

**DRAFT POLICY
TO REGULATE
THE
USED CAR INDUSTRY
2011 – 2013**

MINISTRY OF TRADE AND INDUSTRY

JULY, 2011

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Executive Summary

The Need for a Policy: The development of the “Policy to Regulate the Used Car Industry” emanates from the need for clear guidelines for the administration of the importation of such vehicles into Trinidad and Tobago. While acknowledging the important contribution of the used-car industry towards the attainment of some of the country’s socio-economic goals, such as employment creation, provision of affordable means of transport and offering healthy competition for the new car industry, the Policy recognizes the potential risks associated with the industry if left unregulated. These risks include consumer protection issues, environmental issues and legality of imported vehicles. This Policy will therefore ensure a continued positive impact from the importation of used motor vehicles while at the same time mitigating the potential risks.

Analysis of Current Status and Main Policy Issues: Currently, the importation of used motor vehicles is regulated via the administration of the Import Negative List, and thus requires a specific import licence prior to importation into Trinidad and Tobago. Prior to 2006, a registered dealer could import any number of used vehicles. However, this resulted in a proliferation of used cars on the nation’s roads, a situation which prompted certain sections of society to call for a restriction on the importation of these cars. Consequently, in December 2006, Cabinet approved the implementation of a quota allocation system which limited the quantities of used vehicles imported by existing registered dealers. The effect of that Cabinet decision came to an end in 2010.

The expiration of the quota allocation system in 2010 heralded the need to formulate a clear policy statement that set parameters for the importation of used right-hand drive vehicles into Trinidad and Tobago. A draft Used Car Policy was subsequently done in December 2010 and approved by Cabinet Minute No. 1753 of December 23, 2010. The Policy was intended to inform legislation on the importation of used right-hand drive motor vehicles; address the weaknesses associated with the current allocation regime; and address quality and consumer protection issues associated with the purchase of imported used right-hand drive motor vehicles.

An analysis of the current quota allocation system illustrates a number of weaknesses. These include the treatment of inactive dealers; determination of allocations; compliance monitoring of dealers; issues with the warranty system and administration of the licence system. Further, the Policy addresses issues relating to the legality of cars, environmental concerns, and traffic congestion concerns which are central to the used car importation debate.

The initial Policy formulation process involved a thorough analytical assessment which was further complimented by an extensive consultative process involving stakeholders in both the public and private sectors. Following the approval by Cabinet of the Policy in 2010, the Ministry of Trade and Industry sought to re-engage the private sector by hosting a public consultation for the used car dealers, held on February 22, 2011 at Centre Point Mall, Chaguanas.

Following this consultation the Policy was revised.

Main Recommendations: The main policy recommendations emanating from the initial policy formulation, the subsequent public consultation with used car dealers and the re-examination of the policy collectively among the relevant governmental agencies are as follows:

- (i) Given the socio-economic contribution of the used motor vehicle industry, this Policy recommends that the importation of used vehicles be maintained. Further, all existing registered dealers should be deregistered and newly registered under the proposed Imported Vehicles (Dealership) Act. The Policy also recommends that the current 2010 quota allocation be maintained after 2010, with a maximum number of licences granted per year of 13,500, to be reviewed on January 1, 2013.
- (ii) Recognising that appropriate legislation to govern the industry and to ensure consumer protection is of paramount importance, the Policy recommends the active pursuance of the proposed Imported Used Vehicle (Dealership) Act.
- (iii) The adoption of a robust “Points-Based System” to determine the allocation quantities for dealers. The new methodology should take into account factors such as historic trends, levels of investment and infrastructure, services offered and employment generated.
- (iv) The strengthening of the monitoring mechanism, through the introduction of an administrative arrangement between the Trade Licence Unit (TLU) of the Ministry of Trade, and the Consumer Affairs Division of the Ministry of Legal Affairs, to address complaints in a timely manner.
- (v) Further, it is proposed that a six (6) year maximum age requirement for imported used vehicles be granted, inclusive of the current year. The maintenance of the four (4) year maximum age requirement is expected to decrease the number of used vehicles available for importation, increase the price of used vehicles to levels closer to the price of new vehicles and result in the demise of the imported used vehicle industry.
- (vi) This policy recommends that the warranty system cover the first three (3) month period after the date of purchase.
- (vii) With respect to the legality of vehicles, the Policy proposes the establishment of formal arrangements, through diplomatic channels,

between Trinidad and Tobago and other countries or authorities in exporting countries to facilitate the verification of Cancellation of Registration Certificates, transaction values and vehicular records.

- (viii) The improvement of the efficiency of the importing and licensing regime via the use of the TTBizLink for Trade and Business Facilitation for processing licence applications
- (ix) In the interest of consumer protection, it is recommended that dealers ensure all imported used vehicles satisfy the conditionalities of the Motor Vehicles and Road Traffic Act¹. Additionally, all imported vehicles must be fitted with approved car safety features including airbags and anti-lock braking system

An Action Plan for the Implementation of the Revised Policy can be found at **Appendix IV**.

¹ The Motor Vehicle and Road Traffic Act, speaks to the issue of seat belts in private motor cars, *public* service vehicle, and goods vehicle, inter alia.

1 Background

1. Importation of used motor vehicles has provided viable business opportunities for a number of small and medium enterprises in Trinidad and Tobago². Evidently, the industry continues to contribute to the attainment of some of the country's socio-economic objectives as envisioned in the new policy of the Government including employment creation and the provision of affordable means of transport for the citizenry of Trinidad and Tobago.
2. To ensure a positive impact from the continued importation of used motor vehicles Government regulation is required in certain areas such as consumer protection, environmental concerns and traffic congestion. Currently the industry is regulated via the administration of an Import Negative List (see **Appendix I**). Trinidad and Tobago's Import Negative List, announced via Legal Notice 69, "Notice to Importers No. 1 of 1999", classifies "used right-hand drive vehicles" as one of the items requiring a specific import licence for importation into Trinidad and Tobago under category 22, "Motor Vehicles". Prior to 2006, registered dealers could import any number of used vehicles. This resulted in a proliferation of used motor cars on Trinidad and Tobago's thoroughfares, which prompted certain sections of society to call for a restriction on the importation of these cars into Trinidad and Tobago.
3. Consequently, in December 2006 Government agreed to implement a quota allocation system with the intention of easing traffic congestion on the main thoroughfares of Trinidad and Tobago. The allocation system to limit the quantities of used motor cars imported by existing registered dealers ended in 2010. This situation heralded the need to formulate a clear policy statement that set parameters for the importation of used right-hand drive vehicles into Trinidad and Tobago. In this policy, "motor vehicle" means any right-hand drive sedan, sport utility vehicle, station wagon or four-wheel drive vehicle.
4. The Policy was initially developed through a consultative process with a number of private sector and public sector representatives. The policy was then revised following a public consultation with the used car dealers and relevant government agencies including the Trinidad and Tobago Bureau of Standards, the former Ministry of Works and Transport - Licensing Division, Ministry of Finance - Customs and Excise Division, Ministry of Housing and the Environment, Ministry of Legal Affairs - Consumer Affairs Division, the Ministry of Foreign Affairs and the Port Authority of Trinidad and Tobago. The Ministry of Trade and Industry's Technical Team that crafted the Policy document, as well as the list of organisations consulted, is presented at **Appendix V**. Following this consultation and for the purpose of revising

² Small and medium enterprises in this context refer to dealerships that import up to or less than 500 used vehicles into Trinidad and Tobago per annum.

the initial policy, the relevant governmental agencies reconvened to assess the feasibility of the recommendations and requests made.

2 Objectives of the Policy

5. The overarching objective of this policy is to set the parameters for the administration of the importation of used right-hand drive motor vehicles. In so doing, the policy will inform legislation on the importation of used right-hand drive motor vehicles, address the weaknesses associated with the current allocation regime, quality and consumer protection issues associated with the purchase of imported used right-hand drive motor vehicles.

3 Analysis of Current System

6. The current import licensing system is administered by the Ministry of Trade and Industry's Trade Licence Unit (TLU). This Unit is responsible for registering dealers, processing applications for import licences and monitoring the use of these licences by dealers. **Appendix II** illustrates the licence application process.

3.1 Socio-Economic Contribution of the Used Car Industry

7. The used car industry has made a significant contribution to the livelihoods of domestic car dealers, who are predominantly small and medium entrepreneurs. Moreover, the importation of used cars has spawned a number of related activities including servicing and repairs, vending of spare parts, graphics, and the provision of ancillary services such as alarm systems, vehicle audio systems and other accessories. Based on the growth of these linkages, the industry has also significantly contributed to the creation of jobs.
8. Further, the imported used motor car industry affords low to middle income consumers the opportunity to purchase affordable vehicles since the costs of new cars are prohibitive to these groups.
9. The proliferation of used car dealerships and the competition stimulated by them in the domestic market has put pressure on new car dealers to improve the quality of their service delivery and has kept car prices in check.

3.2 Legality of Cars

10. A specific objective of this policy is to ensure the legality of imported used right-hand drive vehicles imported into Trinidad and Tobago. This will not only ensure that the

vehicles imported are free of all liens, encumbrances, liabilities and adverse claims but it will also facilitate a level playing field among dealers.

11. Under the existing system, imported used vehicles are required to be accompanied by Cancellation of Registration Certificates from the relevant authorities in the country of export. The main countries of origin are Singapore and Japan. However, there are no formal arrangements between authorities in Trinidad and Tobago and their counterparts in the exporting countries to facilitate the verification of certificates. This presents a risk of unauthentic certificates, particularly in light of advances made in technology. Further, there is no training for TLU and Customs and Excise officials to identify the authenticity of Cancellation of Registration Certificates. In fact, there have been instances where the formats of the Cancellation of Registration Certificates in the exporting countries have been changed without local authorities being notified of the changes.
12. The legality of imported used vehicles will be further strengthened with the enactment of a draft bill titled the "Imported Used Vehicle (Dealership) Bill." The draft bill makes it an offence to import and sell stolen vehicles. Section 44 of the draft bill states: "Notwithstanding any other written law, a registered Dealer who knowingly imports and sells stolen vehicles commits an offence and is liable on summary conviction to a fine of one hundred thousand dollars and to imprisonment for one year."

3.3 Consumer Protection

13. Invariably, the majority of used vehicles imported were initially manufactured for use in developed countries where superior transport and road network systems contribute favourably to the working conditions of vehicles. When inspected by local authorities, these imported used vehicles are usually found to be in good working condition equipped with modern safety features and gadgets. In most cases, these vehicles also exhibit low mileage because of the stringent rules and regulations in developed countries where carbon and exhaust emissions tests are mandatory for older vehicles.
14. It has been recognized, however, that if appropriate government regulation in the form of strict enforcement of import licensing, reduced designations of used motor car dealers and effective monitoring of the dealerships did not exist, consumers would be exposed, and have in instances been subject to a number of potential risks and disadvantages. To avoid having Trinidad and Tobago become a dumping ground for unsafe and environmentally hazardous vehicles, imported used motor vehicles have been included on Trinidad and Tobago's Import Negative List - a critical step in the effort to ensure that the industry is properly regulated.
15. Although the existing system has been working effectively, the draft bill mentioned in paragraph 12 above, when passed will ensure added protection for consumers from

unscrupulous traders via the mandatory registration of dealers. The draft bill also proposes the creation of a Dealership Compensation Fund and a Dealership Compensation Board to effectively deal with compensation matters as they arise. It is intended that monies from the Dealership Compensation Fund will be used to settle successful claims for compensation lodged against registered dealers by consumers. The bill provides for claimants to lodge complaints with the Dealership Compensation Board, which will then determine whether a complainant is entitled to compensation in which case, the complainant will be duly compensated. Overall, the proposed legislation will seek to raise the quality of used cars imported, guarantee consumer protection, enforce stringent requirements to be met by dealers, and result in a simultaneous reduction in the number of imported used right-hand drive motor cars by filtering out unscrupulous dealers.

3.4 Traffic Congestion Concerns

16. The proliferation of used motor vehicles on the nation's roads has been blamed for exacerbating traffic congestion leading to a substantial loss of productivity in the economy. Consequently, in 2006, Cabinet by Minute No. 3190 agreed to the establishment and implementation of a quota system by the Ministry of Trade and Industry (MTI) to limit the quantities of used motor cars being imported by existing registered dealers for the years 2007 to 2010. The Policy recommends that the current 2010 quota allocation be maintained after 2010 and reviewed on January 1, 2013. Statistics from the Licensing Division of the Ministry of Works and Transport show that as of December 31st, 2008 there had been a reduction in the number of used motor car registrations in Trinidad and Tobago. **Table 1** below shows the number of vehicles registered since 2005.

Table 1: Number of Private³ Vehicles Registered

<i>YEAR</i>	<i>TOTAL</i>	<i>NEW</i>	<i>USED</i>
<i>2005</i>	<i>14,908</i>		
<i>2006</i>	<i>16,634</i>	<i>4,965</i>	<i>11,669</i>
<i>2007*</i>	<i>21,005</i>	<i>8,810</i>	<i>12,195</i>
<i>2008</i>	<i>13,952</i>	<i>7,437</i>	<i>6,515</i>
<i>2009 (Jan-June)</i>	<i>4,442</i>	<i>2,572</i>	<i>1,870</i>

Source: Ministry of Works and Transport

³ Excludes hired, rented, goods, tractor, trailer, motorcycles, omnibuses, and other vehicles; these figures are estimated figures.

* Year of quota implementation

17. The data presented in **Table 1** shows that there has been a shifting trend towards registration of more new motor vehicles than used ones particularly for the year 2008 and the first half of 2009. This may be largely attributable to the existence of better financing facilities by new car dealers for the purchase of new cars.
18. Moreover, given that prior to the introduction of the quota allocation system, unlimited quantities of used vehicles could be imported, it is evident that the allocation system has contributed to the reduction in the number of used vehicles imported. Data from the MTI's Trade Licence Unit shows that since the introduction of the allocation system, there has been a reduction in the number of vehicles granted licences from 22,502 in 2006 to 6,135 in 2010 (**Table 2**). This represents a **73%** reduction since the allocation system was implemented.
19. The data clearly shows that the quota system has surpassed its target. The Cabinet Decision for implementation of the quota system agreed to a reduction in licences granted from 22,502 in 2006 to 13,497 in 2010, a total reduction of 40% or 9005 licences over the pre-quota quantity. This target was attained well in advance as the number of licences granted in 2008 was reduced to 12,569.
20. Notwithstanding these developments the traffic congestion problem persists. Therefore, the reduction in the number of used cars through the quota system, by itself cannot be an effective tool in abating the continuing traffic congestion problem.

Table 2: Licences Granted for the period 2005-2010

Year	Quota	Number of Vehicles Granted Licences	Difference
2005		21,860	
2006		22,502	
2007*	17,996	13,991	4,005
2008	16,302	12,569	3,733
2009	14,622	6,697	7,925
2010	13,497	6,135	7,362
2011	13,497	3,220 (Jan- Jun)	10,277

Source: Ministry of Trade and Industry, Trade Licence Unit

*- Year of Quota Implementation

3.5 Weaknesses in the Current Regime

21. The quota allocation system essentially stipulates the maximum number of used vehicles that could be imported in a given year. In 2007, this maximum allocation was set at seventeen thousand nine hundred and ninety six (17,996) vehicles (**See Table 2**). Nevertheless, only thirteen thousand nine hundred and ninety one (13,991) licences were granted during the year down from twenty-two thousand five hundred and two (22,502) in 2006. The MTI Trade Licence Unit reports that the difference of four thousand and five (4,005) licences between the allocated quantity and the number of used motor cars imported for 2007 was largely due to some dealers waiting to observe the effects of the first year of the allocated system and the possible impact of the global economic situation. Dealers have also expressed the view that the global economic downturn has led to a tendency whereby motor vehicle owners in the exporting countries hold on to their vehicles longer, a situation which has reduced the number of vehicles available for importation and a concomitant rise in the price of used cars.
22. The administration of the current quota system has several weaknesses which need to be addressed in the Policy. These include:
 - Treatment of Inactive Used Car Dealers
 - Determination of Allocations
 - Compliance Monitoring of Dealers
 - Environmental Issues
 - Warranty

3.5.1 Treatment of Inactive Used Car Dealers

23. The introduction of the quota allocation system in December 2006 entailed the discontinuation, with immediate effect, of the registration of applicants as used right-hand drive motor car dealers under the “Fully Assembled Used Right-Hand Drive Motor Car Dealership System”. However, it did not treat with the issue of inactive registered dealers, in other words registered dealers who were not importing vehicles on a regular basis. As of 2006, out of 389 registered dealers, 41 dealers were not applying, on a regular basis, for Import Licences, and could therefore be classified as inactive. The Ministry of Trade and Industry proposes to take administrative action to deregister inactive dealers from the registration list.
24. Once enacted, the proposed Imported Used Vehicle (Dealership) Bill will address this weakness. Section 5 of the draft bill stipulates that “a person shall not operate as a dealer unless he is registered in accordance with this Part”. Essentially existing dealers who do not register as dealers in accordance with the proposed Act, will no longer be eligible to legally operate as dealers once the legislation is enacted.
25. Additionally, under the proposed legislation, dealers will be required to make an annual monetary contribution to the “Dealership Compensation Fund”. This requirement is expected to offer an added deterrent to “inactive dealers”.

3.5.2 Determination of Allocations

26. The approach used to arrive at quantities allocated to each dealer was based on crudely defined methodology which is prone to legal challenge. Essentially, the method used involved the exclusion of 'inactive' dealers regardless of circumstances for their "inactiveness" and allocation of quantities to the remaining dealers based on historical trends. This policy paper takes the position that a limit on the number of dealers should be aligned with the size of the domestic market.

3.5.3 Compliance Monitoring of Dealers

27. The effectiveness of any regulatory measure depends on putting in place a sound executing and monitoring mechanism. Currently, the MTI Trade Licence Unit has responsibility for administering and monitoring the licence system to ensure that dealers comply with the conditions of their licences. Monitoring involves the periodic physical inspection of dealers' business premises, a task which requires a significant amount of travelling. At present, the TLU is under-staffed to consistently and effectively monitor the operations of used motor car dealers. The current modus operandi is therefore ad-hoc visits and infrequent examinations to secure compliance with stated requirements. This is not satisfactory if there is to be enforcement and compliance to current regulations in the industry.

3.5.4 Environmental Issues

28. Under the current quota allocation system, registered used motor car dealers are permitted to import cars which are no more than four (4) years old from the year of manufacture. However, this maximum age requirement of imported used vehicles is not backed by legislation. It has to be noted that the tax structure in Japan limits the availability of used motor cars before they are four (4) years old.

29. The price of used motor cars is gradually becoming overly expensive for the low to medium income groups in Trinidad and Tobago due to various economic occurrences including the exchange rate, supply of vehicles, and the tax regime. If a decision is taken to maintain the current four (4) year age requirement or even reduce it this can immediately impact on the number of used cars imported and could seriously result in the demise of the Imported Used Motor Vehicle Industry.

30. The emissions of used motor vehicles have also caused concern about possible environmental implications such as air pollution. However, in light of recent advances in motor vehicle combustion technologies, models that are four (4) to six (6) years old, burn fuel efficiently and as such, any impact on the environment caused by such vehicles is not significantly different from that of new cars. In light of this and

the socio-economic contribution of the industry, this revised Policy supports the view that the four (4) year age requirement be extended to six (6) years inclusive of the current year of importation. This age extension will add a requirement, that vehicles over five (5) years from date of manufacture, undergo an inspection process by the Ministry of Transport- Licensing Division before registration of the vehicles. This is in compliance with Part V of the Motor Vehicle and Road Traffic Act which made it mandatory for all vehicles over five (5) years of age to undergo inspection.

3.5.5 Warranty

31. A warranty is required to be signed by both dealers and consumers when a used motor car buy-sale transaction takes place. In fact, one of the conditions for an importer to be registered as a dealer is to enter into a written contract with each purchaser. The minimum terms and conditions of sale are set out in Schedule I of the Draft Imported Used Vehicle (Dealership) Bill (see **Appendix III**). Under the existing allocation system, resolution of consumer complaints has generally been successful largely because dealers are wary of jeopardizing their chances for obtaining licence renewals. The draft bill, once enacted, will provide added protection for consumers. However, registered used motor car dealers have expressed concern with the present warranty document.
32. The Ministry of Trade and Industry will liaise with the Consumer Affairs Division of the Ministry of Legal Affairs to review and revise the present warranty document to ensure that consumers are adequately protected.
33. This policy recommends that the warranty system cover the first three (3) month period after the date of purchase.

4 Administration of the Licence System

34. As Trinidad and Tobago advances toward the achievement of sustainable development, the Ministry of Trade and Industry has identified the need to improve the efficiency in all aspects of business facilitation. In light of this MTI has launched the brand and is in the process of implementing a Single Electronic Window (SEW), renamed TTBizLink, for Trade and Business Facilitation. The goal of this initiative is to improve international competitiveness of Trinidad and Tobago via the upgrading and modernization of the business facilitation infrastructure. *CrimsonLogic Pte Limited*, a Singaporean Company, has been engaged by the Ministry of Trade and Industry to roll out this initiative on a turn-key basis. The Services will include:
 - TTBizLink portal

- Permits and licenses
- Manifest
- Declaration and cargo release
- Certificate of origin
- Company registration
- Work permit processing
- E-payments
- Fiscal incentives
- Import duty concession
- Business intelligence reports

35. This policy takes the view that licensing for used car importation should be conducted within the TTBizLink system. Use of TTBizLink in this manner would enhance the efficiency of the licensing administration system and reduce transaction time and costs associated with obtaining licences.

5 Future Quota Allocations

36. The existing quota allocation system expired at the end of the year 2010. In enunciating the regime after 2010 the initial Policy took into consideration the following factors:

- i. That the allocation system established in December 2006 by Cabinet Minute No. 3190 has surpassed its target of reducing the number of licences granted, and by extension, the number of used vehicles imported, from 22,502 in 2006 to 13,497 in 2010. In fact, in 2008 the number of licences granted had been reduced to 12,569.
- ii. That, notwithstanding this reduction, issues with traffic congestion persists.
- iii. That a reduction in the number of used motor vehicles was accompanied by an increase in the number of new vehicle registration.
- iv. That the importation of used cars into Trinidad and Tobago has provided competition for the new car market which in turn has led to improved customer service and quality and reduced prices of new cars. Thus, used cars provide welcome checks and balances for the motor vehicle market as a whole.
- v. That following the introduction of the licensing system, some registered dealers have undertaken significant investment outlays to upgrade their business facilities and improve customer service.
- vi. That used motor vehicles have played an important role in providing affordable means of transportation to low income and middle income residents, which is of paramount importance in light of an inadequate public transportation system and public security concerns.
- vii. The quota allocation system has operated fairly smoothly and has gained acceptance among dealers, despite initial teething problems.
- viii. That notwithstanding these factors, the used motor vehicle industry needs to be regulated.

37. In view of the above factors, this revised Policy takes the view that the quota allocation system should be retained and that the annual allocation should be maintained at 13,500⁴ for the period 2011 to 2013 at which point the system is to be reviewed on January 1, 2013. Further, with the passing of the proposed Imported Used Vehicle (Dealership) Act, all existing dealers are to be deregistered and will be required to re-apply for registration. New allocations should be based on objective criteria such as historic trends, levels of investment and infrastructure, services offered and employment generated.

6 Summary

38. The used motor car industry has made a significant contribution to the livelihoods of citizens of Trinidad and Tobago, particularly small business operators and low to middle income consumers. The benefits include the generation of numerous small business opportunities and providing an affordable alternative to own automobiles for the public. Increased competition from used motor car dealerships has also pushed down the prices of new motor cars and has resulted in perceivable improvements in quality and service delivery by new car dealers.

39. Many citizens have also relied on used motor vehicles as a means of transport. The used car industry therefore complements the public transport system and provides the added convenience, safety and peace of mind particularly in the light of personal security concerns.

40. It is recognized that the Government has a critical role to play in regulating the domestic industry for the benefit of sustainable development. While the used car industry has demonstrated its role in development, it needs to be properly regulated and managed if it is to continue to provide this developmental role. Moreover, given the global, regional and national emphasis on environmental issues, particularly the disposal of e-waste, and other hazardous solids, it is imperative that appropriate structures be put in place for ensuring a balanced development.

41. However, if appropriate government regulations are not put in place, the liberalized importation of used motor vehicles would present a number of risks. This Policy, which deals with the importation of used right-hand drive vehicles, therefore provides guidance in the regulation of the industry to ensure a balance between the benefits and risks of used car importation. In this regard, the following section presents the Policy recommendations.

⁴ This figure, which is a round-up, is based on the 13, 497 recommended for 2010 at the beginning of the allocation system.

7 Policy Recommendations

42. In light of the above concerns, the Ministry of Trade and Industry proposes the following policy recommendations for managing and enforcing the used car industry for the benefit of all involved:
- i. The imports of used cars should be maintained as part of the Government's efforts to facilitate business and to cater for consumers who desire to purchase used vehicles.
 - ii. Deregistration of all existing registered dealers and carrying out new registration. This will eliminate the risk of litigation from existing inactive registered dealers. The enactment of the draft bill will enable implementation of this recommendation.
 - iii. The allocation system should be maintained to limit the number of used right-hand drive motor vehicles imported after 2010. The maximum number of licences granted per year should be fixed at 13,500 for the period 2011 to 2013 at which point the quantity should be reviewed. This is in recognition of the fact that the system has gained general acceptance among the dealers despite teething problems at its start up. The quota system will be reviewed on January 01, 2013.
 - iv. Criteria that are more robust should be adopted for the future allocation of import licences for used motor vehicles. Such criteria should be in the form of a "Points-Based System" that takes into account factors such as historic trends, levels of investment and infrastructure, services offered and employment generated. The Trade Licence Unit should design the system in consultation with stakeholders.
 - v. The strengthening of the monitoring mechanism, through the introduction of an administrative arrangement between the Trade Licence Unit (TLU) of the Ministry of Trade, and the Consumer Affairs Division of the Ministry of Legal Affairs, to address complaints in a timely manner.
 - vi. The four year maximum age requirement for imported used motor vehicles should be extended to six (6) years, inclusive of the current year, to maintain the affordability of vehicles which was the intended purpose of the industry, and to allow for the sustenance of the industry.
 - vii. The warranty system should cover the first three (3) month period after the date of purchase.
 - viii. Urgent action should be taken to ensure that the draft bill entitled the "Imported Used Vehicle (Dealership) Act" is pursued to ensure that there is appropriate legislation governing the industry and that appropriate protection is afforded to consumers.

- ix. Formal arrangements should be established, through diplomatic channels, between Trinidad and Tobago and other countries or authorities in exporting countries to facilitate the verification of Cancellation of Registration Certificates, transaction values and vehicular records.
- x. Efficiency of the importing and licensing regime should be improved via the use of the TTBizLink on Trade and Business Facilitation.
- xi. In the interest of consumer protection, it is recommended that dealers ensure all imported used vehicles satisfy the conditionalities of the Motor Vehicles and Road Traffic Act. Additionally, all imported vehicles must be fitted with approved car safety features including airbags and anti-lock braking system.

Appendix I: Import Negative List

LEGAL NOTICE NO. 69

REPUBLIC OF TRINIDAD AND TOBAGO

The Trade Ordinance (No. 19 of 1958)

NEGATIVE LIST

NOTICE TO IMPORTERS NO. 1 OF 1999

Open General Licence

IN EXERCISE of the powers conferred on the Minister for the purpose of the Imports and Exports Control Regulations, 1941, as continued in force by section 10 of the Trade Ordinance, No. 19 of 1958, and pursuant to regulation 3(1) of the said Regulations, the Minister hereby grants Open General Licence for the importation into Trinidad and Tobago of all goods except as provided in this Licence:

Exceptions

- (1) Subject to paragraph (2), goods listed in the Negative List set out hereinafter may be imported only under specific import licence.
- (2) The Negative List shall not apply to goods originating in CARICOM Member States, other than those goods specified under category No. 12 of the said List.
- (3) Open General Licence published as Notice to Importers No. 1 of 1997 as amended, is hereby cancelled.

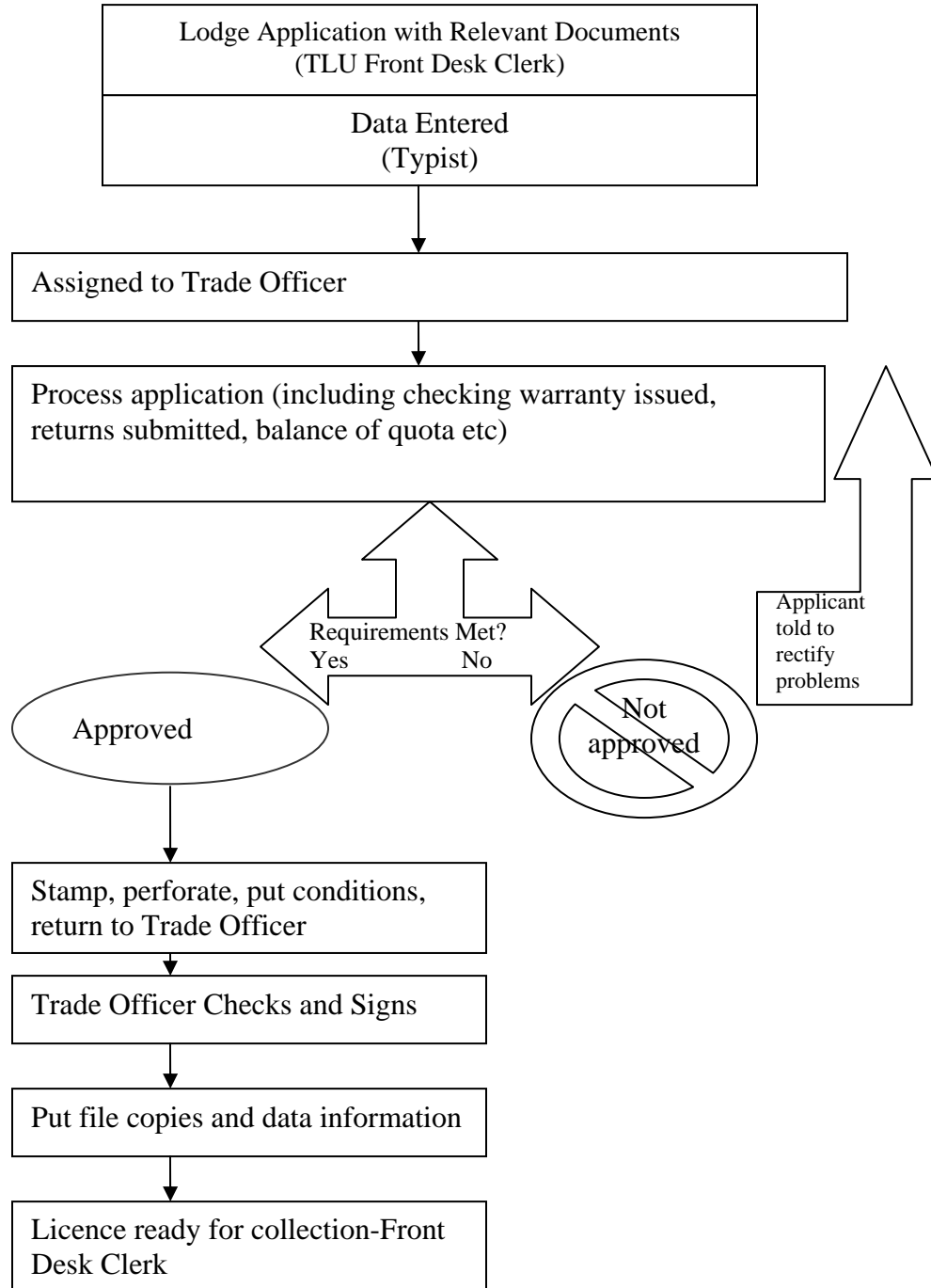
Category No.	Ministry Code No.	Description of Goods
00	00000	Livestock
	00001	Live poultry, rearing or breeding. Live poultry, other than rearing or breeding.
02	02000	Fish, Crustaceans, Molluscs
	02001	Fish, fresh (live or dead), chilled or frozen.
		(a) Shrimp (prawn), fresh (live or dead), chilled or frozen;
		(b) Lobster, fresh (live or dead), chilled or frozen;
		(c) Crabmeat, fresh, chilled or frozen.
12	12000	Oils and Fats
		Coconut in all forms including coconut seedlings, copra, dessicated coconut, coconut milk and coconut cream, but excluding coconut oil.
	12001	Oil seed cake, meal and other vegetables oil residues.
	12002	Copra.
	12003	Oilseeds, beans, nuts, etc.
	12004	Animal oils, fats and greases, unrefined.
	12006	Fatty acids and solid residues from the treatment of oils and fats.
12007	Vegetable fats.	
22	22000	Motor Vehicles
		Road motor vehicles of the following descriptions:
		(a) left-hand drive vehicles imported under section 45(4) of the Customs Act, Chap. 78:01 as amended.
		(b) used right-hand drive vehicles;
		(c) used right-hand drive Garbage Compactors exceeding 15 tonnes (15,000 kg) MGW.
26	26006	Paper and Paper Products
		Paper for wrapping tobacco and cigarettes.
35	35015	Miscellaneous Manufactured Products Ships and boats (under 250 tonnes).

Category No.	Ministry Code No.	Description of Goods		
36	36000	Pesticides		
	36001	Parathion, ethyl.		
	36002	2, 4, 5- Trichlorophenyl (2, 4, 5-T).		
	36003	Dichlorodiphenyl Trichloroethane (DDT).		
	36004	Chlordimeform.		
	36005	Dibromochloropropane (DBCP).		
	36006	Ethylene Dibromide (EDB).		
	36007	Pentachlorophenol (PCP).		
	36008	Lead Arsenate.		
	36009	Thallium and its salts. Aldrin, Dieldrin and Endrin.		
37	37001	(a) Ozone Depleting Substances (ODS);		
		(b) Mixtures containing Ozone Depleting Substances (ODS); -ex Tariff Heading Nos.		
		2903.191,	2903.199,	
		2903.20,	2903.21,	
		2903.22,	2903.23,	
		2903.29,	2903.30,	
		2903.40,	2903.41,	
		2903.42,	2903.43,	
		2903.44,	2903.45,	
		2903.451,	2903.452,	
		2903.453,	2903.454,	
		2903.455,	2903.456,	
		2903.457,	2903.458,	
		2903.459,	2903.4591,	
		2903.4592,	2903.4599,	
		2903.46,	2903.47,	
		2903.49,	2903.491,	
		2903.492,	2903.499.	
		38	38001	Equipment requiring the use of Ozone Depleting Substances (ODS):
				(a) Air or Vacuum Pumps and Compressors and their parts of a kind used in refrigerating equipment: -ex Tariff Heading Nos.
8414.10,	8414.20,			
8414.30,	8414.40,			
8414.90;				
(b) Dehumidifiers: -ex Tariff Heading Nos.				
84.15;				
(c) Air-Conditioning Machines and their parts for Domestic and Commercial use, as well as Auto Air-Conditioning units and their parts for new or used vehicles - whether mounted or not: -ex Tariff Heading Nos.				
84.15,	8415.10,			
8415.20,	8415.80,			
8415.81,	8415.82,			
8415.83,	8415.90;			
(d) Refrigerators, freezers and other refrigerating or freezing equipment, heat pumps and their parts for domestic and commercial use: -ex Tariff Heading No.				
84.18;				
(e) Portable Fire Extinguishers and their parts: -ex Tariff Heading Nos.				
8424.10,	8424.90.			

Made this 1st day of May, 1999.

- B. KUEI TUNG
Minister of Trade and Industry
and Consumer Affairs

Appendix II: Import Licence – Application Process



Appendix III: Minimum Terms and Conditions for the Sale of Imported Used Right-Hand Drive Vehicles

1. The Dealer allows the Purchaser _____ days from the date herein to have the vehicle inspected by an independent mechanic and agrees to cancel the sale if the vehicle is reasonably found to be unsatisfactory to the Purchaser.

2. The Dealer warrants that the odometer reading of the vehicle is _____ miles and that this reading reflects the actual mileage of the vehicle. The vehicle's odometer was not altered, set back, or disconnected while in the Dealer's possession.

3. The Dealer warrants to the Purchaser that it has good and marketable title to the vehicle, full authority to sell and transfer the vehicle, and that the vehicle is sold free of all liens, encumbrances, liabilities and adverse claims of every nature and description whatsoever. In this regard, the Dealer shall provide the Purchaser with a translated copy of the certificate of cancellation issued by the Transport Authority in the country of origin.

4. The Dealer warrants that the vehicle being sold is in good operating condition and warrants the vehicle for a period of the first three months or for the first 3000 kilometres following the transfer thereof against defects, except for defects resulting from ordinary wear and tear and/or caused by the intentional or negligent acts of the Purchaser. The Dealer will pay 100% of the labour and 100% of the parts for the following systems that fail during the warranty period:

- Frame and Body
- Engine Transmission
- Differential
- Brakes
- Steering
- Cooling System
- Electrical System
- Fuel System
- Suspension System
- Exhaust System

5. The Dealer agrees to refund the Purchaser the full purchase price of the vehicle if the dealer has been unsuccessful at fixing the same material defect after at least three attempts or if the vehicle has been out of service for twenty cumulative days while the Dealer is attempting to fix it.

Appendix IV: Action Plan for the Implementation of the Policy

Policy Recommendations	Actions To Be Taken	Responsibility	Timeframe	Remarks
1. The imports of used cars be maintained as part of the Government's efforts to facilitate business and to cater for consumers who desire to purchase used vehicles	1. Seek Cabinet's approval for: a. the Revised Used Car Policy b. the continued importation of used cars c. the maximum number of licences granted annually to be 13,500 for the period 2011 to 2013 d. The permissible age of imported used vehicles to be extended from four (4) years to (6) years inclusive of the current year of importation	<ul style="list-style-type: none"> • MTI* 	Jul 2011	Implementation of recommendations will depend on option approved by Cabinet.
2. The warranty system should cover the first three (3) month period after the date of purchase,	1. Liaise with the Consumer Affairs Division of the Ministry of Legal Affairs to review and revise the present warranty document	<ul style="list-style-type: none"> • MTI 	Aug 2011	To adequately address consumer complaints while maintaining fairness. The changes to the warranty will have to be incorporated in the Draft Bill. Hence revision of the warranty precedes finalisation of the Draft Bill
3. Actively pursue Draft Bill to ensure there is appropriate legislation	1. Review and amend Draft Imported Used Vehicles (Dealership) Bill in line with	<ul style="list-style-type: none"> • MTI • Chief 	Dec 2011	To ensure legal backing for MTI and a proper regulatory framework for the industry. Most Policy actions

* MTI – Ministry of Trade and Industry

Policy Recommendations	Actions To Be Taken	Responsibility	Timeframe	Remarks
governing the industry	Policy recommendations 2. Pursue actions for its enactment.	Parliamentary Counsel		hinge on the enactment of this Bill.
4. De-registration of all existing dealers	1. Sensitization programme 2. De-registration of all existing dealers.	• MTI	Sep 2011	This depends on the enactment of the Draft Imported Used Vehicles (Dealership) Bill.
5. Re-registration of Dealers following the de-registration exercise	1. Registration of dealers under the new system.	• MTI	Sep 2011	This depends on the enactment of the Draft Imported Used Vehicles (Dealership) Bill.
6. Maximum number of licences granted per year to be fixed at 13,500 for the period 2011-2013	1. Implement Quota System	• MTI	2011 - 2013	To ensure continuity of the industry while allowing for the growth and development of the industry's participants.
7. Review of Quota System	1. Review of Quota System	• MTI	Jan 1 2013	To remove the prevalence of corruption and stifling of the operation of a market economy
8. A robust criteria to be adopted for the future allocation of import licences for used motor vehicles	1. Develop and implement a more robust criteria	• MTI	Nov 2011	To ensure equity and transparency in the allocation system.
9. Strengthen the monitoring mechanism through the introduction of an	1. Review and propose new structures to enhance the operations of the Trade Licence	• MTI	Jun 2012	To facilitate regular inspection of dealers' facilities.

Policy Recommendations	Actions To Be Taken	Responsibility	Timeframe	Remarks
<p>administrative arrangement between the Trade Licence Unit of the Ministry of Trade and Industry and the Consumer Affairs Division of the Ministry of Legal Affairs, to address complaints in a timely manner</p>	<p>Unit of the MTI</p> <p>2. Submit recommendation for proposed administrative arrangement to the Consumer Affairs Division of the Ministry of Legal Affairs</p>			
<p>10. Formal arrangements to be established between Trinidad and Tobago and the relevant countries or authorities in the exporting countries through the use of Mutual Administrative Agreements</p>	<p>1. Establish formal relations</p>	<ul style="list-style-type: none"> • MTI • Ministry of Transport • Ministry of Foreign Affairs • Ministry of Finance, Customs and Excise Division 	<p>Mar 2012</p>	<p>To facilitate the exchange of information on inter alia:</p> <ul style="list-style-type: none"> • Age of imported cars • Cancellation of Registration Certificates
<p>11. Improve the efficiency of the importing and licensing regime via the TTBizLink platform on Trade and Business Facilitation for processing licence applications</p>	<p>1. Incorporate Processing of Used Car Import Licences in designing of the SEW in consultation with stakeholders</p> <p>2. Communicate new processes and requirements to stakeholders</p>	<ul style="list-style-type: none"> • MTI 	<p>Jun 2012</p>	<p>To improve the efficiency of the importing and licensing regime</p>

Policy Recommendations	Actions To Be Taken	Responsibility	Timeframe	Remarks
<p>12. It is recommended that dealers ensure all imported used vehicles satisfy the conditionalities of the Motor Vehicles and Road Traffic Act. Additionally, all imported vehicles must be fitted with approved car safety features including airbags and anti-lock braking system</p>	<ol style="list-style-type: none"> 1. Liaise with the Ministry of Transport to ensure compliance 2. Communicate new requirements to stakeholders 	<ul style="list-style-type: none"> • MTI Ministry of Transport 	<p>Sept 2012</p>	<p>To ensure consumer protection</p>

Appendix V: Technical Team and List of Organizations Consulted

This policy document was developed by a Technical Team from the Ministry of Trade and Industry.

The Technical Team acknowledges the input and feedback it received from external stakeholders who offered valuable input to inform the Policy. External organizations consulted for input into the Policy are as follows:

Public Sector

- (i) Trinidad and Tobago Bureau of Standards
- (ii) Ministry of Works and Transport, Licensing Division
- (iii) Customs and Excise Division, Ministry of Finance
- (iv) Ministry of Foreign Affairs
- (v) Ministry of Housing and the Environment
- (vi) Ministry of Legal Affairs, Consumer Affairs Division
- (vii) The Port Authority of Trinidad and Tobago

Private Sector

- (i) Used Car Dealership Owners Association
 - (ii) Trinidad and Tobago United Motor Dealers Association
 - (iii) Trinidad and Tobago Automotive Dealers Association
 - (iv) All Registered Used Car Dealers
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