automotive parts to the UK market, it is likely that Brexit will have an impact on your supply chain.

Post-Brexit, exporters of automotive parts to the UK may have adhere to different sets of regulations and to pay import duties. There is also the possibility of currency impacts particularly if sterling depreciates increasing the costs of exported products into the UK.

Management System Certification



It is expected that Certification to any of the International Standards Organisations Management Systems Standards such as ISO 9001 Quality, ISO 14001 Environment or ISO 45001 Occupational Health and Safety will not be directly affected by Brexit. For Irish businesses under European Accreditation, the status of British based certification to International Standards may in time be impacted

Looking for further information?

You can contact the NSAI Brexit Unit at BrexitUnit@NSAI.ie for any queries on standards

and certifications and your business post-Brexit. The EU Commission has also produced a suite of official guidance on Brexit Preparedness for a wide range of sectors. Further information on Brexit and what it will mean to your business can also be found on the websites below.

Further Information	
NSAI	https://www.nsai.ie/about/news/is-your-business-ready-for-
	brexit/
Department of Business,	https://dbei.gov.ie/en/What-We-Do/EU-Internal-
Enterprise and Innovation	Market/Brexit/
Department of Foreign	https://www.dfa.ie/brexit/
Affairs and Trade	
Department of Agriculture,	https://www.agriculture.gov.ie/brexit/
Food and the Marine	
Department of Transport,	http://www.dttas.ie/corporate/publications/english/brexit
Tourism and Sport	
Framework Directive	https://eur-lex.europa.eu/legal-
(Regulation (EU) 2018/858)	content/EN/TXT/PDF/?uri=CELEX: 32018R0858
EU Commission NANDO	http://ec.europa.eu/growth/tools-databases/nando/
website	
EU Commission Information	https://ec.europa.eu/info/brexit_en
on Brexit	
EU Regulation on Union	https://eur-lex.europa.eu/legal-
type-approval	content/EN/TXT/PDF/?uri=CELEX: 32019R0026&from=EN
Road Safety Authority	http://rsa.ie/
(RSA)	
Selling products in the EU	https://europa.eu/youreurope/business/selling-in-eu/selling-
	goods-services/selling-products-eu/index_en.htm
Environmental Protection	https://www.epa.ie/
Agency (EPA)	

