

How to Participate in the “One-for-One Replacement” Scheme for Higher First Registration Tax Concession for Electric Private Cars (Effective from 28 February 2018 to 31 March 2024)

BACKGROUND

Apart from continuing to provide first registration tax (FRT) concession up to \$97,500 for the purchase of electric private cars (e-PCs), the Government launches the “One-for-One Replacement” Scheme for e-PCs from 28 February 2018 to 31 March 2024¹(both dates inclusive), allowing PC owners who arrange to scrap and de-register their own eligible old PC (“Old PC”) and then first register a new e-PC to enjoy a higher FRT concession cap. The latest concession cap is \$287,500, which is applicable only to “One-for-One Replacement” Scheme applications in which the “Replacement e-PC” is subject to payment of FRT according to the new tax rates proposed in the 2021-22 Budget². Otherwise, the maximum concession granted under the “One-for-One Replacement” Scheme would be the previous amount, i.e. \$250,000.

ELIGIBILITY CRITERIA (revised with effect from 28 January 2019)

[Please note that the revised eligibility criteria are only applicable to “One-for-One Replacement” Scheme applications and first registration applications of corresponding “Replacement e-PCs” submitted from 28 January 2019 to 31 March 2024 (both dates inclusive)]

2. To join the “One-for-One Replacement” Scheme, you have to satisfy all the following criteria including arranging to scrap and de-register your “Old PC” and then first register an e-PC (“Replacement e-PC”) under your name within the effective period of the Scheme (i.e. 28 February 2018 to 31 March 2024, both dates inclusive).

¹ The Government announced on 20 August 2020 the extension of the FRT concession arrangement for electric vehicles, including the extension of the “One-for-One Replacement” Scheme for three years to 31 March 2024.

² In the 2021-22 Budget, it was proposed to amend the Motor Vehicles (First Registration Tax) Ordinance to increase the FRT for PCs by 15%. In accordance with the Public Revenue Protection (Revenue) Order 2021, all PCs that are on order from the registered distributors / registered importers or have been arranged for shipment to Hong Kong by the vehicle owners (applicable to PCs imported for personal use) at or after 11:00am on 24 February 2021 are subject to FRT at the new rates, if these are intended for submission for application for first registration.

“Old PC”

- (a) Vehicle class and propulsion – the “Old PC” must be in the vehicle class of private car as defined under the Road Traffic Ordinance (Cap 374) when it is de-registered, which can be a petrol driven, diesel driven, plug-in or non plug-in hybrid electric or pure electric PC.
- (b) Age – the “Old PC” must have been first registered in Hong Kong for at least 6 years when its registration is cancelled (de-registration) owing to scrapping, i.e. the period between the “date of first registration” of the “Old PC” as shown on the Vehicle Registration Document (VRD) and the de-registration date must be 6 years or more.
- (c) Ownership period* – you must have been the registered owner of the “Old PC” for 18 months or more, without interruption, immediately prior to its de-registration, i.e. the period between the “date registered as owner” as shown on the VRD and the de-registration date must be 18 months or more.
- (d) Licensed period* – the “Old PC”, with or without interruption, must have been licensed for at least 10 months (i.e. 304 days or more) within the 12 months immediately before its de-registration.

[*Criteria (c) and (d) were revised with effect from 28 January 2019. If the “Old PC” meets the criterion (d) before revision, it can participate in the “One-for-One Replacement” Scheme, the criterion (d) before revision was that the “Old PC” must have been licensed for at least 20 months (i.e. 608 days or more) within the 24 months immediately before its de-registration, with or without interruption]

“Replacement e-PC”

- (e) Vehicle class and propulsion – the “Replacement e-PC” must be classified as private car as defined under the Road Traffic Ordinance (Cap 374) when it is first registered, and is a private car propelled solely by electric power and does not emit any exhaust gas.
- (f) Ownership at first registration – 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.

Timeline of “Old PC” scrapping and de-registration and “Replacement e-PC” first registration

- (g) The scrapping and de-registration of the “Old PC”, and submission of first

registration application for the “Replacement e-PC” must all be carried out between 28 February 2018 and 31 March 2024, both dates inclusive.

- (h) 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.

PROCEDURES FOR PARTICIPATING IN THE SCHEME

3. 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.

4. 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 / registered importer - the application under the “One-for-One Replacement” Scheme shall be made by the registered distributor / registered importer 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.

Explanation of the procedures is presented in the following paragraphs.

Checking eligibility of “Old PC” for the Scheme

5. Before arranging to scrap the “Old PC”, the registered owner shall check whether the “Old PC” fulfills the abovementioned eligibility criteria. If the registered owner

is not sure whether the “Old PC” is eligible for the higher FRT concession under the Scheme, he / she can make an enquiry to the Hong Kong Licensing Office of the Transport Department in person³, by e-mail⁴ or in writing⁵, accompanied with the digital image or photocopy of the VRD (with signature of the registered owner) of the “Old PC”. The Hong Kong Licensing Office will provide the following information of the “Old PC” so that the registered owner could ascertain whether the “Old PC” concerned is eligible for the Scheme –

- Current age [criterion (b)];
- Current ownership period [criterion (c)]; and
- Length of licensed period in the last 12 months [criterion (d)].

Arranging to scrap the “Old PC”

6. The registered owner may make use of the services provided by vehicle scrapping companies⁶ for scrapping the “Old PC”, and is reminded to request a scrapping certificate issued by the vehicle scrapping company, which shall contain the following

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- 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.

Completing the de-registration of the “Old PC”

7. According to regulation 20 of the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap 374E), registered owners are required to notify within 15 days the Commissioner for Transport in writing that their vehicles have been scrapped. After the scrapping of the “Old PC”, the registered owner should submit to the Licensing Office of Transport Department the duly signed and completed “Notification for Cancellation of Vehicle Registration” (form TD184) (or “Application to Transfer or Retain a Vehicle Registration Mark” (form TD129) if he / she wishes to retain the registration mark of the scrapped “Old PC” at the same time) with required documents for de-registering the “Old PC”.

³ Address : 3/F, United Centre, 95 Queensway, Admiralty, Hong Kong

⁴ E-mail address: hklo@td.gov.hk

⁵ Address : 3/F, United Centre, 95 Queensway, Admiralty, Hong Kong;
Attention: Executive Officer/First Registration Tax

⁶ Information of vehicle scrapping companies could be obtained from the advertisements and directories in local media.

Submitting applications for first registration and higher FRT concession for the “Replacement e-PC” under the “One-for-One Replacement” Scheme

If the “Replacement e-PC” is purchased from a registered distributor / registered importer ...

8. The vehicle owner shall arrange with the registered distributor / registered importer for completion and signing of the “Application for Registration and Licensing of a Vehicle” (form TD22) and ask the registered distributor / registered importer to make an application under the “One-for-One Replacement” Scheme for the “Replacement e-PC” by completing and signing the application form with him / her. After completing the applications forms, the registered distributor / registered importer will submit them with required supporting documents to the Hong Kong Licensing Office. If the applications are approved, the “Replacement e-PC” will be registered under the vehicle owner’s name with the higher FRT concession granted. The processing of the applications would take about 5 working days.

If the “Replacement e-PC” is imported by the owner for personal use in Hong Kong ...

9. The owner shall complete and sign the “Application for Registration and Licensing of a Vehicle” (form TD22) and the application form for “One-for-One Replacement” Scheme for the “Replacement e-PC” and submit them with required supporting documents to the Hong Kong Licensing Office. If the applications are approved, the “Replacement e-PC” will be registered under the owner’s name with the higher FRT concession granted. The processing of the applications would take about 5 working days.

ENQUIRIES

10. For enquiries, please call the Ex-gratia Payment Unit, Transport Department at 2804 2270 or 1823 Call Centre.

Transport Department
24 February 2021