



# **A Review of the Transferability of Small Public Service Vehicle Licences for Taxis**

June 2007

## Introduction

The Commission for Taxi Regulation is an independent public body, the principal function of which is the development and maintenance of a regulatory framework for the control and operation of taxis, hackneys and limousines.

Our mission is ***to achieve a first class, professional, efficient safe and accessible, customer friendly service, for small public service vehicle passengers and service providers.***

The Commission outlined in its action plan “*Driving Forward*”, that a review would be undertaken by the Commission regarding the transfer of a taxi licence and following a review a decision will be reached as to whether the common good requires introduction of regulations to prohibit or control the transfer, sale, rental, leasing or other arrangements in relation to taxi licences.

The Commission is currently reviewing the existing arrangements for the transfer of a vehicle licence. Under current regulations a taxi licence can be transferred to another party. A hackney or limousine licence cannot be transferred to another party.

The Commission is now the national vehicle licensing authority. Accordingly, the Commission’s new national vehicle licensing system processes licence applications by granting, renewing and, in some cases, refusing the relevant small public service vehicle (SPSV) licences. The new licensing system will ensure a high quality, efficient and consistent approach to the licensing of SPSVs.

At the end of May 2007, there were some 16,000 active taxis licence and 1,390 active Wheelchair accessible taxis nationally. Of these, some 15,700 hold a single vehicle licence. Some 400 licence holders hold more than one but less than 10 licences. There are 16 licence holders with between 10 and 20 licences. There are 11 licence holders with over 20 licences – the most being held by a single entity being 100.

### Transferability of taxi licences

The purpose of issuing a vehicle licence is to enable the licence holder to provide a public service to passengers. In the vast majority of cases the licence holder is the service provider.

Currently taxi licences are transferable. This is due to the high value that was traditionally associated with taxi licences prior to liberalisation of the market. Although taxi licences no longer command any significant value, a practice has developed in the industry of leasing or renting vehicles which are often licensed and insured as a package.

The purpose of this review document is to raise awareness among vehicle licence holders of practices in the SPSV industry which have come to the attention of the

Commission and to invite their views as to whether or not such practices should continue.

### Issues arising for consideration

A number of practices have been brought to the attention of the Commission:

- In some cases an individual will purchase a vehicle and obtain a SPSV vehicle licence with a view to employing a driver to offer the service;
- In some cases the licence holder does not directly employ a driver to operate a service from their licensed vehicle but either leases or rents the vehicle licence and car to a third party, for a specified period of time. In this instance the vehicle licence holder is not held accountable for ensuring that the third party holds a current SPSV driving licence;
- There is also the practice of offering the full package of the vehicle licence plus the car for sale at the end of the rental/leasing period;
- Some vehicle licence holders offer short term packages to licence holders who may have problems with their own licensed vehicles such as breakdown, accident, waiting for parts etc;
- There are some licence holders who have a larger number of licences without being directly involved in the provision of services.

Should any of these practices continue, the Commission will need to review the issue of whether the licence holder should be fixed with responsibility for the service provided by use of his or her vehicle licence, irrespective of whether he or she is personally operating the vehicle. In this case, the Commission will consider whether, in advance of leasing or renting any SPSV, the vehicle licence holder should be required to ensure that the driver of the vehicle is, for example:

- is properly licensed with a small public service vehicle driver licence;
- is properly insured to drive a taxi, and
- is conversant with his or her duties as operator under the SPSV Regulations.

The purpose of granting or renewing a SPSV licence is to enable the licence holder to provide a service to passengers and was not intended for speculative or profiteering purposes. Currently hackney and limousine licences are not transferable and therefore not subject to any speculative activity. As outlined in the Commission's Action Plan for 2006-2007 **Driving Forward**, the Commission has confirmed hackney and limousine licences will remain non-transferable.

This review does not consider the need to amend the current regulations regarding the transfer of a licence from one vehicle to another in the licence holder's name. Currently, on change of ownership of the vehicle, the licence lapses and the licence holder has until the expiry date to transfer the licence to another vehicle.



### **Submitting your views on transferability of licences**

SPSV licence holders are invited to put forward their views as to whether or not the practice of selling, renting, leasing or transferring SPSV vehicle licences/taxis should continue.

The consequences on the death of a taxi licence holder should be taken into consideration when forming a view. Currently, on the death of a licence-holder, a taxi licence may be transferred to a person designated by the licence-holder or otherwise appointed by the grant of probate or letters of administration.

If you consider that the transfer, sale, rent or lease of a licence should be either prohibited or restricted, please outline how you would envisage such a prohibition or restriction and the reasons for such change.

Licence holders are invited to give their views in writing to the Commission by the 1<sup>st</sup> of September 2007. Submissions should be made as follows:

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