

# INFORMATION SHEET



## FREQUENTLY ASKED QUESTIONS

### LEGISLATION

#### DO I NEED TO HOLD A SCRAP METAL DEALER'S LICENCE?

##### UK

**YES**, it is a legal requirement under the Scrap Metal Dealers Act (2013). This requires all businesses that deal with scrap metal, including motor salvage operators and vehicle dismantlers, to hold a licence.

There are two different types of licence: a site and a mobile collector's licence, depending upon the type of business.

All applications must be made to the local council and not the environmental regulator:

[www.gov.uk/find-local-council](http://www.gov.uk/find-local-council)

##### REPUBLIC OF IRELAND

**NO**, it is not currently a legal requirement.

#### WHEN DO I NEED TO ISSUE A CERTIFICATE OF DESTRUCTION (COD) OR A NOTIFICATION OF DESTRUCTION (NOD)?

##### UK

A COD (or a NOD for motorcycles) must be issued for ALL dismantled vehicles. The COD/NOD does not relate to physically crushing a car body shell; however, it notifies DVLA that the vehicle is in the process of being destroyed and that it will no longer be used on the road.

**The UK Government recommends that a COD/NOD should be issued within 7-14 days of receipt of an ELV; best practice is within seven days. Some operators issue a COD the same or next day.**

The vast majority of ATFs have an electronic link with DVLA that allows instantaneous de-registration and COD generation. This allows a COD to be printed to paper or file. Once the COD is issued, there is no facility for reprinting from the DVLA website unless a PDF has been saved locally. However, the DVLA website allows each ATF to generate a list of CODs they have issued in date order

– which may be useful for audit purposes if PDF copies haven't been saved.

It is not a legal requirement to hand a COD to a customer while they wait, or to issue a COD in the customer's name. Some ATFs issue the COD in their own names.

##### REPUBLIC OF IRELAND

A similar system is in place in Ireland, which requires ATFs to issue a COD and notify the National Vehicle and Driver File. ATFs can either issue a COD electronically or by manually on a paper form. In either case, the person depositing the vehicle should receive a printed or written copy.

As in the UK, there is no specified timescale.; however, good practice would be to issue the COD within 7-14 days of receipt of the ELV.

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## CAN I ISSUE A COD/NOD WITHOUT A V5 REGISTRATION DOCUMENT?

**YES**, not all ELVs received at an ATF will be accompanied by a V5 document.

A COD/NOD can, and should, be issued without a V5, if the appropriate information is obtained from the vehicle. This includes the registration number and the vehicle identification number (VIN).

In all circumstances, all ELV ATFs should issue a full receipt to the vehicle seller.

All ELV ATFs are required under the Scrap Metal Dealers Act (2013) to obtain and keep relevant information to confirm the identity of the seller.

## I HAVE AN EXEMPTION ON MY SITE, IS THIS ALLOWED?

The standard specifically excludes sites that only operate under either a U16 or T9 exemption (in England and Wales) or a paragraph 45 exemption (in Northern Ireland or Scotland). This means that all vehicle recycling sites must hold an appropriate environmental permit or waste management licence to operate as an authorised

treatment facility for end-of-life vehicles.

Because some sites have developed over many years, they may also hold exemptions that do not relate to vehicle recycling. These sites are not excluded from the scheme, as long as they hold a valid permit/licence as an ATF for ELVs.

## WHAT INSURANCE COVER DO I NEED FOR MY SITE?

### Employers' Liability insurance

All companies that employ at least one person are legally required to hold Employers' Liability Insurance (EL). The policy must provide cover for at least £5 million and come from an authorised insurer, although the standard limit provided is generally £10 million.

EL protects a company's legal liability in the event that a member of staff is injured or suffers an illness as a result of working at the site. It covers any legal costs and compensation involved in defending the case.

### Motor insurance

This will be required if the company has any vehicles that are driven on a public highway. Businesses with more than one vehicle may hold a motor trade or fleet policy.

### Public and Products Liability insurance

This is not a legal requirement but is strongly recommended. It will provide cover should a member of the public be injured, either at the ATF or through using a reclaimed part, or should damage to property occur. It should provide cover if, for example, a customer slips and hurts themselves in the car park or counter area, or injures themselves carrying a heavy part to or from their vehicle. It should also cover a business if damage is caused to a customer's vehicle whilst in the car park or during parts fitting (e.g., tyres). Minimum cover of £5 million is recommended.

### Material Damage insurance

This covers fire and business interruption, and aims to help a business to get back on its feet should a major problem arise. Again, this type of cover is recommended.