

## **New Arrangement for First Registration Tax Concessions for Electric Vehicles**

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The Government announced on 28 February 2018 the details of the first registration tax (FRT) concessions for different types of electric vehicles (EV) as follows –

- (a) electric private cars (e-PCs): A tiered structure will be implemented –
  - i. except for eligible private car (PC) owners (see (a)(ii) below), FRT for e-PCs will continue to be waived up to \$97,500 from 1 April 2018 to 31 March 2021, as at present.
  - ii. a “One-for-One Replacement” Scheme will be launched from 28 February 2018 to 31 March 2021, allowing PC owners who arrange to scrap and de-register their own eligible old PC<sup>1</sup> (“Old PC”) (PC with an internal combustion engine or e-PC) and then first register a new e-PC (“Replacement e-PC”) to enjoy a higher FRT concession up to \$250,000.
- (b) other types of EVs (i.e. electric commercial vehicles, electric motor cycles and electric motor tricycles): their FRT will continue to be waived in full from 1 April 2018 to 31 March 2021.

Registered owner of PCs may consider joining the “One-for-One Replacement” Scheme by arranging to scrap and de-register his/her “Old PC” and then first registering a “Replacement e-PC” under his/her own name within the effective period of the Scheme (i.e. 28 February 2018 to 31 March 2021, both dates inclusive), if the eligibility criteria for the Scheme are fully met.

You may visit the following website of the Environmental Protection Department for more details on promoting the use of EVs –

[http://www.epd.gov.hk/epd/english/environmentinhk/air/prob\\_solutions/promotion\\_ev.html](http://www.epd.gov.hk/epd/english/environmentinhk/air/prob_solutions/promotion_ev.html)

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<sup>1</sup> Eligibility criteria include – (i) the “Old PC” must have been first registered in Hong Kong for at least 6 years when its registration is cancelled owing to scrapping; (ii) the vehicle owner participating in the application under the “One-for-One Replacement” Scheme must have been the registered owner of the “Old PC” for 3 years or more, without interruption; (iii) the “Old PC”, with or without interruption, must have been licensed for at least 20 months (i.e. 608 days or more), within the 24 months immediately before its de-registration.

## Procedures of participating in the “One-for-One Replacement” Scheme

Key steps consist of the following -

- (i) Checking eligibility of the “Old PC” concerned for the Scheme;
- (ii) Arranging to scrap the “Old PC” concerned;
- (iii) Completing de-registration of the “Old PC” concerned; and
- (iv) Submitting first registration application for the “Replacement e-PC” and application for higher FRT concession for the “Replacement e-PC” under the Scheme.

For step (iv), according to the Motor Vehicles (First Registration Tax) Ordinance (Cap 330), before a motor vehicle is first registered, the registered distributor / registered importer who is selling the vehicle, or the person who is applying for vehicle first registration (where the motor vehicle is imported other than a registered importer) is liable to pay the FRT. Therefore,

- if the “Replacement e-PC” is purchased from a registered distributor - the application under the “One-for-One Replacement” Scheme shall be made by the registered distributor selling the “Replacement e-PC”; or
- if the “Replacement e-PC” is imported by the owner for personal use in Hong Kong - the application under the “One-for-One Replacement” Scheme shall be made by the owner.

The eligibility criteria and application procedures for the “One-for-One Replacement” Scheme are detailed in the information note “*How to Participate in the “One-for-One Replacement” Scheme for Higher First Registration Tax Concession for Electric Private Cars*”, which can be downloaded [here](#).

The application form for the “One-for-One Replacement” Scheme can be downloaded [here](#). For enquiries, please call Hong Kong Licensing Office of the Transport Department at 2804 2270 or the 1823 Call Centre.

## Frequently asked questions

Q1 How can I know whether my existing PC is eligible for joining the “One-for-One

## Replacement" Scheme?

**A1** You can make an enquiry to the Hong Kong Licensing Office of the Transport Department in person (address : 3/F, United Centre, 95 Queensway, Admiralty, Hong Kong), by e-mail (address: [hklo@td.gov.hk](mailto:hklo@td.gov.hk)) or in writing (address : 3/F, United Centre, 95 Queensway, Admiralty, Hong Kong; attention: Executive Officer/First Registration Tax), accompanied with the digital image or photocopy of the vehicle registration document (with signature of the registered owner) of your existing PC. We will revert to you with the current age (i.e. the period from the first registration date in Hong Kong instead of manufacturing date of the PC concerned), current ownership period, and length of licensed period in the last 24 months of your existing PC so that you will know whether your PC is eligible for the Scheme.

**Q2** Is there any limit for the number of applications under the "One-for-One Replacement" Scheme involved by a vehicle owner / an applicant?

**A2** No.

**Q3** Is there any FRT exemption / concession for petrol / electric hybrid cars ?

**A3** The FRT concessions announced in the Financial Secretary's 2018-19 Budget Speech only applies to vehicles propelled solely by electric power and do not emit any exhaust gas. Since petrol / electric hybrid cars are not propelled solely by electric power, they are not entitled to the related FRT concessions.

**Q4** How can I arrange to scrap my existing PC?

**A4** You may make use of the services provided by vehicle scrapping companies for scrapping your existing PC. You are reminded to request a scrapping certificate issued by the vehicle scrapping company, which shall contain the following -

- chassis number and registration mark of the scrapped vehicle;
- date and location of vehicle scrapping;
- name and Business Registration Certificate number of the scrapping company; and
- signature by the representative of the scrapping company, with company chop.

**Q5** After my existing PC is scrapped, what should I do to de-register it?

**A5** After your existing PC is scrapped, you should submit to the Licensing Office of the Transport Department the duly signed and completed “Notification for Cancellation of Vehicle Registration” (form TD184) which can be downloaded [here](#), or “Application to Transfer or Retain a Vehicle Registration Mark” (form TD129) which can be downloaded [here](#) if you wish to retain the registration mark of the scrapped PC at the same time, with required documents for de-registering the PC.

**Q6** Can I scrap and de-register the existing PC registered under my name and allow my relative / friend to use this PC for participating in the “One-for-One Replacement” Scheme?

**A6** No. The “Replacement e-PC” must be first registered under the name of the registered owner of the “Old PC” when the latter is scrapped and de-registered for enjoying the higher FRT concession under the “One-for-One Replacement” Scheme.

**Q7** If my PC was scrapped / de-registered before 28 February 2018, can I participate in the “One-for-One Replacement” Scheme?

**A7** No. The scrapping and de-registration of the “Old PC”, and submission of first registration application for the “Replacement e-PC” must be carried out between 28 February 2018 and 31 March 2021 for the higher FRT concession under the “One-for-One Replacement” Scheme.

**Q8** Can I apply for first registering the “Replacement e-PC” before scrapping and de-registering my existing PC under the “One-for-One Replacement” Scheme?

**A8** No. Under the “One-for-One Replacement” Scheme, the de-registration date of the “Old PC” must not be after the submission date of the “Replacement e-PC” first registration application. The period between the two dates must not exceed 3 months.

**Q9** If I purchase an e-PC from a registered distributor to replace my existing PC, can I make an application for higher FRT concession under the “One-for-One Replacement” Scheme to TD direct?

**A9** No. If the “Replacement e-PC” is purchased from a registered distributor, the application under the “One-for-One Replacement” Scheme must be made by the registered distributor selling the “Replacement e-PC”.

**Q10** I plan to import an e-PC into Hong Kong for use, what are the procedures?

**A10** Please refer to the Guidelines for Importation and Registration of Pure Electric Vehicle (PEV) and Plug-in Hybrid Electric Vehicle (PHEV) for details, which can be accessed [here](#).

**Q11** How is the FRT payable for a “Replacement e-PC” under the “One-for-One Replacement” Scheme calculated?

**A11** Under the prevailing FRT rates for PCs (40% on the first \$150,000 of vehicle taxable value, 75% on the next \$150,000, 100% on the next \$200,000 and 115% on the remainder), if the “Replacement e-PC” is granted with the higher FRT concession and its taxable value is not higher than \$377,500, no FRT will be payable upon its first registration. For a “Replacement e-PC” with taxable value of more than \$377,500, the FRT payable will be worked out by-

*taxable value x prevailing FRT rates - \$250,000.*

Example - the taxable value of the “Replacement e-PC” is \$500,000, if it is granted with the higher FRT concession, the amount of FRT payable will be  
= [(\$150,000 x 40% + \$150,000 x 75% + \$200,000 x 100%) - \$250,000]  
= \$372,500 - \$250,000  
= \$122,500

**Q12** My “Replacement e-PC” under the “One-for-One Replacement” Scheme is granted with the amount of FRT concession less than the cap level (say, amount of FRT concession granted is \$230,000). Does the “Replacement e-PC” enjoy the “unused” FRT concession (i.e. \$20,000) if I fit optional accessories to / obtain taxable warranties for the “Replacement e-PC” within 6 months after its first registration?

**A12** Yes. If the amount of FRT concession granted to a “Replacement e-PC” under

the “One-for-One Replacement” Scheme is lower than \$250,000, the “unused” amount of FRT concession will be taken into account for calculating the additional FRT payable upon fitting optional accessories to / obtain taxable warranties for the “Replacement e-PC” within 6 months after its first registration.

Example - the taxable value of the “Replacement e-PC” is \$357,500, if it is granted with the higher FRT concession, the FRT concession will be \$230,000, i.e. no FRT is payable upon first registration. If accessories of value of \$50,000 are fitted to the “Replacement e-PC” within 6 months after its first registration, the amount of payable additional FRT will be

$$\begin{aligned} &= [(\$50,000 \times 100\%) - \$20,000] \\ &= \$50,000 - \$20,000 \\ &= \$30,000 \end{aligned}$$

Q13 What should I do if the registered distributor is not willing to submit the application under the "One-for-One Replacement" Scheme for the “Replacement e-PC” I purchased?

A13 The Transport Department (TD) has presented the details of the "One-for-One Replacement" Scheme to registered distributors who sell e-PCs, and explained to them that they shall submit applications under the "One-for-One Replacement" Scheme for the eligible "Replacement e-PCs" they sell. The vehicle owner concerned can contact Hong Kong Licensing Office of TD (tel: 2804 2270) for follow-up if the registered distributor refuses to submit applications under the "One-for-One Replacement" Scheme.

Q14 What should I do if I could not enjoy the higher FRT concession in full from the "One-for-One Replacement" Scheme?

A14 The vehicle owner concerned can contact Hong Kong Licensing Office of the Transport Department (tel: 2804 2270) for follow-up.