

Dear Member,

## **NFDA Northern Ireland (NFDA NI) update – April 2022**

We continue to work hard on a number of issues including the VAT margin scheme, MOT, the Electric Vehicle (EV) Charging infrastructure and the end of petrol and diesel vehicle sales in 2030. Ahead of Assembly Election on 5 May, NFDA NI has published its manifesto outlining our main concerns.

Our manifesto focuses on three key areas:

- **Increasing investment into combatting the lacking existing Northern Ireland EV infrastructure network**

We highlighted that, in its current state, NI has the lowest number of charging devices out of the all the devolved nations, with over 50% less than the UK and GB average. The limited number of chargepoints severely undermines consumer confidence in the EV market and is hampering growth within the Sector. We have stressed that this is of deep concern to our members as the current state of electric chargepoints has the capacity to disincentives customers from purchasing cleaner, greener vehicles. Although the NFDA and the sector in NI welcomed ESB's announcement in November 2021 that it had received £3.27m from the first round of the Levelling Up Fund, this must be the start of further investment into the NI charging network.

- **A 'Green Investment Allowance' to support private capital expenditure on electric chargepoints**

Bringing forward the date on which the sale of petrol and diesel cars will end to 2030 will require a huge level of investment by automotive manufacturers and retailers to meet the UK Government's ambition. For retailers, this will mean accelerating plans to install essential electric chargepoint infrastructure at their sites.

The burden is currently on franchised dealers to invest further significant amounts of capital in the necessary energy infrastructure required for the projected adoption of electric vehicles. The Super-deduction tax is welcomed but the responsibility for increasing localised energy capacity requirements and infrastructure development should be placed with DNOs.

In light of the rapid acceleration of the transition to zero-emission vehicles, an EV Infrastructure Investment Allowance would provide a clear incentive for retailers to bring forward their chargepoint plans, boosting the number of chargepoints in car retail areas and familiarising motorists with the technology when shopping for their next electric/hybrid vehicle.

- **Seeking a solution to the supply side issues surrounding the current NI Mot Testing Regime**

NFDA NI remains deeply concerned about the current MOT testing regime in Northern Ireland. The significant testing backlog still remains within the system, with reported delays for motorists seeking an MOT stagnating at over three months. This backlog severely undermines road safety in the Northern Ireland transport system, with a growing number of vehicles not possessing a valid MOT. We stated that, alongside our members, we are committed to addressing the existing backlog and helping motorists safely get back out on the road. We urged the Assembly to consider how NFDA NI members could complement and support DVA's work around MOT testing, through the utilisation of the dealer network which could provide investment and personnel. NFDA NI is encouraged by the positive response received so far, and we look forward to further collaboration on the issue.

We will keep members updated.

### Northern Ireland new car sales slide again as Ukraine war curtails supply

*Belfast Telegraph, 8 April 2022*

New supply disruptions caused by Russia's war on Ukraine have impacted new car sales in Northern Ireland. The latest data from the SMMT showed 4,186 new cars were registered in Northern Ireland in March, a decline of just over 9%.

[Read the full article here](#)

### Pricing Analysis March 2022

*The latest used car pricing trends brought to you by the NFDA and Auto Trader.*

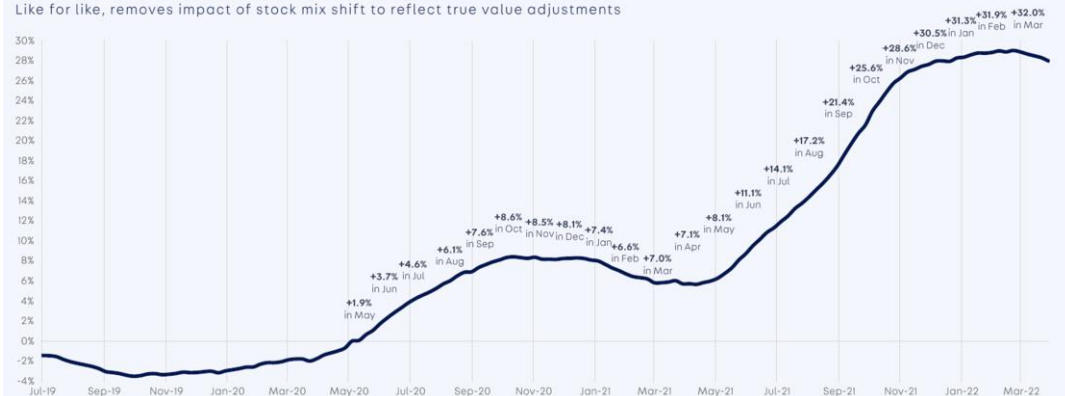
Like-for-like price increases were well ahead of 2021 in March, although the growth trajectory has slowed.

Cars up to one year old saw the biggest month-on-month jump as supply remains 40% back on last year; older cars also saw a month-on-month increase. Market health, which is made up of both supply and demand levels, has slowed with demand down slightly more than supply.

Like-for-like prices remain strong in March at 32%, though growth has slowed in recent months.

#### WEEKLY YEAR-ON-YEAR PRICE MOVEMENTS

Like for like, removes impact of stock mix shift to reflect true value adjustments



To download the full report please visit [www.nfda-uk.co.uk/reports/pricing-analysis-auto-trader](http://www.nfda-uk.co.uk/reports/pricing-analysis-auto-trader)

## **Government announces continued funding for NFDA's Electric Vehicle Approved (EVA) scheme**

*The Government has recently announced its continued support for NFDA's Electric Vehicle Approved (EVA) accreditation scheme until the end of the financial year in April 2023.*



Ministers are said to have been impressed with NFDA and Energy Saving Trust's efforts to approve a significant amount of EV providing dealers, recently achieving the milestone of 300 EVA accredited sites in February, with many more retailers in the pipeline.

For the year ending April 2023, Government will continue to fund the scheme, only for small franchised and independent dealers. Further to this, Ministers have agreed to extend the Repair and Aftersales centre pilot scheme for six months, closing at the end of September.

Transport Minister Trudy Harrison said: "As we drive towards our net zero ambitions, it's vital dealerships have the right level of skills and expertise to advise drivers on the important benefits of switching to electric vehicles. That's why this Government has supported the brilliant EVA scheme to build buyers' confidence when thinking of buying an electric vehicle and encourage more motorists to go-electric."

Tim Anderson, Group Head of Transport at Energy Saving Trust, said: "The Electric Vehicle Approved (EVA) scheme has been instrumental in empowering retailers to enhance their expertise and supporting consumer confidence when purchasing electric vehicles. We welcome the Government's decision to focus the scheme on smaller dealerships, to ensure that funding for the necessary audits reaches the businesses that need it most.

"We look forward to continuing our support of the scheme and working closely with the Office for Zero Emission Vehicles (OZEV) and the National Franchised Dealers Association (NFDA) in the transition to net zero."

Sue Robinson, NFDA Chief Executive added: "NFDA welcomes the Government's decision to extend funding for the Electric Vehicle Approved (EVA) accreditation scheme. The continued support from Governing bodies is testament to the key role that retailers play towards electrification and the transition to a zero-emission market.

We look forward to extending our collaboration with the Government's Office for Zero Emission Vehicles (OZEV) and Energy Saving Trust for another year."

**For more information about EVA, please visit [www.evaproved.co.uk](http://www.evaproved.co.uk) or email [eva@rmif.co.uk](mailto:eva@rmif.co.uk).**

If you are already 'EV Accredited', please contact us to receive your promotional pack to publicise your EVA badge of approval and let your customers know that you are an expert in EV retail and aftersales.

## Government updates and announcements

### **Prepare for the second-hand motor vehicle export refund scheme**

*HMRC has published guidance on for the second-hand motor vehicle export refund scheme.*

The guidance covers the new scheme to claim a VAT refund if you buy second-hand motor vehicles in Great Britain and move them to Northern Ireland or the EU for resale.

The second-hand motor vehicle export refund scheme is a new scheme that the government intends to introduce on 1 October 2022.

It will allow you to claim a refund of VAT if you move a second-hand motor vehicle from Great Britain (England, Scotland and Wales) to Northern Ireland for resale.

If you are a car dealer who sells motor vehicles in Northern Ireland, you will soon have to use the scheme if you:

- buy vehicles in Great Britain and move them to Northern Ireland for resale
- currently use the [VAT margin scheme](#) for those sales

You may also be able to use the refund scheme if you:

- are VAT registered in the EU
- buy second-hand vehicles in Great Britain and export them to the EU for resale

Further information on the scheme will be published in May 2022.

### **If you are a dealer in second-hand motor vehicles in the UK**

When the refund scheme is introduced you will no longer be able to use the VAT margin scheme to account for VAT on second-hand vehicles that you buy in Great Britain, move to Northern Ireland and then resell.

The VAT on these sales will be subject to the [normal rules for moving goods between Great Britain and Northern Ireland](#). When you sell the vehicle, you will account for VAT on the full value of the supply.

The refund scheme will allow you to claim a refund of VAT on the vehicle you have purchased when you move it from Great Britain to Northern Ireland as long as you intend to resell it.

### **What vehicles are eligible under the scheme**

Motor vehicles that are currently eligible for the VAT margin scheme when purchased in Great Britain and sold in Northern Ireland will be eligible for the refund scheme when it is introduced. If you buy second-hand vehicles in Northern Ireland or from the EU, you will not be able to use the export refund scheme. You will continue to be able to use the VAT margin scheme when you sell them.

## **How you will account for VAT**

You will be able to treat the refund amount as if it were input tax and make the claim on your UK VAT return.

The refund amount will be worked out as the VAT element of the value of the vehicle that you purchased in Great Britain at the time that you move it to Northern Ireland.

In most cases, the value will be the full purchase price you paid for the vehicle. For example, if you purchase an eligible second-hand car in Great Britain for £12,000 the refund amount would be £2,000 (£12,000 × one-sixth). When you sell the car in Northern Ireland, you must account for VAT at the full value of the supply.

## **What will happen during the transition to the new scheme**

You will be able to use the refund scheme for any eligible vehicles that you move from Great Britain to Northern Ireland from the date that the scheme is introduced. You will continue to be able to use the VAT margin scheme until that date.

Vehicles that you already have in stock in Northern Ireland when the refund scheme is introduced will continue to be eligible to be sold under the VAT margin scheme.

For full details, please visit: [Prepare for the second-hand motor vehicle export refund scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/prepare-for-the-second-hand-motor-vehicle-export-refund-scheme)

HMRC's existing guidance page has also been updated; please find more information at: [Sales of second-hand motor vehicles in Northern Ireland - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/sales-of-second-hand-motor-vehicles-in-northern-ireland).

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## **Plug In Vehicle Grant Delivery Extension**

*In August 2021, the Office for Zero Emission Vehicles (OZEV) announced a temporary extension to the period for Plug in Vehicle Grant orders to reach 'completed' status on the grant portal from 9 months to 12 months. This extension expired on 4 February 2022.*

Due to the ongoing semi-conductor shortage issue and the conflict in Ukraine further impacting manufacturing supply chains, OZEV will continue the extended delivery period of 12 months for eligible Plug in Vehicle Grant orders placed on the grant portal until further notice.

Previous orders made on the grant portal that have reached the 9-month delivery window from 4 February 2022 can progress to payment if fulfilled before 4 May 2022. As set out in previous updates, all orders that have exceeded their 12-month delivery period will continue to be cancelled on the Plug in Grant portal – referenced in paragraph 2.16 in the portal guidance.

OZEV will consider the approval of longer delivery timescales up to a maximum of 18 months for multi-stage build vehicle (MSBs) and wheelchair accessible vehicle orders (WAV) on a case-by-case basis and with suitable evidence provided.



## Your monthly legal case studies

- [MILS Guidance: Employing Apprentices](#)

*Apprenticeships are common within the motor industry and can be very beneficial for both apprentice and master. However as with all staffing decisions you do need to understand them? in order to ensure they are right for you and your business.*

- [MILS Case Study: Abandoned Vehicles](#)

*"I have repaired a vehicle and it is ready for collection but all I have is a telephone number and the owner is now not responding, what can I do"*

We look forward to continuing to best represent your interests in 2022. If you have any questions for us or require any assistance from your trade association, please contact [lena.patel@rmif.co.uk](mailto:lena.patel@rmif.co.uk) or our member helpline at 01788 538303.

# Member Benefits



Legal  
Helpline



Monthly  
Newsletter  
and Industry  
Insights



Regular  
Meetings  
and Events



National  
Conciliation  
Service



NFDA  
Representative  
Northern  
Ireland



Ongoing  
lobbying  
and policy  
updates



Member-only  
guidance

## Be Part of NFDA NI

The core purpose of the NFDA NI is to lobby Northern Ireland's local government by developing existing relationships and establishing new ones within relevant departments and agencies to outline dealers' priorities and safeguard their business matters.

NFDA NI members can benefit from the wide range of NFDA services plus dedicated resources, including a representative based in Northern Ireland to regularly engage with the government and other relevant parties on behalf of dealers.

### NFDA NI members are BETTER INFORMED

Our members get access to free legal advice. We communicate you all relevant policy updates and guide you in line with regulatory changes. We ensure you are better informed through newsletters, industry updates, and regular meetings.

### NFDA NI members are BETTER MANAGED

We understand your enthusiasm for the industry. We also understand how hectic our members' working lives can be. To help, we offer business advice, HR and Employment toolkits, commercial advice, and industry-led working groups to help you be better managed.

### NFDA NI members EXCEED PERFORMANCE STANDARDS

Everything we offer is designed to help dealers improve performance. We provide access to a wider network, ensuring compliance, researching and providing data regarding our members' relationships with manufacturers. We enable real positive change for our industry, making our members more reputable and profitable.

To learn more about **NFDA NI**, the work we have been doing on behalf of our members and how you can benefit from your membership, please email Lena at [lena.patel@rmif.co.uk](mailto:lena.patel@rmif.co.uk)