ANNUAL REPORT 20**20**





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-Pass?

used car or light van in Belgium? The seller is legally required to give you a Car-Pass. It doesn't matter ehicle is being sold commercially or privately. The Car-Pass shows the odometer reading on different other relevant information about the vehicle. The document may not be more than two months old. lo not receive a Car-Pass, the sale is invalid and you can request to cancel the contract and receive a

> The odometer reading on the Car-Pass comes from many different sources: garages, body shops, fast fit service centres, tyre companies, technical inspections, etc. After maintenance, repair, assembly or inspection, they forward the current odometer reading to Car-Pass non-profit. They have to by law. All of those odometer readings are stored in the Car-Pass database. The data can only be used for the Car-Pass itself –not for commercial purposes. The database does not contain the license plate number or any personal data related to the owner of

> > Car-Pass non-profit was certified by royal decree to manage the database and issue the mileage documents. It was founded by the associations representing the automotive industry and the motorists in Belgium. Car-Pass documents are issued at vehicle inspection stations at the time of the compulsory inspection before the new owner registers a used vehicle. The non-profit doesn't receive subsidies and is fully funded by Car-Pass sales at the price set by royal decree.

> > > The Car-Pass model has been a real success. Since the Car-Pass system was introduced, the number of new cases of tampered odometers has fallen dramatically: from over 60,000 per year to only 1,716 in 2020. Several factors account for this success:

- A simple legal framework with clear and effective sanctions.
- The Car-Pass creates more transparency for buyers and fraud is clearly apparent on the certificate.
- The automotive sector was in favour of cleaning up the used vehicle market from the start, which is why the system immediately received its widespread support.
- The system is based on a common practice in the sector: that is, whenever a vehicle is brought in for service, its mileage is recorded.



WORD FROM THE CHAIRMAN



Dear Reader,

As the brand new president of Car-Pass, it is my honour and pleasure to present this annual report. The year 2020 will be remembered for a long time. In mid-March, the country went into lockdown. The car inspection centres and showrooms were closed and the workshops were only allowed to carry out the most urgent repairs. Car-Pass saw the number of odometer readings supplied decrease by 80% during that period. The Car-Pass figures show that economic activity bounced back in May, but to date, the sector has not been able to completely make up for the losses. As you can read in this report, the crisis has also caused a considerable decrease in our car usage. On an annual basis, we drove 4,000 km less.

The above figures show that the Car-Pass data enables compiling statistics that can be valuable to policymakers, researchers and, last but not least, to the automotive industry itself. However, current legislation does not allow us to use the data to full extent. That is why we are working on legislative amendments with the relevant administrations and cabinets. This is not an easy exercise, as we must, of course, comply with the current legislation on private data protection (GDPR). In addition, we also advocate enabling professionals to communicate the odometer readings to Car-Pass on the basis of the license plate, as an alternative to the vehicle identification number. More than 60% of all companies still enter the data manually on the Car-Pass website. For them, the use of the number plate would be a significant time saver. I would like to thank the automotive professionals in particular, because it is only through their efforts that we are able to issue Car-Pass documents.

This past year, Car-Pass received mileage readings from imported and connected vehicles from car manufacturers for the first time. An absolute first in Europe, which makes it possible to uncover odometer fraud with imported second-hand vehicles. This is not a superfluous luxury, because the probability of fraud in imports is ten times higher than for domestic sales. I call on the manufacturers and importers who have not yet provided this information to quickly comply with Belgian legislation.

Finally, I would like to pay tribute to two people who have retired from the Board of Directors. First of all, my predecessor Philippe Mertens, who served as the president of the association during 9 years. His enthusiasm for the Car-Pass project inspired us all, and we are counting on his good advice in his new role as Honorary Chairman of the non-profit association. I would also like to thank Francis Deryckere, who has been an observer on the Board of Directors representing the Ministry of Economy since the very beginning. He is the author of the legislation. Without his straightforward, constructive vision, we would not have been able to realise Car-Pass in its current form. We further wish him good luck.

You will find all the fascinating findings further on in this report. I hope you enjoy reading it.

Didier Perwez

Chairman of the Board



KEY FIGURES 2020

Car-Pass documents



Number of documents issued in 2020

791,881



Average size of the fraud (km)

71,026



Number of documents issued upon import

104,095



Number of vehicle history requests

322,224



Number of (highly) probable cases of fraud

1,716



Number of mileage readings received in 2020

15,173,989

Mileage readings



Number of mileage readings in the database on 31.12.2020

246,893,306



Number of users who have provided at least one mileage reading

12,993







Number of mileage readings that are linked to active vehicles (*)

143,126,817



Number of vehicles for which at least one mileage reading was received in 2020

6,288,524



Number of vehicles in the database on 31.12.2020

24,309,879



Average mileage reading upon issuing the Car-Pass

108,418



Number of active vehicles on 31.12.2020 (*)

8,367,416



Average age of the vehicle upon issuing the Car-Pass (in years)

9.01



1,716 FRAUD CASES IN 2020

By comparing the odometer reading when the Car-Pass is issued with the previous odometer reading(s), a clear picture of the number of fraud cases can be obtained, since the odometer is generally manipulated just before the sale. For the first time, Car-Pass also received foreign odometer readings from the car manufacturers' central databases, which allowed us to better detect fraud in imported vehicles. For every one in four imported vehicles, either the manufacturer or the Dutch RDW (National Road Traffic Service, Netherlands) could supply odometer readings.

A total of 1,716 cases of odometer fraud were uncovered in 2020. Of this total, 1,111 were domestic sales (0.16% of the total) and 605 (2.4%) cases showed tampering upon importing the vehicle into our country. So the risk of fraud is more than 10 times higher when the vehicle comes from abroad.

Biggest fraud in 2020: 493,919 km less on the odometer.



	Brand	Model	Year of 1st registration	Latest mileage	Previous mileage	Difference	Imported
1	Volkswagen	Golf	2003	163,574	657,493	493,919	yes
2	Mercedes	Sprinter	2014	160,349	645,245	484,896	yes
3	Toyota	Avensis	2013	94,659	569,153	474,494	yes
4	BMW	525	1984	180,010	653,739	473,729	no
5	Peugeot	Expert	2008	186,553	641,204	454,651	no
6	Mercedes	300 D	1988	183,504	573,999	390,495	no
7	Mercedes	E300 Bluetec Hybrid	2014	163,363	543,148	379,785	yes
8	Mercedes	E200 CDI	2014	135,632	491,000	355,368	yes
9	Citroën	Jumper	2015	60,037	368,345	308,308	yes
10	Volkswagen	Transporter	2011	87,001	394,435	307,434	yes





Data from the manufacturers reveal fraud in imports.

On average, the odometer reading of Belgian vehicles was reduced by more than 55,000 kilometres. The average mileage 'lost' in foreign vehicles was no less than 100,000 km. So when buying an imported vehicle, it makes sense to carefully inspect the Car-Pass. Not only is the risk of fraud significantly higher, the number of kilometres taken off the odometer is also almost twice as high on average. An imported 2003 Volkswagen Golf tops the table with a drop of almost half a million km. The table shows the ten biggest fraud cases.

The data that Car-Pass receives from the manufacturers is therefore clearly useful. Most brands did not start providing data until mid-2020. Despite the legal requirement, a number of major manufacturers did not supply any data at all. So please, respond to our urgent call to get organised quickly. For 2021, we therefore expect to receive more odometer readings from the manufacturers and more cases of fraud will be expected to come to light.

For imports, the risk of fraud is 10 times higher than for Belgian vehicles.





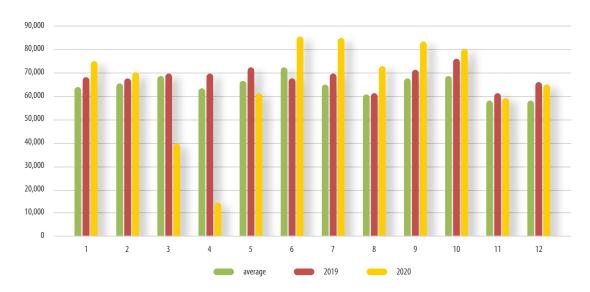
FACTS & FIGURES(*)



791,881 Car-Pass documents delivered in 2020. The proportion of paid documents was 77.0%.

Saying that 2020 was a very exceptional year is stating the obvious. The year had started strong in January and February, but then the corona virus hit. During the spring lockdown, which lasted from mid-March to early May, inspection stations were closed for some time and all showrooms had to close. As a result, in April we recorded an 80% decrease in the number of Car-Pass documents issued. However, from mid-May onwards, sales of used vehicles showed a strong resurgence. For Car-Pass, June through October were record months. In June and July, for example, we delivered more than 85,000 Car-Pass documents. We had never before exceeded the 80,000 documents per month threshold. November's partial lockdown had little impact. In the end, we closed 2020 at 791,881 Car-Passes. This is a minor drop: 3.6% lower than the previous year. The chart shows that we performed above average in all months of 2020 with the exception of the dark period of March through May.

The number of Car-Pass documents delivered monthly



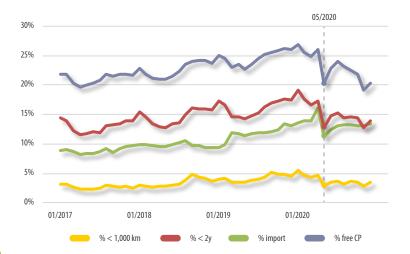
^{*} Figures refer to cars (cat. M1) and light commercial vehicles (cat. N1)



The second-hand market proved to be extremely resilient during this crisis year.

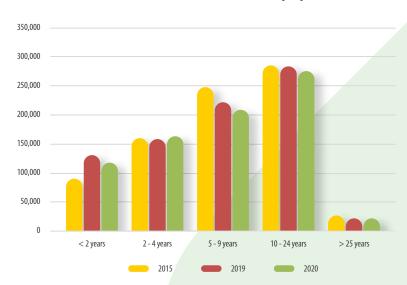
The strong resurgence in demand for second-hand cars shortly after the lockdown was obviously a catch-up spike. But a survey of 180 car companies also demonstrated that other factors were positively influencing the market. 60% believed that the uncertain economic situation drove buyers to the second-hand market. On the other hand, many private individuals were able to save budget because they saw their holiday plans go up in smoke. They used that budget for purchasing a car (earlier than planned). As the delivery terms of new cars were highly uncertain due to covid-19, many opted for immediately available second-hand cars. Purchases to go on holiday by car or as an alternative to public transport seemed to be a less frequent reason.

After the spring lockdown, we also noted that the profile of used cars had changed somewhat. For some time, fewer second-hand cars were imported from abroad and the proportion of young pre-owned cars fell. This resulted in an increase in the percentage of paying Car-Pass documents for the first time since 2014. In 2020, this share was 77.04% compared with 75.47% in the previous year. The graph clearly shows the parallels.



The average Belgian second-hand car or van is 9.01 years old. This is a slight increase from 2019 when the average was 8.90 years. We notice that more than a third of all second-hand cars (37.8%) are at least 10 years old. Compared to last year, the 9% drop in the young second-hand segment (less than 2 years old) is particularly noticeable. If we go back five years, there is still a clear growth, of 32%, which is mainly at the expense of the age category between 5 and 9 years (-16%).

The number of Car-Pass documents according to age





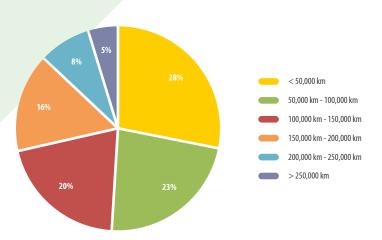
The average pre-owned was 9.0 years old and had driven 108,418 km.



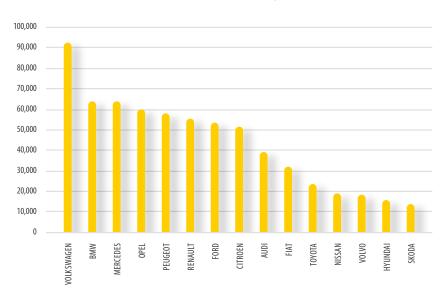
It appears that a used car has an average of 108,418 km on the odometer when sold, which is 530 km lower than in 2019. 28% of used cars have less than 50,000 km on the odometer. At the other end of the spectrum, 13% have driven more than 200,000 km.

Nearly 93,000 Car-Pass documents were requested for a Volkswagen. It remains by far the most popular brand on the used car market. German premium brands BMW and Mercedes have climbed into the top three, at the expense of Opel and Peugeot.

The number of Car-Pass documents according to mileage



The number of Car-Pass documents according to the brand



Car-Pass received 15.17 million odometer readings in 2020 (-5%).



	2020		2019		2020 vs 2019
Technical inspection	5,545,288	36.54%	5,611,004	35.12%	-1.17%
Input via file transfer	-		1,674,837	10.48%	
Input via website	940,062	6.20%	1,063,032	6.65%	-11.57%
Input via fax or mail	-		4,970	0.03%	
Input via web services	7,683,144	50.63%	7,200,481	45.07%	6.70%
RDW (The Netherlands)	164,843	1.09%	137,472	0.86%	19.91%
Vehicle history checks	322,224	2.12%	285,595	1.79%	12.83%
Manufacturers (import)	173,343	1.14%			
Connected Cars	345,085	2.27%			
Total	15,173,989		15,977,391		-5.03%

Car-Pass received 15.17 million odometer readings in 2020, down 5% from 2019. This decline is obviously due to the Covid 19 crisis, as we will discuss in more detail in a future section, and still remains relatively limited given the circumstances. All professionals that used to send their data in files have switched in 2020 to web services, which allows for a much faster response if errors are found in the data. With a share of 36.5% of the supplied data, the car inspection is, as always, an important and stable source for Car-Pass.

The number of vehicles imported from the Netherlands rose by 20%. This also translates into the odometer readings that Car-Pass has received from RDW. The number of history consultations continues to grow steadily (+13%). Professional dealers are required to display the information contained in the Car-Pass in the advertisement and showroom when they offer a used vehicle for sale. To do this, they have to perform a history consultation, which was done 322,224 times last year. Nevertheless, we have to note that many online advertisements still do not contain a link to the Car-Pass data. Together with Traxio and the major advertising platforms, Car-Pass continues to work on raising awareness and informing pre-owned vehicle salespeople in order to increase this percentage. Hopefully in 2021, we will again notice a significant increase in the number of history consultations.

For the first time, car makers are appearing in the statistics as a source of mileage data. Indeed, since 1 January 2020, they are required to send their data to Car-Pass when a vehicle of their make is imported into Belgium. They also have to communicate an odometer reading of their connected vehicles at least 4 times a year. The number of data received remained rather limited in 2020. For only 25% of the imported vehicles, Car-Pass received one or more odometer readings from the manufacturer. This is because, with one exception, no manufacturer was ready by January 1, 2020 as required by the legislation. The situation gradually improved during the year, so that in December Car-Pass received data from the manufacturer for 46% of imports. However, a number of major manufacturers still do not (or cannot) provide data on vehicles originating from abroad. For connected vehicles, the situation is even less satisfactory. Only BMW Belux was able to provide a total of 345,000 odometer readings. This figure shows what an important source of qualitative data this could be in the future. Car-Pass is working with the Belgian importers to implement the connection to the manufacturers' IT platforms as quickly as possible. In practice, however, this is not as easy as it sounds.



The data came from 12,993 different sources. That is an absolute record.

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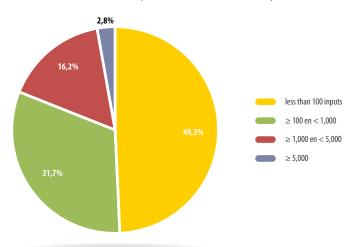
63% of all companies use the Car-Pass website to submit data.



The number of professionals reporting odometer readings last year increased by almost 1.6% to 12,993. Never before have we recorded such a high number. This can be explained by the legislation that requires used car sellers - who don not repair vehicles - to request the vehicle history when they offer a vehicle for sale. 37% are companies that use proprietary software to communicate data to Car-Pass. 63% send their data via the Car-Pass website. The latter are mainly smaller companies, as the table shows that this flow represents only 6.2% of the total data volume.

This is also confirmed by the graph that shows that almost half of all companies have reported less than 100 odometer readings per year. Only 19% exceed the mark of 1,000 odometer readings per year.

Distribution of companies as a function of the number of inputs



Volkswagen is the make of which Car-Pass has stored the most odometer readings in its database, namely 16.2 million. Peugeot, Renault, Mercedes, Opel and Citroën also exceeded the 10 million mark. A vehicle from the active fleet is on average 8.6 years old and its history contains 17.1 odometer readings, which is 2 per year.

Average mileage and age per brand



The graph shows the average of the last mileage received and therefore gives an accurate picture of the average mileage of the most common makes. For the top 10, it ranges between 110,000 and 130,000 kilometers. Mercedes, with an average of 129,616 km on the clock, leads the ranking, ahead of Volkswagen and Audi. Cars of makes of which the Belgian fleet is relatively young (e.g. Kia, Dacia, or Tesla), obviously tend to have less on the odometer.

The history of an active vehicle has an average of 17.1 odometer readings.



In 2020, Car-Pass received at least 1 odometer reading from 6,288,524 different passenger cars and light vans.





On 31.12.2020, the Car-Pass database contained a total of 246.8 million odometer readings, of which 143 million related to the active fleet.



The active vehicle fleet consists of all vehicles registered on 31.12.2020 and/or the vehicles for which Car-Pass was used in the period 30.6.2019 through 31.12.2020.

THE IMPACT OF THE COVID 19 CRISIS

Activity in the workshops has suffered greatly from the crisis.

Garages, body repair shops, tyre centres, etc. are required by law to report the odometer reading of their vehicles (cars and vans) to Car-Pass on the day they carry out the work. The data Car-Pass receives is therefore a reliable barometer of activity in the sector. This barometer was regularly low in 2020.

During the first lockdown in the spring, activity in the workshops dropped by 80%. Only urgent repairs were permitted to be accepted by the workshops. Except for the tyre sector, the hoped-for catch-up did not take place.

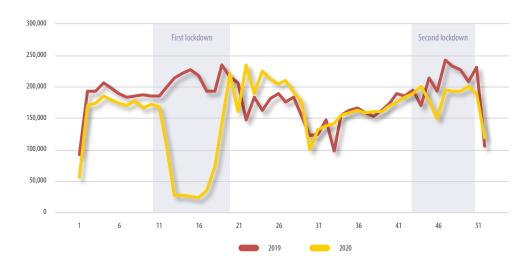
In the months of July through October, activity in 2020 was back at the same level as in 2019. During the second lockdown, we recorded a decline by about 15% in November. The decline was fortunately less than in the spring, as the workshops were permitted to continue working for all customers.

In 2020, Car-Pass received 8.2 million odometer readings from after-sales activities. This is a 14.5% decrease compared to 2019. Brand dealers and independent garages have more or less followed the average trend. For two sectors, however, activity evolved in a significantly different way.



During the first lockdown, activity in the workshops dropped by 80%.

Development of the number of weekly processed kilometres (2020 vs. 2019)



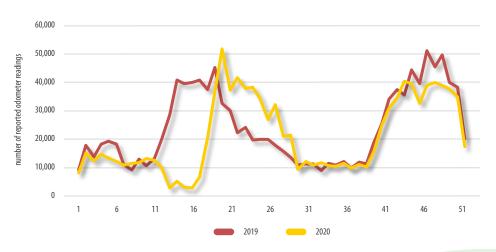




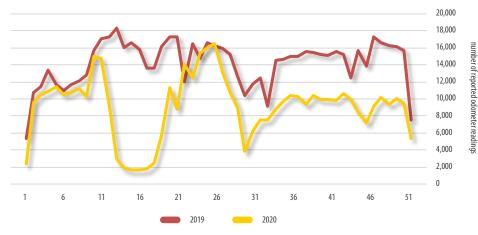
The after-sales business experienced a decline of 14.5% in 2020.

As already mentioned, the tyre specialists were able to limit the loss somewhat to -11%. We noticed a catch-up movement during the months of May and June, due to the delayed fitting of summer tyres. Body repair shops noted a brief recovery in activity to 2019 levels after the lockdown. But in the second half of the year, activity was lower than in 2019 by about one third. Perhaps this is associated with fewer kilometres driven, as a result of which fewer accidents occur. Given the persistence of the crisis, it is not surprising that during the months of January and February 2021, activity was 9% less than in 2020. We all hope that the trend will soon turn upwards again.

The tyre sector was able to make up fairly well for the loss of the first lockdown



Sharp drop in activity in the body repair sector in the second half of the year

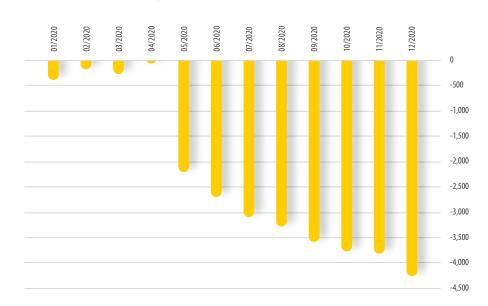


We used the car less in 2020.

The complete lockdown in the spring of 2020, teleworking, the ban on non-essential travel, the compulsory closure of the catering and culture sector; these are all factors that have led to us travelling less (by car) in the past year. Each month, Car-Pass processes more than one million odometer readings from the entire Belgian car fleet. This enables the non-profit association to analyse the mobility behaviour of Belgians and to examine how the Covid19 crisis has affected car mileage.

For all vehicles for which the Car-Pass asbl has registered an odometer reading in a certain month, the annual number of kilometres driven is calculated on the basis of previous odometer readings. This figure is compared with the same statistics of the previous year. To be able to make a reliable calculation, sufficient data, sufficiently spread over time, must be available from the vehicle. This method can lead to a slight overestimation of the results because less data is available for vehicles that are driven infrequently. Given that the figures for the month of December are based on 919,986 observations, we may assume that they give a fair and true view of reality.

The main conclusion should not surprise us. December 2020 figures show that the average passenger car had travelled 13,965 km last year, which is 4,246 km less than in 2019.



The relative monthly evolution of the number of kilometers driven on an annual basis

During the first 3 months of the year, there was no problem. The average annual mileage hardly differed from the year 2019. When activity resumed in May, we immediately saw the effect of the lockdown. The cars that then came to the workshop (e.g. for summer tyre fitting) had travelled an average of 2,205 km less on an annual basis than in May 2019. This annual average continued to decline gradually month after month. In December, we again noticed a sharper decline, which was undoubtedly caused by the second (more limited) lockdown in November. The average distance travelled by a passenger car in 2020 was 13,965 km, a decrease of 4,246 km compared to the previous year, 2019. We can also conclude that more than half of this decline is due to the lockdown during the spring.

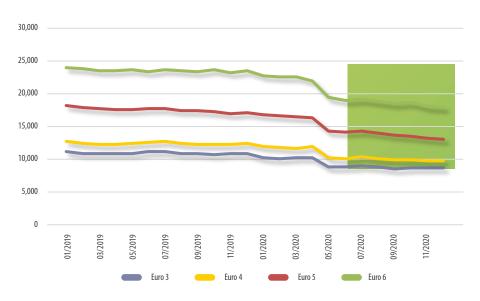
For light commercial vehicles, the decrease of 1,775 km was clearly less pronounced. They travelled an average of 18,784 km in 2020 (-8.6%).



On average, we drove 4,264 km less by car last year.

If we classify the vehicles according to their emission standard, an interesting picture emerges. It should not surprise us that the younger the vehicle, the more it is driven. A Euro 6 vehicle (registered in or after 2015) travels twice as many kilometres per year as a Euro 3 (registered between 2001 and 2005). But the younger the vehicle, the greater the drop in mileage due to the Corona crisis, as the graph clearly shows.

The annual number of kilometers traveled in function of the emission standard



Whereas a Euro 6 in 2019 still covered an average of 23,599 km annually, in 2020 this was only 17,957. A difference of 5,642 km. For a Euro 3, the average dropped from 10,915 to 8,651 km (-2,264 km). We see that the Euro 5 and 6 chart continues to decline in the second half of the year, while that of the older Euro 3 and 4 remains stable. This seems to be the effect of telecommuting. After all, teleworkers often have a (young) company car at their disposal.

The younger the vehicle, the greater the drop in mileage.





CAR-PASS NON-PROFIT RECEIVES ISO 27001 CERTIFICATION

Car-Pass considers information security as one of the priorities for the organisation. Information security means an adequate, permanent guarantee for the confidentiality, integrity, availability and resilience of information systems. Information security should at least meet the legal and regulatory requirements and the specific needs of its partners.





The mission and memorandum of Car-Pass regarding information security is:

"Car-Pass will efficiently, effectively and systematically define, implement and maintain an adequate level of security for the information and information systems. The information security policy and the policies, procedures or guidelines developed in this context are designed to minimise the risk of incidents or other deviations."

The prioritisation of an information security policy clearly shows Car-Pass' commitment:

- → Reliable partner: Car-Pass receives data from a wide variety of parties: Federal public services (DIV, KBO), foreign government bodies (RDW Netherlands), car manufacturers, motor vehicle assessors and professionals of the automotive sector. The association wants to be a reliable partner for these parties, enabling them to share their data with confidence and peace of mind.
- Secure culture: Information security is not limited to the implementation of technical solutions only; it must be part of the daily operations of Car-Pass. The awareness of the management and all employees of Car-Pass should lead to a better understanding of the risks involved and the necessity of the controls applied.
- Risk mitigation: Completely eradicating all risks and incidents is a utopia, but the goal should be to continually strive to reduce the risk inherent in security incidents to a level that is acceptable to the organisation, its context and its stakeholders.
- → Rules and regulations: The Car-Pass organisation is expected to maintain confidentiality
 with respect to data suppliers and data applicants.

Car-Pass has chosen to implement its information security policy based on analogy with the ISO27001 standard

After an intensive preparation, Car-Pass received the ISO27001 certificate from the certification body Brand Compliance on 8 March 2021.



WHO'S WHO?

General Assembly

Founding members

FEBIAC asbl

Boulevard de la Woluwe 46, boîte 6, 1200 Bruxelles

TRAXIO asbl

Avenue Jules Bordet 164, 1140 Bruxelles

AIBV sa

Boulevard Sylvain Dupuis 235, 1070 Bruxelles

Auto Contrôle Technique sa

Rue Colonel Bourg 118, 1140 Bruxelles

Autosécurité sa

Zoning Industriel de Petit Rechain, Avenue du Parc, 4800 Verviers

Autoveiligheid nv

Brusselsesteenweg 460, 2800 Mechelen

Bureau voor Technische Controle nv

Santvoortbeeklaan 34-36, 2100 Deurne

CTA nv

Ambachtenlaan 10, 3001 Leuven

Keuringsbureau Motorvoertuigen nv Zandvoordestraat 442A. 8400 Oostende

La Sécurité Automobile sa

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Studiebureel voor Automobieltransport nv

Poortakkerstraat 129, 9051 Sint-Denijs-Westrem

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VAB nv

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Ministry of Mobility and Transports

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Président TRAXIO asbl Aftersales manager France and Benelux HIDRIA

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Katia De Geyter

Vice chairman GOCA Flanders asbl Managing director SBAT nv

François-Xavier Dubois

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Managing director

ir. Michel Peelman

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Customer & Business Development Manager D'leteren automotive

Steven Claus

Used Car Manager Emil Frey België

Olivier Goies

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Patrick Van den Broeck

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Expert Attaché Ministry of Economy, SMEs, Self-Employed and Energy





Car-Pass non-profit is an initiative from FEBIAC, TRAXIO and the companies certified for roadworthiness inspection, supported by Touring and VAB and in collaboration with the Federal Ministry of Economy and with the Federal Ministry of Transport.

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