

## **Information on local applicable legislation regarding car registration for cross-border situations**

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### **1. Luxembourg legislation regarding to car registration, tax and vehicle insurance obligations**

Relevant legislation relation to car registration in Luxembourg: Grand Ducal regulation of 26 January 2016 relating to the reception and registration of vehicles.

In principle, any vehicle owned or held by a natural person whose normal place of residence is in Luxembourg, or owned or held by a legal entity whose registered office is in Luxembourg, may only be put into circulation on public roads in Luxembourg if it has been duly registered in Luxembourg and is covered by a valid registration certificate.

When registering a vehicle in Luxembourg, such registration and/or vehicle may be subject to the application of various taxes (such as road tax, registration tax, VAT).

It is mandatory to have the vehicle covered by a third-party civil liability car insurance by an insurance company, in conformity with the Luxembourg mandatory vehicle insurance legislation..

### **2. Belgian legislation regarding to car registration, tax and vehicle insurance obligations**

Relevant legislation relating to car registration in Belgium : Royal decree of 20 July 2001 concerning the registration of cars ("RDRC").

#### ***2.1. Principle : rules imposing a vehicle registered in Belgium***

In principle, any Belgian resident individual or Belgian resident legal entity who seeks to put his car into circulation in Belgium, shall register such vehicle in Belgium.

The duty to register a vehicle in Belgium applies if there is an essential use on a permanent base of this vehicle in Belgium. Such registration should be carried out by the owner or the user of the vehicle. The term "user" is defined by the RDRC as "the individual or legal entity who uses the vehicle, of which he/she is not the owner, for his personal or business use, whether for payment or free of charge".

When a vehicle must be registered in Belgium, such vehicle is subject to taxes (such as annual road tax and circulation tax).

It is mandatory to have the vehicle covered by a third-party civil liability car insurance by an insurance company, in conformity with the Belgian mandatory vehicle insurance legislation, if the vehicle has its regular location in Belgium

#### ***2.2. Exemption to register the Vehicle in Belgium***

The RDRC provides for exemptions. One of those exemptions is the Foreign Company Car Exemption:

In the situation the (deemed) user of the car, being an employee, is resident in Belgium and his employer is not (e.g. the employer/Lessee is established in Luxembourg), the vehicle is exempted to be registered in Belgium under the following cumulative conditions :

- The vehicle is registered abroad;
- The vehicle is used by the Belgian employee in the exercise of his/her professional and incidentally also for private purpose;
- The vehicle has been placed at the employee's disposal by the foreign employer;
- On board of the vehicle, there is a copy of the employment contract and a document drawn up by the foreign employer showing that it has placed the vehicle at the disposal of the Belgian employee in question which is resident in Belgium,

### **3. German legislation regarding to car registration, tax and vehicle insurance obligations**

Relevant legislation relating to car registration in Germany : Straßenverkehrsgesetz (StVG) and Verordnung über die Zulassung von Fahrzeugen zum Straßenverkehr (Fahrzeug-Zulassungsverordnung – FZV)

#### ***3.1. Principle : rules imposing a vehicle registered in Germany***

In principle, a vehicle must be registered in Germany when it has its "regular location" in Germany. The regular location means the place from which the vehicle is directly used for public transport and where the vehicle rests after the end of its use. The residence of the driver has an indicative value.

The duty to register the vehicle is on the holder of the vehicle. The holder of the leased Vehicle in the relationship Arval/Lessee for purposes of this German legislation, is the Lessee.

Vehicles which must be registered in Germany are subject to German road tax.

It is mandatory for the holder of the vehicle to have the vehicle covered by a third-party civil liability car insurance in conformity with the German Compulsory Insurance Act, when the vehicle has its regular location in Germany.

### **3.2. Exemption to register the Vehicle in Germany**

A vehicle is exempted to be registered in Germany if the following cumulative conditions are met :

- The vehicle has a valid registration in another member state or another contracting state of the EU ;
- the vehicle may only temporarily participate in the traffic in Germany provided the vehicle has no "regular location" in Germany.  
Temporarily

means that the car takes part in German traffic for up to one year beginning with the day of crossing the border (in the case of a registration certificate) or the day of issue (in the case of an international registration certificate); in individual cases, the period may be up to 3 years if and as long as the temporary use of the vehicle is in the exercise of the freedom of movement for workers, the freedom of establishment or the freedom to provide services under the European Union law.

## **4. French legislation to car registration, tax and vehicle insurance obligations**

Relevant legislation relating to car registration in France : French Road Code and the 9 February 2009 French Decree on the terms of motor vehicle registration

### **4.1. Principle : rules imposing a vehicle registered in France**

In principle, in the context of a leased vehicle, a vehicle must be registered in France where either the corporate lessee is itself a French-incorporated and established company and/or particularly an employee of a corporate lessee is permanently domiciled in France.

Such registration gives rise to various registration taxes and compulsory third party liability insurance on the vehicle.

### **4.2. Exemption to register the Vehicle in France**

A vehicle is exempted to register in France in the following situations :

- For cross-border workers regularly using a company car (registered in another European country) for professional assignments with neighbouring countries; or
- Where there is a professional link with the foreign country (i.e. Luxembourg), i.e. the Lessee or the employee/driver is responsible for a professional assignment in Luxembourg. Such professional link must be properly documented, for example in the form of the employment contract, which the driver should always drive with in case of French police control and which makes reference to the professional assignments in relation to Luxembourg.