

C1/6443/TC/2012

Transport Commissionerate, Keralam  
Trans Towers, Thiruvananthapuram  
Dated: 04-10-2013

From

The Transport Commissioner

To

All Deputy Transport Commissioners  
All Regional Transport Officers  
All Joint Regional Transport Officers

Sir,

Sub: Motor Vehicles Department-Trade Certificate-Directions-Reg

Ref: 1. Representation from Kerala Auto Dealers Association dated  
03-09-13

2. This office letter of even number dated 24-04-2012

Complaints are received that the rules regarding Trade Certificate are not uniformly interpreted and enforced all over in Kerala. Hence the following directions are issued:

1. Rule 33 of the Central Motor Vehicles Rules, 1989, exempts the bonafide dealer from the necessity of registration under Section 39 of the Motor Vehicles Act, 1988 subject to the condition that he should obtain a trade certificate. Further the proviso to Section 3 of the Kerala Motor Vehicles Taxation Act exempts the vehicles kept by a dealer or manufacturer for the purpose of trade and used under the authorization of a trade certificate granted by the registering authority from tax. Therefore the grant, renewal and use of trade certificate shall be strictly according to Rule 34 to 44 of the Central Motor Vehicles Rules, 1989.
2. The definition of 'Dealer' includes a person who is engaged (a) in the manufacture of motor vehicle (b) in building bodies (c) in the repair of motor vehicles or (d) in the business of hypothecation, leasing or hire purchase of motor vehicles. But the trade certificate shall be issued to a bonafide dealer for trade only. Unlike other articles, the uncontrolled sale and use of vehicles without registration is a source of accidents and crimes.
3. Separate trade certificate shall be issued for each class of vehicle and the dealer shall apply for as many trade certificates as required considering the volume of sale.
4. The trade certificate issued is valid for twelve months and the dealer can apply for renewal after the completion of eleven months. The renewal of trade certificate shall be done within 30 days without detailed further enquiry
5. The trade certificate and trade registration mark shall not be used upon more than one vehicle at a time. The trade certificate holder or the person authorized by him shall be on the vehicle and he shall not permit the use of the vehicle by any other person



6. Public place means the place where public has an access. Hence a vehicle exhibited or kept for sale on public place without registration and tax shall also display the trade registration number.
7. Rule 41 of the Central Motor Vehicles Rules, 1989 has laid down the purposes for which motor vehicle with trade certificate can be used. No holder of a trade certificate shall deliver a motor vehicle to a purchaser without registration
8. When the new vehicles are kept or used on road other than for trade, such as for trial or demonstration which is not reasonable, tax due shall be remitted
9. The officers of Motor Vehicles Department shall periodically inspect the premises of the dealer, verify whether the registers are maintained and entries are made before and after the use, the boards regarding the registration charge and tax are exhibited, the specimen number plate is displayed, trade registration number plates and trade certificates are made ready for use.

The above directions shall be complied without giving room for any complaint and revenue loss to the exchequer. The receipt of the letter shall be acknowledged.

Yours faithfully

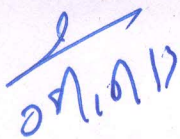
Sd/-

Senior Deputy Transport Commissioner  
(Taxation)

For Transport Commissioner

Approved for issue

  
Senior Superintendent

  
27/10/12