



These notes should be kept by the applicant and made available to everyone who uses 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.legislation.gov.uk

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)

- All sections **must** be filled in.
- The application form **must** be signed and dated.
- Please make sure you enclose the correct fee.

Your application will be rejected if you do not supply the requested information or if you have not enclosed the fee.

3. Permitted uses of trade licences

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

These include:

- to test or trial a vehicle, its accessories or equipment during or immediately after its construction, modification or repair
- for a return journey to public weighbridge or for registration or inspection by an authorised official

- to undertake a test trial for the benefit of a prospective purchaser or the press
- to demonstrate 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.
- for moving vehicles:
 - for valeting or accessory fitting between traders' premises (valeting means the thorough cleaning of a vehicle before its registration or in order to prepare it for sale and includes removing wax and grease from the exterior engine and interior).
 - to 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
- to go to and from places of test or inspection and for going to a place for breaking and dismantling.

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.

A vehicle tester: may use the trade licence only on vehicles submitted to them for testing (including the vehicles trailer, its accessories or equipment).

4. 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 a current licence and displaying both plates as specified
- misuse, alter, deface or damage a trade plate
- display anything on a vehicle that could be mistaken for a trade plate
- display trade plates 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 goods 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.

5. Rates of duty

You can apply for a 6 or 12 month trade licence in January, or a 6 month trade licence in July.

New traders who apply for a trade licence at any time other than January and July would need to obtain a trade licence for a period of 7, 8, 9, 10, or 11 months in order for the licence to end in December or June.

For example a customer making an application in March would need a licence to cover a 10 month period to end in December.

If rates of duty change in the Chancellor's annual Budget announcement a different rate may be payable.

For further information go to

www.gov.uk/trade-licence-plates

Your application will be rejected if you have not enclosed the fee.

Month of application	Month of expiry	All vehicles Rate of Duty	Motorcycles and tricycles Rate of duty
January (6 month licence)	June	£90.75	£44.00
January (12 month licence)	December	£165.00	£80.00
February (11 month licence)	December	£165.00	£80.00
March (10 month licence)	December	£151.25	£73.35
April (9 month licence)	December	£136.10	£66.00
May (8 month licence)	December	£121.00	£58.65
June (7 month licence)	December	£105.85	£51.35
July (6 month licence)	December	£90.75	£44.00
August (11 month licence)	June	£165.00	£80.00
September (10 month licence)	June	£151.25	£73.35
October (9 month licence)	June	£136.10	£66.00
November (8 month licence)	June	£121.00	£58.65
December (7 month licence)	June	£105.85	£51.35

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 trade plate can be surrendered at any time for a refund of the licence 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 – You will need to fill in an 'Application for a refund of tax on surrender of a trade licence' (VTL308) form available from www.gov.uk/trade-licence-plates

8. Replacement

If you are changing your name/address details or the trade plate is damaged you must notify DVLA by filling in the VTL310 application form available from www.gov.uk/trade-licence-plates

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 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.**

What happens next

You should receive your licence confirmation and trade plates within 4 weeks. For security reasons your trade plate(s) and licence confirmation will be sent to you in two separate packages. Please allow four weeks before contacting us. You can contact us by phoning 0300 300 1495, phone lines are open between 8.30am and 4.30pm on Monday to Friday.

Find out about DVLA's online services

Go to: www.gov.uk/browse/driving

