



JOINT PUBLIC NOTICE

**“TRANSITION OF MOTOR VEHICLE REGISTRATION AND DRIVER’S
LICENSE SERVICES IN THE NATIONAL CAPITAL DISTRICT FROM
MVIL TO RTA.”**

15th May, 2025

A. Background of motor vehicle registration and driver licensing services

1. Prior to the Road Traffic Authority's (RTA) being establishment, the responsibility of registering motor vehicles and licensing of drivers throughout the country was performed by the Department of Transport (DoT), under the then *Motor Traffic Act 1950 (MTA 1950)*.
2. In 1996, consistent with the provisions of the MTA 1950, the State through an arrangement between Department of Finance and DoT, entered into an Agreement with Motor Vehicles Insurance Limited (MVIL) and through a National Gazette, delegated these functions in the National Capital District (NCD) to MVIL.
3. Since then, MVIL has provided motor vehicle registration and driver licensing services, in addition to its Compulsory Third-Party (CTP) insurance services in NCD, under a one-stop-shop-concept.
4. Around the same time, the State through the DoT, delegated the motor vehicle registration and driver licensing functions to respective provincial governments.
5. Overtime, a number of the provincial governments decided to also delegated these functions to MVIL, to perform on their behalf.
6. In 2014, the Parliament repealed the MTA 1950 and enacted the *Road Traffic Act 2014 (RTA Act)*. This established the RTA as the regulatory authority responsible for road traffic matters, including motor vehicle registration and driver licensing functions.
7. The RTA did not come into operation until 2017, when the National Executive Council (NEC) gazetted various Regulations of the RTA. Since then, RTA has invested in its structure, capacity, systems and processes to assume the motor vehicle registration and driver licensing functions.
8. Between 2014 and up until 2024, the "Savings and Transitional Arrangements" under Section 65 of the RTA Act allowed for MVIL to continue to perform these functions on behalf of RTA as an interim arrangement, pending proper transition of these functions.
9. On 13th February 2024, RTA launched its Road Transport Management Systems to enable it to provide motor vehicle registration and driver licensing services.
10. On 16th July, 2024, consistent with the RTA Act and through a National Gazette, RTA formally relinquished MVIL of its delegation to provide motor vehicle registration and driver licensing services in NCD. Since then, the parties have been in talks to put in place the necessary administrative arrangements for the smooth transfer of these functions, from MVIL to RTA.

B. Effective date of transition and demarcation of responsibility

1. Consistent with the background of motor vehicle registration and driver licensing services in the country, MVIL and RTA (referred hereunder as the Parties) would like to inform all our valued clients and stakeholders in NCD that **effective 31st May, 2025**:
 - a) MVIL will focus solely on its statutory function of providing CTP insurance services to motor vehicle owners.

- b) RTA will take on its mandated responsibility of motor vehicle registration and driver licensing.
- c) The separation of these services will come into operation on **Monday 2nd June, 2025**, in NCD.

2. RTA will be responsible for all queries and business transactions concerning:

- a. issuance of new plates for registration of new and used imported vehicles;
- b. registration of new and used imported motor vehicles by motor car dealers, business organizations and individuals (referred to as new business);
- c. re-registration of expired motor vehicle registration (referred to as renewal);
- d. registration for change of motor vehicle ownership, plate, colour, engine, and chassis (referred to as endorsement);
- e. issuance of drivers' licenses for all license classes;
- f. letter of exemption for imported used cars;
- g. licensing of heavy vehicles;
- h. licensing of PMVs and taxis; and
- i. Procurement and supply of traffic registry consumables; including but not limited to driver license cards, PMV stickers, trailer number plates, DC plates, CC plates, hire car "H" plates, provincial government number plates ("P"), provincial government motorcycle number plates, traffic handbooks, earner's permit, etc.) in NCD.

C. Validity of MVIL and RTA issued motor vehicle registration certificates/stickers and driver licenses; and motor vehicles operating without existing CTP insurance cover

1. All motor vehicle registration certificates and driver's licenses issued by MVIL prior to 31st May, 2025 are valid until these expire. Upon expiration, RTA will assume the responsibility to renew all expired motor vehicle registration and driver's licenses:
 - a) For motor vehicle insurance and registration, refer to the "Guideline on single-sticker motor vehicle CTP insurance and motor vehicle registration services in NCD".
 - b) For driver's licenses, refer to the "Guideline on confirmation and issuance of drivers' licenses in NCD".
2. All motor vehicle registration certificates issued without CTP insurance prior to 31st May, 2025 are valid for purpose of registration only, until these expires. Upon expiration, motor vehicle owners must first obtain CTP insurance at MVIL prior to registration at RTA. Only MVIL insured motor vehicles will be registered by RTA.

D. CTP insurance is compulsory, CTP insurance comes before registration and is activated when registration is complete.

1. MVIL's CTP insurance cover must be obtained before RTA's vehicle registration. This is a requirement under Section 50 of the *Motor Vehicles (Third-Party Insurance) Act 1974*, (MVIL Act). Therefore, all motor vehicle owners must first insure their motor vehicles with MVIL for compulsory third-party (CTP) insurance before registering or re-registering (renew) these with RTA. There are no exemptions nor exceptions to this legal requirement.
2. Do not delay registering or re-registering your motor vehicle once you have paid for your CTP insurance cover. Section 49(2)(b) of the MVIL Act provides that your CTP insurance cover takes effect once your motor vehicle is registered or re-registered by RTA, for those vehicles driven on public roads.
3. Therefore, to ensure you are not exposed to third-party liabilities on your own, you must immediately register or re-register your motor vehicle with RTA after taking out CTP insurance with MVIL.

E. Penalties for not complying with MVIL and RTA requirements

1. CTP insurance is compulsory under the MVIL Act. It is not optional. It cannot be waived by MVIL nor RTA, nor by owners of motor vehicles. Under Section 48 of the MVIL Act, the owner of the uninsured motor vehicle assumes full liability and is required to pay the prescribed penalty fee of K200.00 if caught driving an uninsured motor vehicle. In addition, when caught and prosecuted in the court of law for driving an uninsured motor vehicle, Section 59 (1) of the MVIL Act provides the courts with the option to further impose a fine of K500.00 or a default penalty of imprisonment not exceeding 6 months.
2. In addition, it is an offence to drive without a valid driver's license and to drive an unregistered motor vehicle. Under Schedule 1 of the *Road Traffic (Offences and Penalties) Regulation 2017*, unlicensed drivers are required to pay an infringement fee of K500 when caught by RTA and may face an additional penalty fee up to K2,500.00, if prosecuted in the court. Under Schedule 3 of the same Regulation, a person driving an unregistered motor vehicle faces the same penalty.

F. Ensuring customer convenience

1. The Parties have taken appropriate measures to effectively collaborate and ensure we provide seamless customer service to our valued clients and stakeholder during and after the transition of motor vehicle registration and driver licensing services, from MVIL to RTA, in NCD.
2. As part of this effort, we have developed two brief guidelines to assist customers. These guidelines provide step-by-step instructions to customers seeking motor vehicle CTP insurance, registration, and driver licensing services between MVIL and RTA.

3. The "Guideline on single-sticker motor vehicle CTP insurance and motor vehicle registration services in NCD", and the "Guideline on confirmation and issuance of drivers' licenses in NCD" are available at our respective offices and on our websites. In addition, clients making enquiries over the phone, by email or at our NCD branches will be guided by our staff on the specificity of the processes and requirements.
4. All existing CTP, motor vehicle registration and driver licensing check-list requirements of the Parties will still apply. In MVIL's case, with the trial and roll-out of its new vehicle insurance management system, MVIL has introduced three new forms which must be completed, where applicable, together with the exiting requirements. These includes the, Vehicle Details Entry Form, CTP Policy Holder Form – Individual; and the CTP Policy Holder Form – Non-Individual.
5. Where future changes are expected to either MVIL or RTA's processes and requirements, the Parties will first discuss these between them to ensure these are smoothly integrated into the existing processes and requirements. The Parties will also take independent and/or collective steps to inform our valued clients and stakeholders of the same.

G. CTP insurance, motor vehicle registration and driver licensing services in the province

1. Motor vehicle registration and driver licensing services in the provinces will remain as they are. Except for Morobe, Milne Bay and West New Britain Provinces who carry-out these services on their own, MVIL will continue to provide these services in partnership with the concerned provincial governments.
2. MVIL will honor the terms of its existing twin-sticker arrangements with concerned provincial governments and will therefore continue to support these services.
3. RTA will reciprocate and take appropriate steps and support MVIL's efforts to ensure that the benefits currently enjoyed by respective provincial governments under the parties' twin-sticker arrangement is sustained and supported, effectively.
4. All future decision on changes to vehicles registration and driver licensing services in the provinces, is a matter solely for the respective provincial governments and RTA.

Jointly authorised for release on: **15th May, 2025**


MICHAEL MAKAP
Chief Executive Officer - MVIL


JOHN DAVEONA AVIRA
a/Chief Executive Officer - RTA

