

No. RT-11036/193/2021-MVL  
Government of India  
Ministry of Road Transport & Highways  
(MVL Section)  
Transport Bhawan, 1, Parliament Street, New Delhi - 110001

Dated, the 13 February, 2023

To,

- i. Principal Secretaries/ Secretaries (Transport) of all States/ UTs;
- ii. Transport Commissioners of all States/ UTs.

**Subject: Applicability of Trade Certificate as per Central Motor Vehicle Rules (CMVR), 1989.**

Madam/Sir,

This Ministry, vide GSR 703(E) dt 14.09.2022 (copy enclosed), notified comprehensive reforms in the trade certificate regime under CMVR, 1989, w.e.f. 01.11.2022.

2. As per the intent of proviso of section 39 of the Motor Vehicles Act, 1988, trade certificate will be required only in case of vehicles which are neither registered nor temporarily registered. Such vehicles can only be in the possession of a manufacturer of motor vehicles, dealer of motor vehicles, importer of motor vehicles or a test agency specified in rule 126.

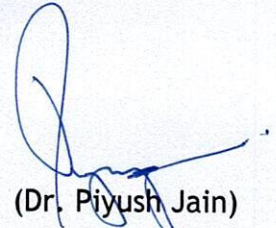
3. In addition to the above amendment, rule 41 of CMVR, 1989, which provides for purposes for which motor vehicle with trade certificate may be used, was also amended. Under amended rule 41, clause (h) has been omitted, which permitted removal of vehicle which was taken possession of due to a default under any agreement of hire-purchase, lease or hypothecation.

4. Therefore, it is clarified that entities such as Banks and Finance Companies, bus and truck body builders, automobile ancillaries, repairers of vehicles or any entity(s) other than those specified in para 2 are not required to obtain trade certificate.

5. States/UTs are hereby advised to implement the provisions of GSR 703(E) dt 14.09.2022 in true letter and spirit to facilitate ease of doing business w.r.t. trade certificates.

6. This issues with the approval of the Competent Authority.

Encl: as above



(Dr. Piyush Jain)  
Director (MVL)

Tel: 011-23714974

Email: [director-morth@gov.in](mailto:director-morth@gov.in)