December 2019

A step towards safer mobility

Motor Vehicles (Amendment) Act, 2019

pwc

FICCI



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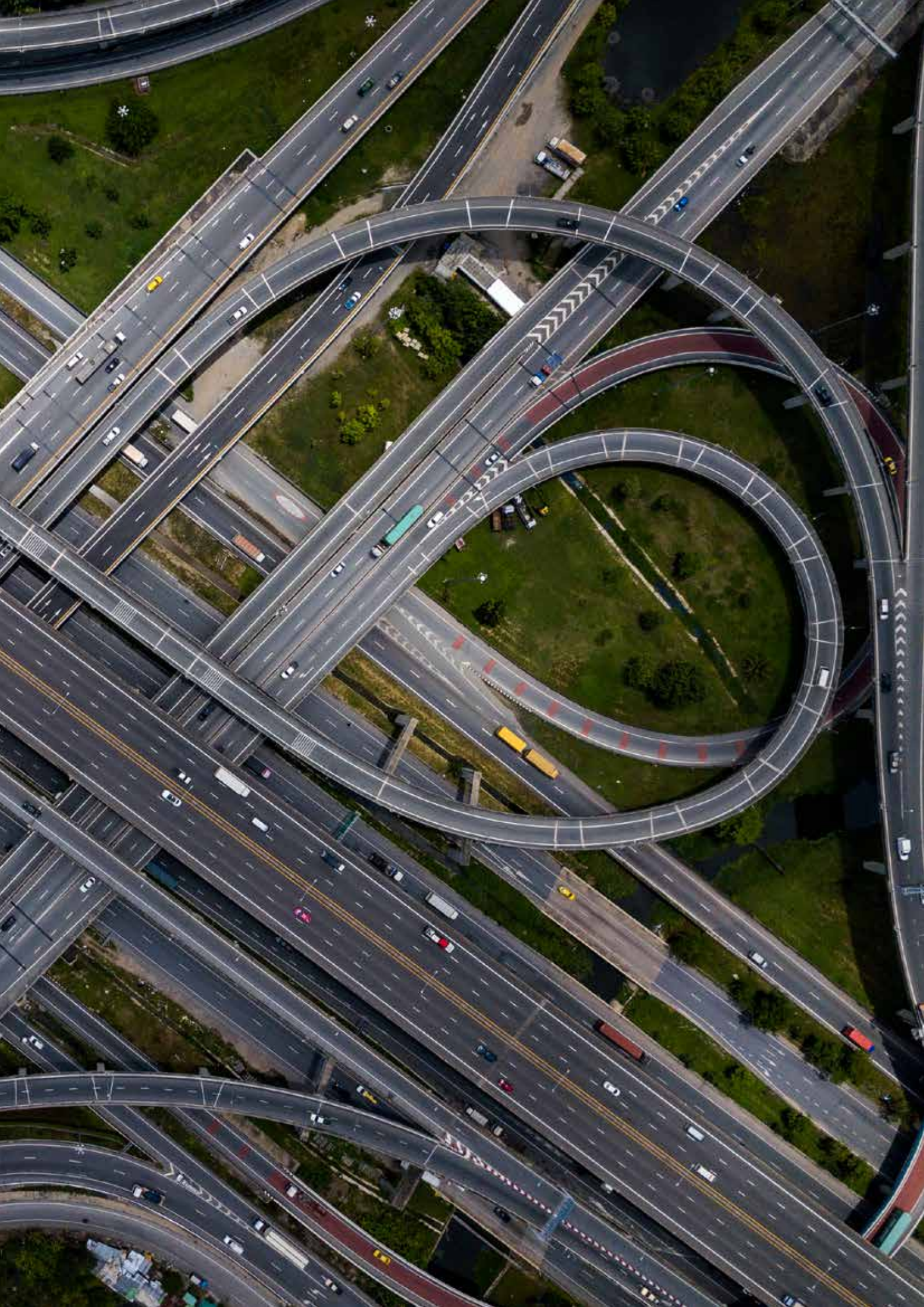
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Message from FICCI



Safer mobility on roads is highly essential for a growing and developing economy. Most developed nations worldwide have the best road infrastructure and safe on-road transportation facilities, helping businesses flourish.

Road safety is a key focus area for the Government of India (GoI), and the Ministry of Road Transport and Highways (MoRTH) has been assiduously addressing the issue of making roads safer in the country. Indian roads are among the most unsafe in the world, as over 1.5 lakh lives are lost in road accidents every year in India. According to the World Resources Institute, despite the fact only 2% of the world's automobiles run on Indian roads, India accounts for 11% of the world's road accident fatalities.[1]

The Motor Vehicles (Amendment) Act, 2019, is indeed a step towards safer mobility. The act has been successful in highlighting key elements of road safety in India, such as better driver behaviour, safer road infrastructure and safer vehicles, along with introduction of several new provisions for compensation for victims of road accidents, protection of Good Samaritans, recall of vehicles if they fail to meet set standards, mandatory pollution checks, and purchase of vehicle insurance.

This report is an attempt to look beyond the hefty fines and focus on the amendments that have the potential to contribute to the objective of safer Indian roads. It also outlines the robust policies and practices contributing towards safer roads in other countries. I sincerely hope that this report will offer important and useful insights to all stakeholders.



Dilip Chenoy
Secretary General
FICCI

1 https://www.wri.org/blog/2019/08/india-has-worst-road-safety-record-world-new-law-aims-change

Message from PwC



According to the World Health Organization (WHO), an estimated 1.35 million people die every year worldwide due to road accidents. In 2018, over 150,000[1] people were reportedly killed in over 460,000 road accidents in India alone. Road safety is a critical issue for India and to curb this complex problem, the Ministry of Road Transport and Highways (MoRTH) has taken various initiatives based on the '4 Es of Road Safety', i.e. Engineering (Roads), Enforcement, Education and Emergency Services, to reduce the number of accidents and fatalities on Indian roads.

The Motor Vehicle (MV) (Amendment) Act, 2019, came into effect on 1 September 2019 and includes various amendments to increase the focus on road safety in India. It aims at larger road safety reforms by addressing various key elements such as improved driver behaviour, building of better road infrastructure and safer vehicles. However, the act has received a mixed response from many states, largely on account of the hefty fines imposed for traffic violations.

This report aims to provide all the stakeholders of road safety with a comprehensive view of how the MV (Amendment) Act, 2019, is a step towards implementing multi-pronged strategies across various pillars of road safety. In addition, it focuses on the adoption of the act at the national and state levels, initial impact of the limited implementation, challenges that may hinder smooth implementation, and possible measures to address these hindrances.

I would like to offer my best wishes for the summit being organised by the Federation of Indian Chambers of Commerce and Industry (FICCI). I am confident that our observations and insights in this report would provide an essential starting point for a discussion on the current road safety situation in India and the envisioned objectives of the amended act, which could be a landmark initiative towards strengthening road safety in India.

Manish Sharma

Partner and Leader

Transport and Logistics

2 Road Accidents in India – 2018, MoRTH

Overview

Global context

Road accident fatalities are the eighth-leading cause of deaths globally for all age groups and the leading cause of deaths for children and young adults aged between 5 and 29 years. Over 1.35 million people die annually worldwide due to road accidents.[3] Of these, 93% of the fatalities occur in low- and middle-income countries where 60% of the world's vehicles ply. As per the WHO's Global Status Report on Road Safety 2018, the fatality rate per 1 lakh population in low-income countries in 2016 was 27.5, which is thrice that of high-income countries, where the fatality rate per 1 lakh population was 8.3. Vulnerable road users (cyclists, drivers of two- and three-wheelers and pederstrians) accounted for 54% of global road traffic deaths in 2016.[4]

Detailed national-level government-funded road safety strategies have been designed by 132 countries to reduce fatalities.[5] As per WHO, 83% of these countries have a national target in place to reduce the number of road accident fatalities over the next decade.[6]

The United Nations (UN) and its member organisations have pressed the importance of road safety among all UN member countries. As a result, multiple countries are working to address road safety concerns and launched campaigns (Vision Zero in Sweden, Towards Zero in Australia) to reduce the number of road fatalities. The Moscow declaration of 2009 invited the United Nations General Assembly (UNGA) to declare 2011–2020 as the 'Decade of Action for Road Safety' and requested UNGA to set a goal to reduce road accident fatalities globally by 2020.



3 WHO Global Status Report on Road Safety, 2018
4 WHO Global Status Report on Road Safety, 2018
5 WHO, 2018
6 WHO, 2018

Some global numbers on road fatalities

1.35
million road fatalities each year

#1
cause of death for children and young adults between 5–29 years of age

3
times higher death rates in low-income countries than in high-income countries

Source: WHO

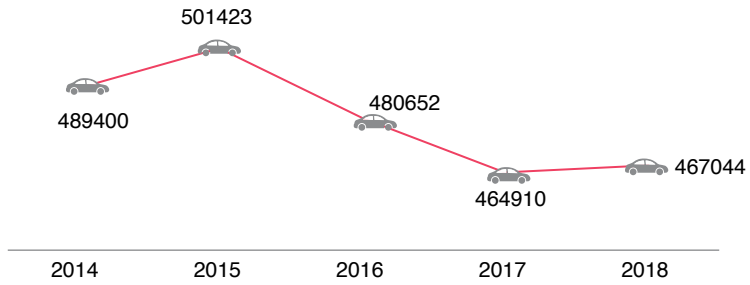
Indian context

As per the MoRTH, 151,417[7] people were reportedly killed in 467,044 road accidents in India in 2018. The number of crashes and road fatalities in India increased from 2017 to 2018. The number of accidents and fatalities per 1 lakh population was 36 and 11.7, respectively.[8] India's national and state highways accounted for 55% of all the road fatalities in 2018.[9]

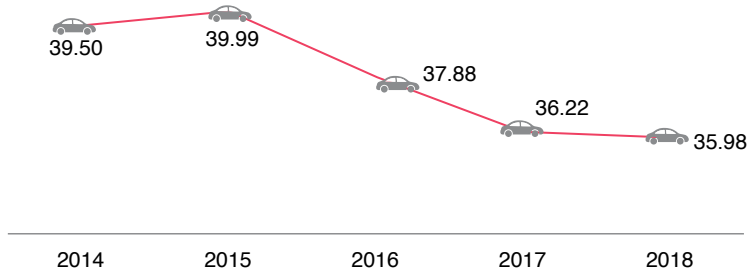
In 2015, India became a signatory to WHO's Brasilia Declaration on Road Safety. The Government of India (GoI) resolved to reduce the number of road accidents and related fatalities to half by 2020.

Road accidents in India between 2014 and 2018

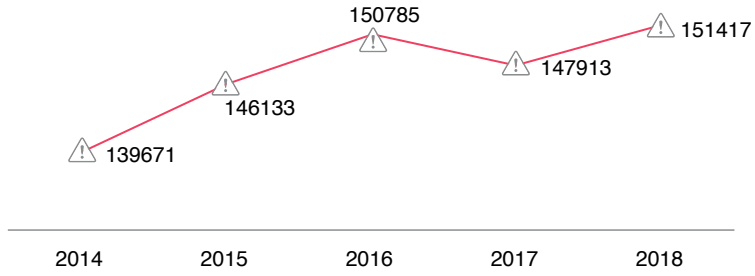
Number of road accidents



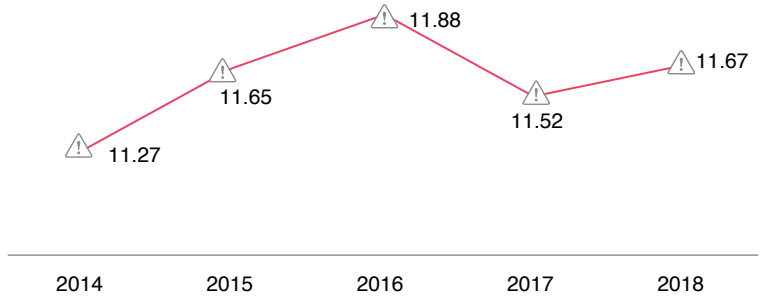
Number of road accidents per one lakh population



Number of fatalities



Number of fatalities per one lakh population



Source: MoRTH

7 https://morth.nic.in/road-accidents-india

8 https://morth.nic.in/road-accidents-india

9 https://morth.nic.in/road-accidents-india

Country-wise breakup of road safety laws

46 Countries have speed laws that align with best practices

45 Countries have drunk driving laws that align with best practices

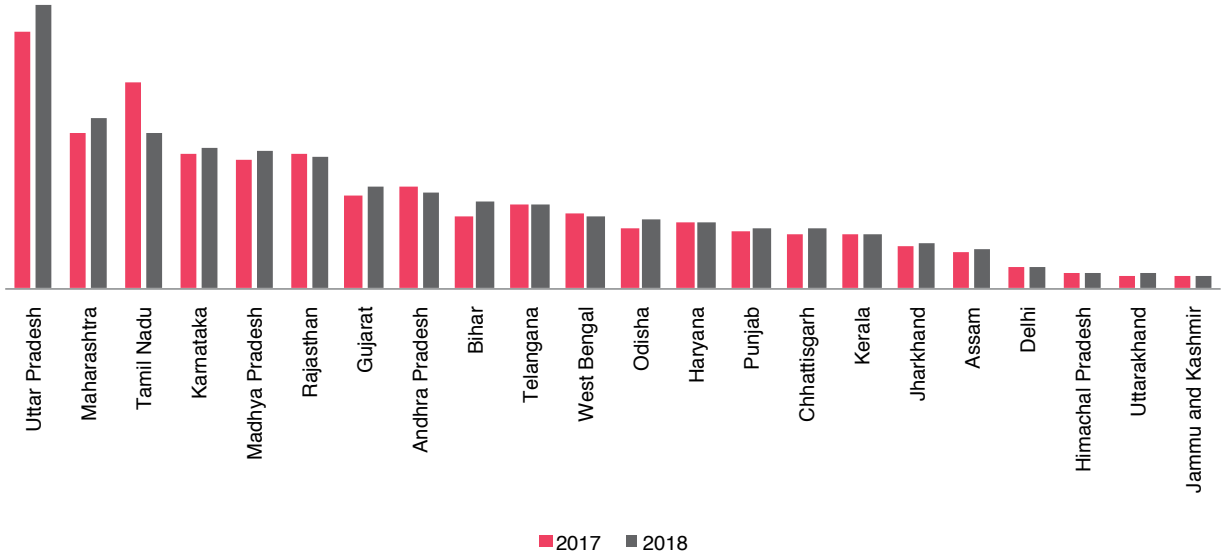
33 Countries have child restraint laws that align with best practices

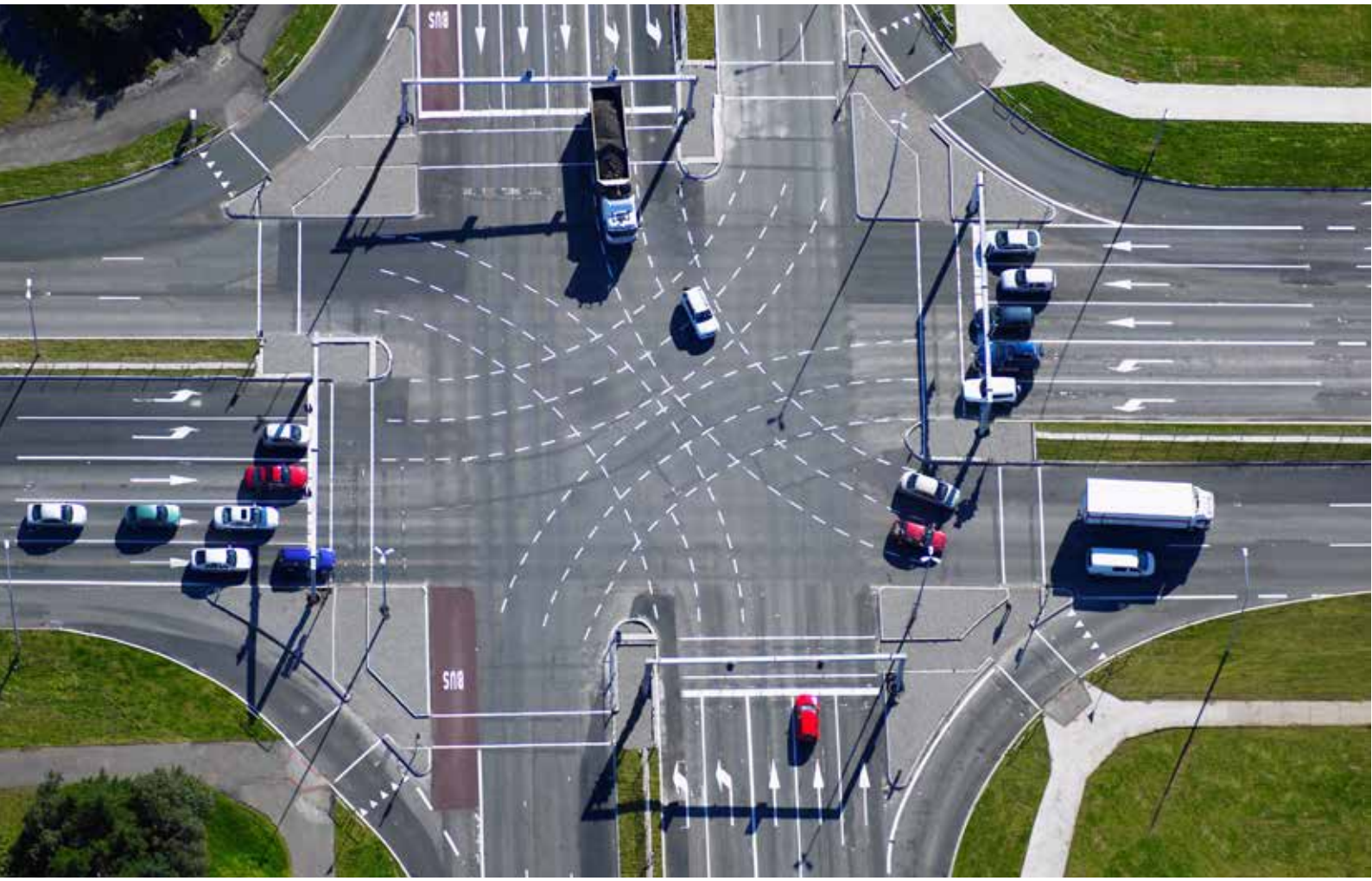
49 Countries have helmet laws in place

Source: WHO

The trend of state-wise road accident deaths between 2017 and 2018 shows that the maximum increase in the number of deaths in the one-year period was in Uttar Pradesh, while road fatalities decreased significantly in Tamil Nadu and Andhra Pradesh (figure below). The number of deaths due to road accidents also increased in states like Maharashtra, Karnataka, Rajasthan, Gujarat, Bihar, Odisha and Chhattisgarh between 2017 and 2018.[10]

State-wise road fatalities in 2017 and 2018



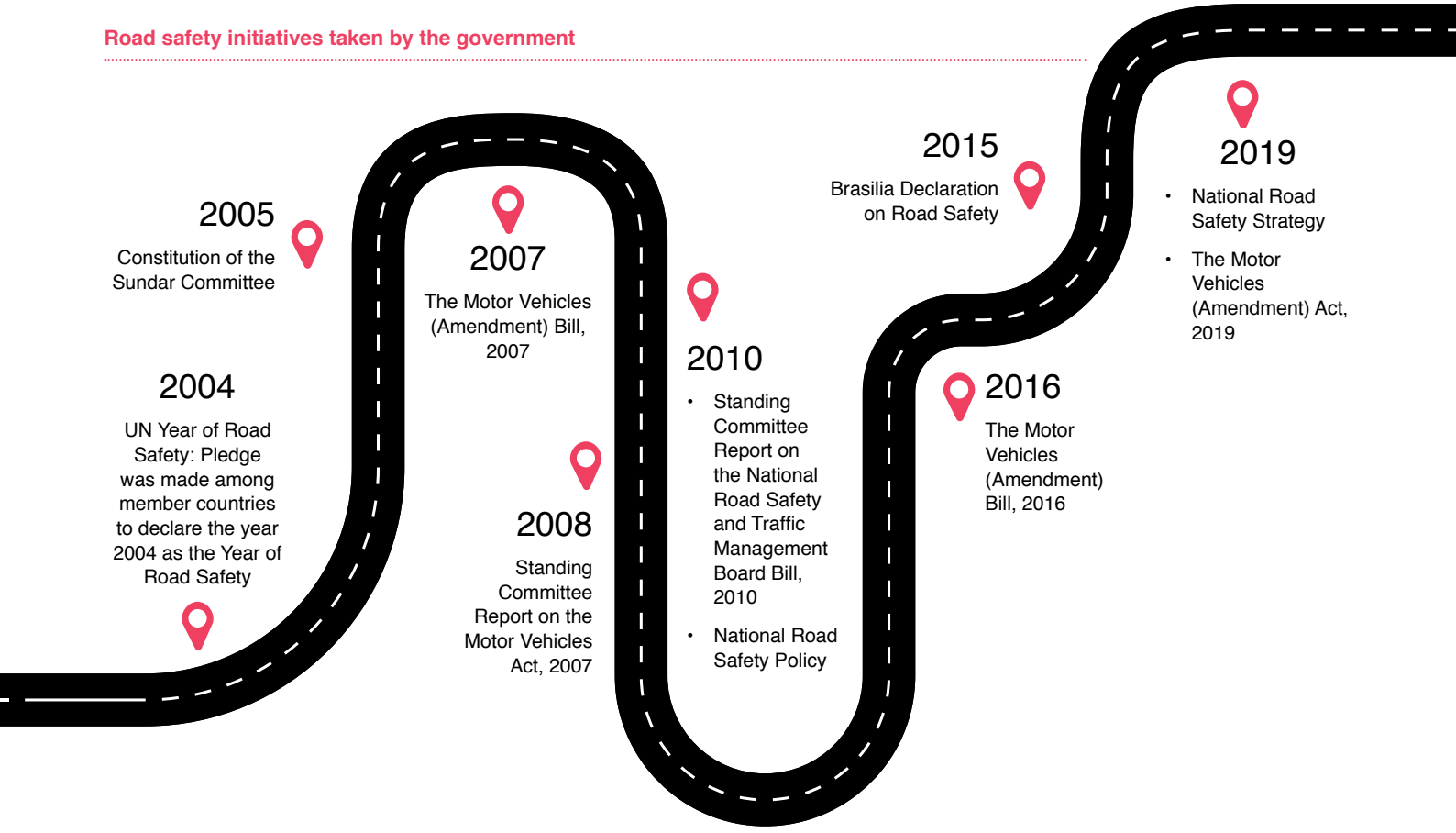


10 https://morth.nic.in/road-accidents-india

In the last decade, GoI and MoRTH identified the critical role of road safety interventions and have taken major initiatives based on the '4 Es of Road Safety', i.e. Engineering (Roads), Enforcement, Education and Emergency Services, to reduce fatalities and grievous injuries due to road accidents. India's initiatives and its journey towards realising road safety objectives are highlighted below:

- **2004:** India became a part of the UN member countries that expressed grave concern on increasing road fatalities.
- **2005:** Constitution of the Sundar Committee which worked to assess the magnitude of road fatalities as a public health and economic problem, studied international examples of organisations working for road safety and traffic regulations, proposed a road safety organisation at the central level, and recommended its functions and responsibilities.
- **2010:** GoI adopted a National Road Safety Policy to improve road safety in the country. As per the policy, GoI committed to the following objectives:
  - raise awareness about road safety issues
  - establish a road safety information database
  - ensure safer infrastructure of roads
  - ensure safer vehicles
  - ensure safer drivers
  - ensure safety of vulnerable road users
  - make provisions for road traffic safety education and training
  - ensure enforcement of road safety laws
  - set up emergency medical services for road accident victims
  - set up human resource development (HRD) and research for road safety
  - strengthen legal, institutional and financial environment for road safety.
- **2011:** Constitution of Working Groups by the Road Safety Cell. The Working Groups focused on issues in each spectrum of the 4 Es of Road Safety.
- **2015:** India signed the Brasilia Declaration on Road Safety and resolved to work towards bringing down the number of road accidents and fatalities to half by 2020.
- **2016:** The Motor Vehicles Act, 1988, was amended by the Motor Vehicles (Amendment) Bill to address issues such as third-party insurance, regulation of taxi aggregators, and road safety.
- **2019:** The President of India approved the MV (Amendment Act), 2019, in August 2019 with specific interventions targeted towards drivers, vehicles and infrastructure. Some of the key provisions in the amended act are:
  - **Driver behaviour:** Stricter penalties for careless driving, improved rules for issuance of driving licences and vehicle registrations.
  - **Vehicle interventions:** Governments (Central and state) may recall vehicles based on issues such as non-compliance with set vehicle maintenance standards, sub-standard parts and defective engines.
  - **Infrastructure interventions:** Contractors, design consultants, civic agencies may be held responsible for poor road conditions.

Road safety initiatives taken by the government



Is the MV (Amendment) Act only about hefty traffic fines?

The MV (Amendment) Act, 2019, came into effect on 1 September 2019 and includes various amendments aimed to increase focus on road safety on Indian roads. Since the act was implemented, the common perception has been that the amendments have only increased the penalties for traffic violations. However, analysis of the amended provisions in the act suggests that the amendment is a step towards implementation of multi-pronged strategies across various pillars of road safety with an ultimate objective of reducing fatalities on Indian roads. The key amendments in the act have been discussed by categorising them across areas of specific interventions, as targeted towards drivers, vehicles, road infrastructure, emergency response services and institutional arrangements.

Driver behaviour

The MV (Amendment) Act, 2019, proposes increased penalties for traffic violations to encourage safer driving behaviour among Indian drivers.

- **Strict penalties for traffic violations:** The amendment in the act imposes stringent penalties for traffic violations like drunk-driving, over-speeding, non-usage of seat belts and helmets, offences committed by juvenile drivers. Further, the amendment focuses specially on child safety and has made it mandatory for vehicles plying with children to have a child restraint system in place. Helmets have been made mandatory for children above the age of four, travelling in two-wheelers.

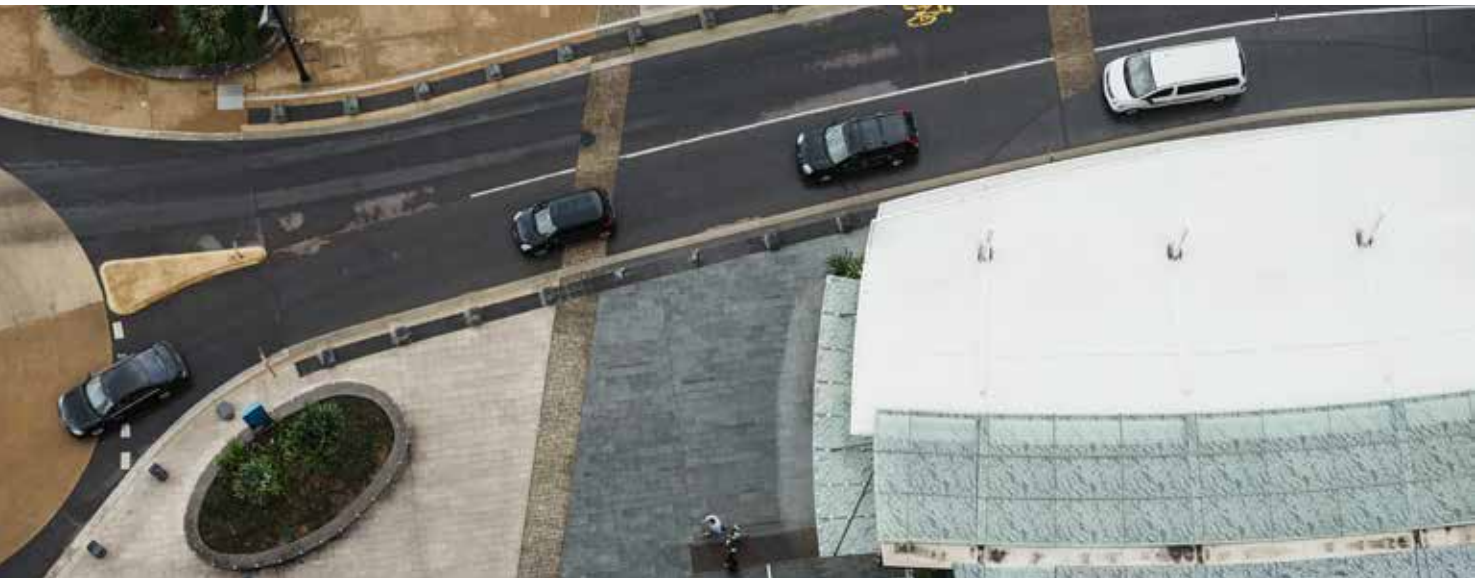
Vehicle standards

The amendments on motor vehicle standards are aimed to make vehicles safer and improve road safety standards to protect vulnerable road users.

- **Recalling vehicles:** Under the amended act, the Central Government is empowered to recall active vehicles from plying if they do not meet the required safety standards and may harm the driver/occupants of the vehicle or pedestrians or the environment. Additionally, the Central Government will make the rules for the accreditation, registration and regulation of vehicle-testing agencies, which would issue approval certificates to the vehicles.
- **Enhanced penalties:** The amended act imposes enhanced penalties for offences related to non-adherence to rules on construction, maintenance, sale and alteration of motor vehicles and components by manufacturers, dealers, importers and owners of motor vehicles. The penalty for non-compliance with the provisions of the act during manufacturing of vehicles may extend up to INR 100 crore, along with imprisonment for up to one year.

Road engineering

The way roads are designed, and their conditions, play an important role in determining the risk of traffic accidents. The amendments in the act aim to increase the accountability of road contractors, design consultants, concessionaires to ensure that the roads designed are safe and well-maintained.



- **Penalty for faulty road designing, engineering and ill-maintenance:** The amended act has provisions to hold road contractors, consultants and concessionaires accountable for faulty road designing and poor road maintenance. Non-compliance with set standards of road designing will lead to a penalty of up to INR 1 lakh.

Emergency response systems

The presence of functional, quick-to-respond emergency services plays a vital role in reducing road accident fatalities. The recent amendments to the MV Act have provisions for setting up emergency response systems to reduce road accident fatalities.

- **Golden hour:** The MV (Amendment) Act, 2019, defines the golden hour as "the time period lasting one hour following a traumatic injury during which there is highest likelihood of preventing death by providing prompt medical care". The amended act's definition of golden hour can help governments and authorities understand the importance of setting up functional emergency response services and consequently reduce the number of road facilities.
  - **Protecting Good Samaritans:** People who try to help accident victims by rendering emergency medical or non-medical services are often harassed by the kin of victims or authorities in case of fatalities. The amended MV Act encourages Good Samaritans to render medical or non-medical care or assistance to victims of road accidents. The act also protects them from any civil or criminal action if the victim is injured or succumbs to injuries due to the Good Samaritan's negligence while rendering medical or non-medical care or assistance.
  - **Cashless insurance scheme:** The amendment in the MV Act proposes a Central Government scheme for cashless treatment of road accident victims during the golden hour and also proposes the creation of a government fund for such treatment.

Institutional arrangements

The amendments to the MV Act aim to strengthen institutional arrangements for implementing road safety interventions through constitution of a National Road Safety Board, setting up of a Motor Vehicle Accident Fund and formulation of a National Transport Policy.

- **Motor Vehicle Accident Fund:** The MV (Amendment) Act, 2019, proposes setting up a fund by the Central Government. The fund is to be utilised for the following purposes, among others:
  - cashless insurance cover for treatment of road accident victims during the golden hour
  - compensation of up to INR 200,000 to representative(s) of a person who died in a motor vehicle accident (the previous compensation figure was only up to only 25,000)
  - compensation of up to INR 50,000 to a person grievously injured in a road accident (the previous compensation figure was only up to INR 12,500).
- **National Road Safety Board:** The MV (Amendment) Act, 2019, also proposes the constitution of a National Road Safety Board to provide advisory support to both the Central and state governments on all aspects of road safety and traffic management, which includes:
  - standards of design, weight, construction, manufacturing process, operation and maintenance of motor vehicles and safety equipment
  - registration and licensing of motor vehicles
  - formulation of standards for road safety, road infrastructure and traffic control
  - facilitation of safe and sustainable utilisation of the road transport ecosystem
  - promotion of new vehicle technology
  - safety of vulnerable road users
  - conducting programmes for educating and sensitising drivers and other road users
  - other functions as may be prescribed by the Central Government from time to time.
- **Formulation of a National Transportation Policy:** The Motor Vehicle (Amendment) Act, 2019, has a provision for the Central Government to develop a National Transportation Policy in consultation with the states. Some of the key objectives of the policy shall include:
  - establishing a planning framework for all forms of road transport
  - identifying areas for improvement of transport infrastructure in India, including development of an integrated multi-modal transport system
  - establishing a framework for grant of permits and schemes, etc.

Adoption of the MV (Amendment) Act and initial impact

Mixed response from states

The Motor Vehicles (Amendment) Act, 2019, includes 63 clauses notified by the Central Government, which do not require framing of rules. The adoption to the act has received a mixed response from many states owing to criticism from the public on account of the hefty fines imposed for traffic violations. States like Gujarat, Uttarakhand, Kerala, Karnataka and Assam have adopted the amended act but have reduced the quantum of penalties for public acceptance. Rajasthan also intends to adopt the amended act after reviewing and revising the penalty amounts.

However, most states are yet to adopt the act and have put its implementation on hold. Andhra Pradesh, Uttar Pradesh, Tripura, Chhattisgarh, Goa, Punjab, Madhya Pradesh, Telangana, West Bengal and Maharashtra are yet to adopt the amended act. These states have formed committees to study the act in detail and are simultaneously increasing their focus on enhancing public awareness about road safety rules and provisions of the amended act.



Adoption of the act has come with a reduction in penalties

As mentioned above, five states (Gujarat, Uttarakhand, Kerala, Karnataka and Assam) have adopted the amended act. However, the amended act has been implemented after lowering the minimum traffic fines. The revised traffic penalties for the five states are given below.

- **Gujarat:** Gujarat was the first state to adopt the MV (Amendment) Act, 2019. However, the state has reduced the quantum of penalties for various traffic violations.[11]

Traffic violation	Proposed minimum penalty	Proposed minimum penalty by Gujarat	Percentage of reduction (%)
Riding without a helmet	INR 1,000	INR 500	50%
Driving a four-wheeler without wearing a seatbelt	INR 1,000	Rs 500	50%
Driving without a valid licence	INR 5,000	• INR 2,000 for two-wheelers • INR 3,000 for four-wheelers	Up to 60%

11 https://economictimes.indiatimes.com/news/politics-and-nation/gujarat-government-reduces-fines-stipulated-by-new-motor-vehicles-act/article-show/71066945.cms?from=mdr

- **Uttarakhand:** Uttarakhand has decided to adopt the amended MV Act with reduced penalty charges.[12]

Traffic violation	Proposed minimum penalty	Proposed minimum penalty by Uttarakhand	Percentage of reduction (%)
Unauthorised usage of vehicles without a valid licence	INR 5,000	INR 2,500	50%
Driving without a licence	INR 5,000	INR 2,500	50%
Driving despite disqualification	INR 10,000	Rs 5,000	50%
Using handheld communication devices while driving	INR 5,000	• INR 1000 for a first-time offender • INR 5,000 for second and subsequent offences	80%
Violating air or noise pollution standards	INR 10,000	• INR 2,500 for a first-time offender • INR 5,000 for second and subsequent offences	75%
Overloading in heavy vehicles	INR 20,000	• • INR 2,000 for light motor vehicles • INR 5,000 for medium and heavy vehicles	90%
Putting a child inside a vehicle without a child restraining system or a safety belt	INR 1,000	INR 200	80%
Not giving way to emergency vehicles like ambulances and fire brigades	INR 5,000	INR 10,000	50%
Driving an uninsured vehicle	• INR 2,000 for the first offence • INR 4,000 for second and subsequent offences	• INR 1,000 for two-wheelers and three-wheelers • INR 2,000 for other vehicles in case of first offence	50%

12 https://indianexpress.com/article/india/uttarakhand-adopts-motor-vehicles-act-reduces-penalty-traffic-violation-gadkari-5987076/

Karnataka: The Karnataka government has issued a notification reducing penalties for traffic violations in comparison to those proposed under the MV Amendment Act. Public criticism of the hefty fines for violation of traffic rules forced the government to revise the penalties proposed under the act. The proposed minimum penalty for traffic violation and the corresponding revision by the Karnataka government are shown below.[13]

Traffic violation	Proposed minimum penalty	Proposed minimum penalty by Karnataka	Percentage reduction (%)
Overspeeding	• INR 2,000/- for two-wheelers, three-wheelers and light motor vehicles (LMVs) • INR 4,000 for other vehicles	• INR 1,000/- for two-wheelers, three-wheelers and light motor vehicles (LMVs) • INR 2,000 for other vehicles	50%
Violation of safety measures for motorcycle riders and pillion riders	INR 1,000	INR 500	50%
Riding without a helmet. Failure to use safety belts and child safety seat	INR 1,000	INR 500	50%
Driving an uninsured vehicle	• INR 2,000 for the first offence • INR 4,000 for second and subsequent offences.	• INR 1,000 for two- and three-wheelers, • INR 2,000 for LMVs, • INR 4,000 for heavy goods vehicles (HGVs) and others.	50%
Overloading in heavy vehicles	INR 20,000	INR 5,000	75%
Driving despite disqualification	INR 10,000	INR 5,000	50%

Kerala: The Kerala government has adopted the MV Amendment Act; however, the fines for some of the traffic violations have been reduced in comparison to the minimum penalties proposed in the amended act.[14]

Traffic violation	Proposed minimum penalty	Proposed minimum penalty by Kerala	Percentage reduction (%)
Driving without a helmet	INR 1,000	INR 500	50%
Driving without a seat belt	INR 1,000	INR 500	50%
Use of handheld communication devices while driving	INR 10,000	INR 2,000	80%
Speeding/racing – light motor vehicle	INR 5,000	INR 1,500	70%
Speeding/racing – medium heavy vehicle	INR 5,000	INR 3,000	60%

13 https://economictimes.indiatimes.com/news/politics-and-nation/penalties-under-motor-vehicles-act-reduced-in-karnataka/articleshow/71238159.cms?from=mdr

14 https://www.hindustantimes.com/india-news/kerala-government-slashes-fines-under-motor-vehicles-act/story-7L8cnTiGoE8XooOj5xecyI.html

Positive reports are beginning to emerge post implementation of the MV (Amendment) Act

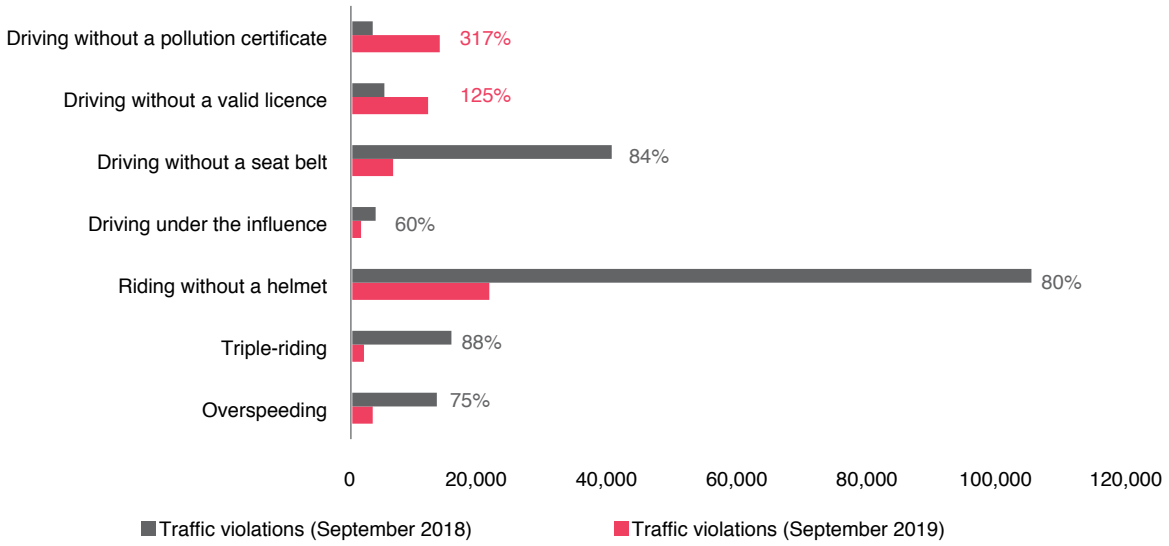
It was anticipated that the implementation of the MV (Amendment) Act would help in cultivating disciplined driving behaviour among road users, including the vulnerable group. However, the act has had a mixed impact across various states; while some states have seen significant improvement in road user behaviour, others continue to show declining performance.

The impact of the act is discussed below:

- As per MoRTH, post the implementation of the act, road fatalities have decreased in six states and 2 union territories (UTs) in September and October 2019 compared to those in the same period in the previous year: Kerala (2% reduction), Uttar Pradesh (10% reduction), Bihar (11% reduction), Gujarat (14% reduction), Uttarakhand (22% reduction), Haryana (12% reduction), Chandigarh (75% reduction) and Puducherry (31% reduction).[15]
- However, a few states like Chhattisgarh witnessed an increase in road fatalities from 293 (September–October 2018) to 305 (September–October 2019).
- In Delhi, the number of traffic violation challans issued has decreased from 524,819 in September 2018 to 173,921 in September 2019.[16] A majority of the cases are being diverted directly to court, which acts as an enhanced deterrent.
- Stakeholders have been consulted to understand the impact of the act on road user behaviour. One of the key insights from the consultations was that stakeholder departments need to be prepared operationally for efficient implementation of the act. For example, challan machines need to be re-calibrated to take into consideration the revised fines and the operational set-up at the stakeholder department needs to be revamped.
- The MV (Amendment) Act includes a provision for 100% increase in the penalty for driving without insurance for first-time offenders (INR 1,000 to INR 2,000) and 400% increase for second-time offenders (INR 1,000 to INR 4,000). Post the adoption of the act in September 2019, the number of insurance policy buyers increased significantly, with insurance policy aggregators reporting an almost 100% increase in the sale of two-wheeler and four-wheeler insurance policies.[17]

It may be too early to assess the outcome of the MV (Amendment) Act, 2019, as stakeholder departments need time to prepare themselves for its smooth implementation. Further, MoRTH has implemented only 63 clauses of the act and 50 additional clauses will be implemented in the next six months. Some states are also modifying the penalties prescribed in the act, which may dilute it.

Traffic violations in September 2018 vs September 2019



15 https://www.cnbctv18.com/economy/accident-rate-drops-in-eight-states-uts-after-new-motor-vehicles-act-implementation-4741671.htm

16 https://www.ndtv.com/delhi-news/66-drop-in-delhi-traffic-violations-for-september-after-fine-hikes-police-2110522

17 https://www.thehindubusinessline.com/money-and-banking/online-automobile-insurance-sales-doubles-due-to-new-motor-vehicles-law-enforcement/article29342107.ece

Global examples of policy impetus reducing road fatalities

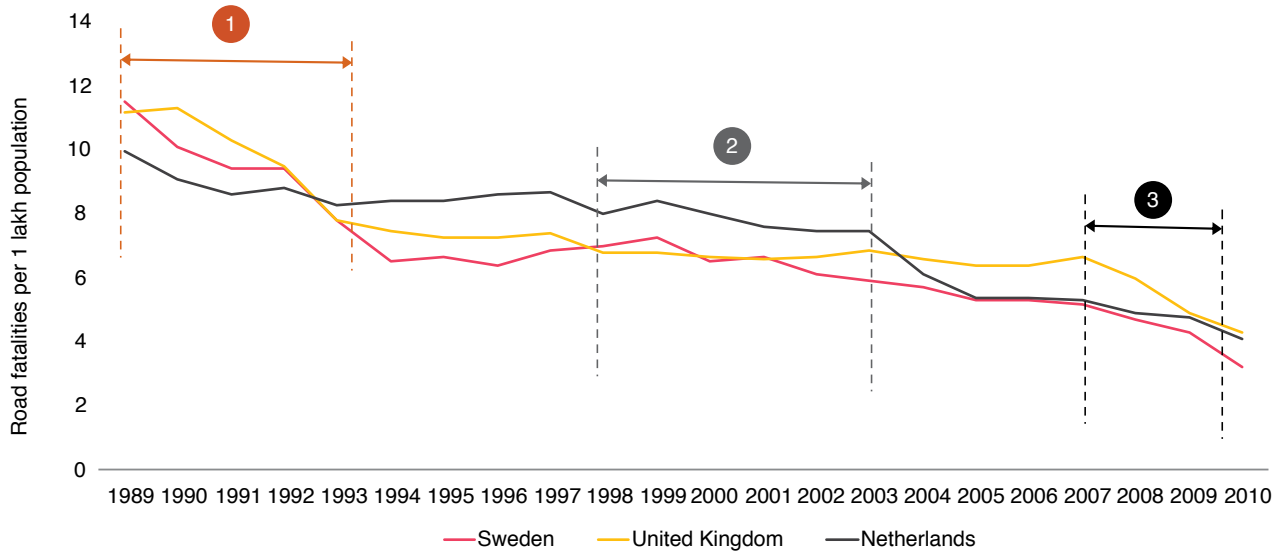
Countries that have been successful in addressing road fatalities have done so through a combination of measures for road safety management. These measures broadly pertain to aspects like improving driver behaviour, raising vehicle standards, standardising road engineering, improving post-crash care and emergency response systems, and putting in place an institutional mechanism to improve road safety. Sweden is one of the top global performers in road safety. With its Vision Zero based on safe system principles, Sweden has successfully reduced road fatalities in the last two decades.[18]

The broad trend revealed by the figure below is that road deaths have decreased by four times in Sweden since the first policy to establish a road safety agency was passed in 1968.

A similar trend can be observed in the UK, which has come a long way since first incorporating driving tests and limiting driving hours for vehicles in 1970 to establishing its own vision for reducing road fatalities in 2000. Key policy interventions during this period have been improved helmet standards, traffic management regulations, highway safety audits, timely updates of national targets, etc.

The Netherlands has also seen positive results from road safety legislation and policy improvement over the last two decades. Policy changes related to better enforcement of vehicle safety, use of seat belts and anti-drunk driving implemented from 1980 to 2000 have had a significant impact in all three countries.[19]

Comparison of road fatalities per 1 lakh population in Sweden, the UK and Netherlands against key road safety policy interventions in different phases[20]



1 Legislation rolled out for speed limits, road standards, vehicle standards, higher enforcement, and safer helmet and seat belt usage in the three countries

2 Adoption of Vision Zero or similar targets by the countries along with a yearly plan to achieve targets – targeted improvement of emergency crash systems and road user behaviours

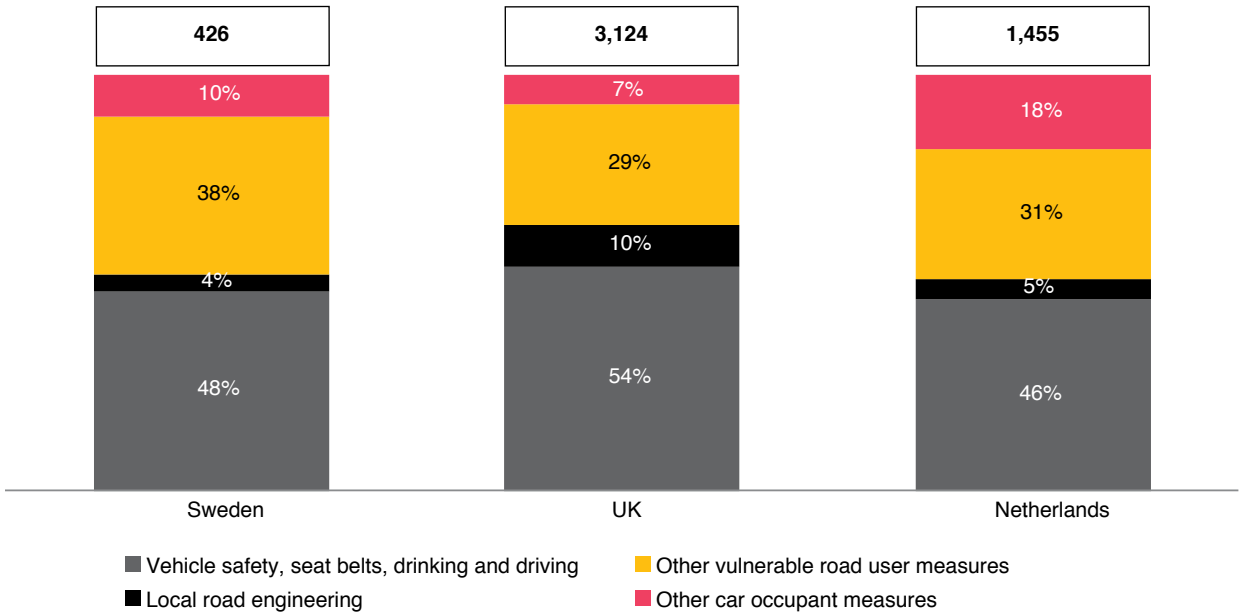
3 Issuance of specific recommendation resolutions – Sweden has mandated the use of winter tyres during winters; the Netherlands has automated speed limiters on commercial vehicles; and the UK upgraded its licensing regime and revised its national targets

18 SWOV Institute for Road Safety Research

19 SWOV Institute for Road Safety Research

20 WHO Global Status Report on Road Safety (2009,2013,2015,2018), International Transport Forum - Annual Report (2010, 2014,2019), Sunflower Report

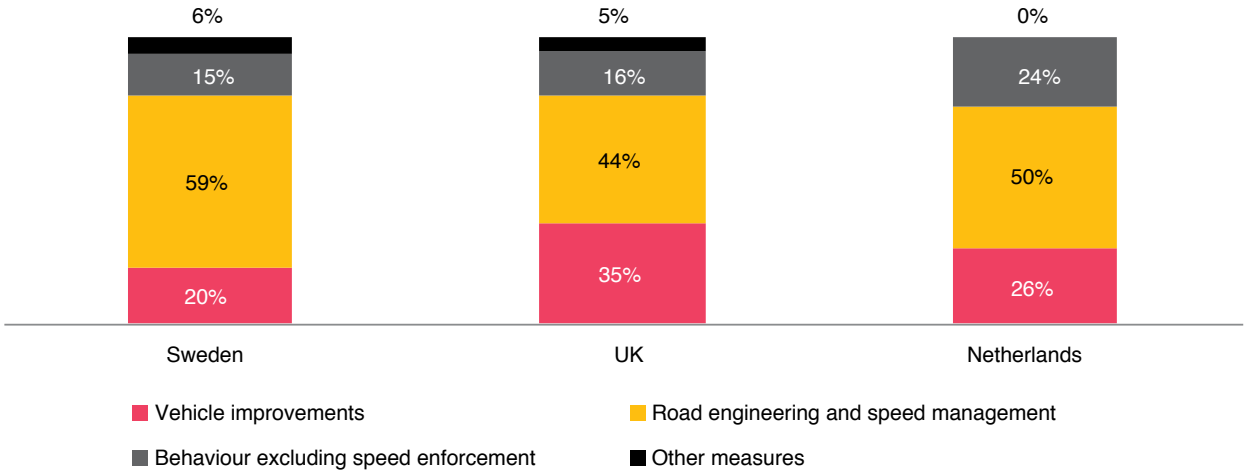
Reduction in road fatalities (1980–2000) through each intervention





Although the road safety interventions of the three countries have different themes, they have identified the priority areas and fatality savings anticipated, as shown below:

Percentage of total fatality savings in each country (est.)



Comparison of areas covered by the three countries and the new MV (Amendment) Act

	Addressed by SUN countries	Addressed by the MV (Amendment) Act
Targeting novice driver offences	✓	✓
Discouraging drunk driving	✓	✓
Encouraging use of helmet/seat belt	✓	✓
Child safety	✓	✓
Vehicle standards	✓	✓
Road engineering	✓	✓
Emergency response system	✓	✓
Institutional mechanism to promote road safety	✓	✓

What this means

Among the other provisions discussed in the previous sections, the new law has proposed cashless treatment for road crash victims in the golden hour. The golden hour is the first hour after a road crash, when victims have the highest probability of being saved if they receive proper medical treatment. Additionally, Good Samaritans would not be liable for any criminal or civil action and thus would not face harassment by the police or any other government authorities. Besides this, driving licences would be provided using technology instead of manual methods.

The amended act also has strict regulations with penalties on faulty work for road ecosystem stakeholders like vehicle manufacturers, cab aggregators, road operators and contractors.

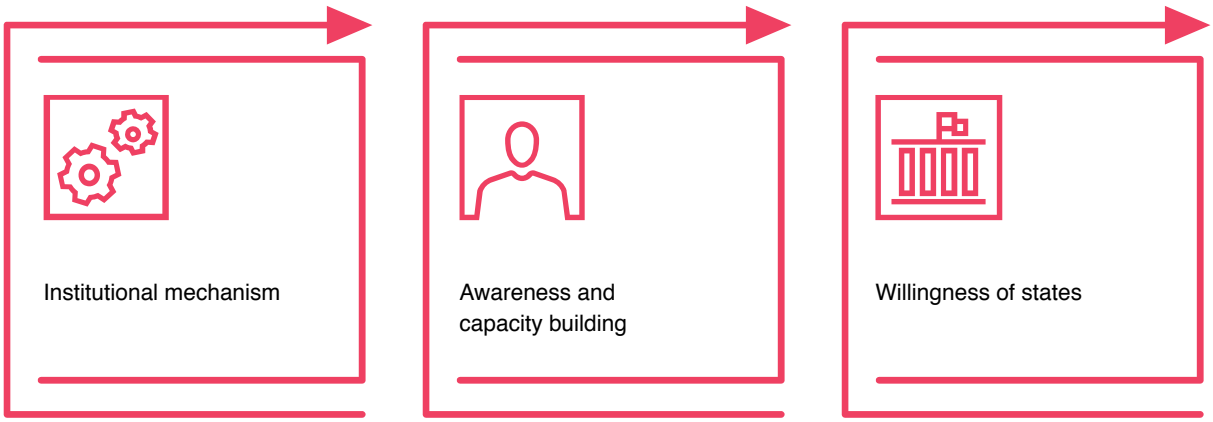
Thus, the MV (Amendment) Act is a holistic approach that covers critical areas within the road safety ecosystem and will enable India to reduce road fatalities through a combination of increased enforcement, improved road engineering and efficient post-crash care.

Implementation challenges and way forward

The key challenges that may hinder the smooth implementation of the MV (Amendment) Act, 2019 are discussed below.

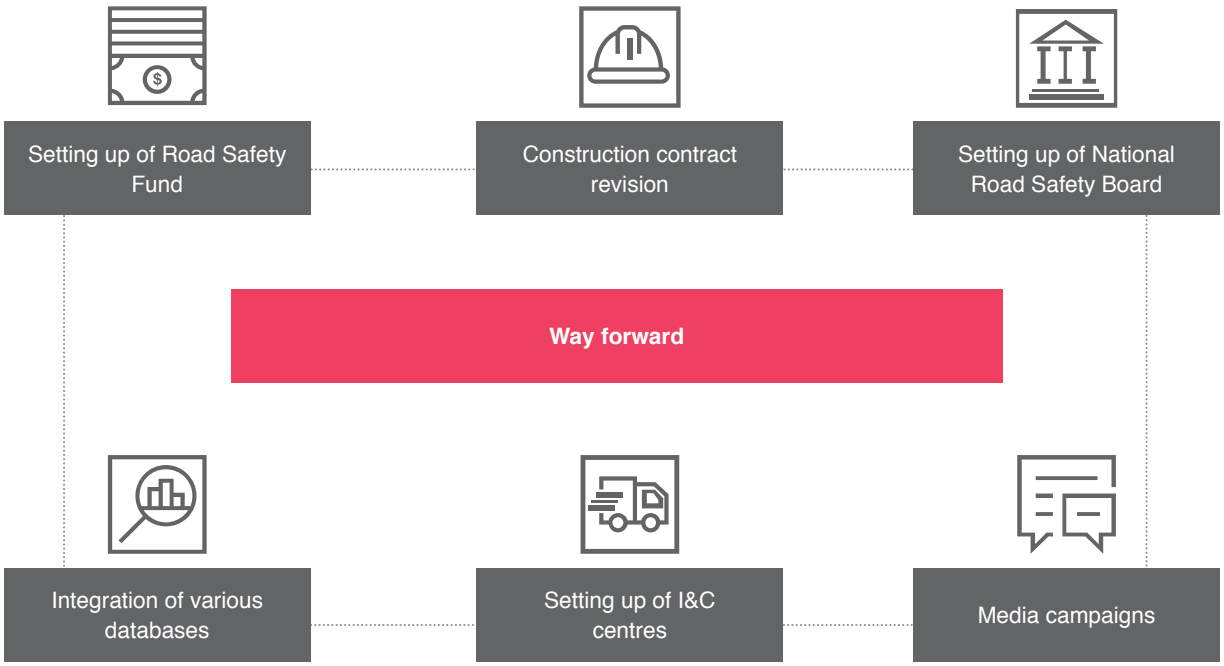
- **Adaptation by states:** A majority of states are reducing the maximum penalties to be imposed for traffic violations under the act as they consider them to be too high. There are also concerns that higher fines may increase corruption. It has also been observed that since most of the cases are being diverted to the court, the 'incentive' for traffic personnel to issue them has also reduced.[21]
- **Capacity building:** The MV (Amendment) Act, 2019, introduces significant changes. It is essential that capacity-building exercises and training modules are designed for all the relevant stakeholder departments. This will ensure that officials have clarity on the clauses of the act and that implementation is smooth.
- **Setting up of Motor Vehicle Accident Fund:** An accident fund is proposed to set up by the Central Government under the act. The fund proposes to provide cashless insurance cover to road accident victims under defined types of crashes. It is essential a fund flow mechanism be established for such a fund, including source of fund collection. Further, the roles and responsibilities of all the agencies responsible needs to be highlighted.
- **Setting up of National Road Safety Board:** The MV (Amendment) Act has a provision for the setting up of a National Road Safety Board with the aim of providing advisory support to the Central as well as state governments. The advisory support will include aspects related to road and vehicle engineering, vehicle modernisation, road maintenance, etc. The board is envisaged to involve participation from all stakeholder ministries.
- **Compensation for hit and run cases:** The compensation for hit and run cases has been increased from INR 12,500 to INR 50,000 for grievous injuries and from INR 25,000 to INR 200,000 in case of death. The higher compensation needs to be supported by a funding source.

Key challenges in the implementation of the MV (Amendment) Act, 2019



21 https://thewire.in/government/not-all-states-convinced-by-high-new-traffic-violation-penalties

Policymakers may consider the following measures to ensure smooth implementation of the act:





- **Studies for setting up institutional mechanism:** The Central Government may consider carrying out research to understand the various aspects of setting up the Motor Vehicle Accident Fund and National Road Safety Board. Some of the aspects to be covered for setting up an efficient institutional mechanism include:
  - estimation of indicative funding requirement to provide cashless insurance under the Motor Vehicle Accident Fund
  - identification of operating procedures, fund flow mechanism, lead agency, etc., for the Motor Vehicle Accident Fund
  - identification of stakeholders and operating procedures for the National Road Safety Board
  - flow of actions from the Central Government to state governments, etc.
- **Integration of various platforms:** Many of the interventions under the MV (Amendment) Act, 2019, require proper crash data collection. Hence, it becomes critical for the Central Government to integrate various platforms like Vaahan, Saarthi and Crime and Criminal Tracking Network and Systems with the upcoming Integrated Road Accident Database (IRAD) to ensure right and efficient flow of information among stakeholder departments.
- **Media/publicity campaigns:** It is important that a media/publicity campaign be designed around the MV (Amendment) Act. This would help in sensitising stakeholder departments as well as citizens to the various amendments.
- **National Transportation Policy:** The act includes a provision for the implementation of a National Transportation Policy. The transportation policy needs to be finalised in consultation with state governments.
- **Recall of vehicles and set-up of inspection and certification (I&C) centres:** The act empowers the Central Government to recall vehicles which do not meet standards. However, for such an intervention to be effective, it is important that a sufficient number of I&C centres are established across states.
- **Penalty for faulty design, road construction and maintenance:** The act includes provisions for penalising road consultants and contractors/concessionaries for faulty road design and poor construction. This aspect may have to be covered under the contract/concession agreements and the Central Government may consider revising model agreements to reflect the same.



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Data Classification: DC0

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