本署檔號 Our Ref: () in EP11/V1/245

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### **Environmental Protection Department**

Revenue Tower Office 33/F, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong



Chief Council Secretary (1)1
Council Business Division 1
Legislative Council Secretariat
Legislative Council Complex,
1 Legislative Council Road, Central
Hong Kong
(Attn: Ms. Angel SHEK)

13 March 2018

Dear Ms. Shek,

# Panel on Environmental Affairs Follow-up to meeting on 30 October 2017

Please find at the **Annex** our response to the motion carried at the meeting on 30 October 2017 regarding "Briefing by the Secretary for the Environment on the Chief Executive's 2017 Policy Address".

If you have any queries, please contact the undersigned on 25946377.

Yours sincerely,

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(S.T. MAK)

for Director of Environmental Protection

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Motion: In order to increase the proportion of electric vehicles ("EV") among registered vehicles, this Panel urges the Government to raise the current cap on the first registration tax concession for electric private cars and offer financial concessions for "one-for-one" replacement, so as to provide incentives for people to switch to purchasing electric private cars and promote the long-term development of the EV market.

The current first registration tax (FRT) concession arrangements for electric vehicles (EVs) will expire by the end of March this year. Taking into account factors such as EV technological development, market situation, and traffic considerations etc. as well as views from various stakeholders and the public, the Financial Secretary has announced in the Budget Speech on 28 February this year the following arrangements:

- i. electric commercial vehicles etc.: the FRT for electric commercial vehicles, electric motor cycles and electric motor tricycles will continue to be waived in full from 1 April 2018 to 31 March 2021; and
- ii. electric private cars: on one hand, the Government has to contain the number of private cars to prevent traffic congestion and aggravation of roadside air pollution; on the other hand, we hope to encourage car owners to go for EVs as far as possible. Hence, apart from continuing with the current FRT concession of up to \$97,500, the Government will also launch a "one-for-one replacement" scheme from 28 February 2018 to allow eligible private car owners who buy a new electric private car and scrap an eligible private car they own to enjoy a higher FRT concession of up to \$250,000. The above concessions will remain in force until 31 March 2021.

For details, please refer to the press release issued on 28 February 2018 (Appendix) and the websites of the Environmental Protection Department (EPD) and the Transport Department (TD):

- EPD's website: http://www.epd.gov.hk/epd/english/environmentinhk/air/prob\_solutions/p romotion ev.html
- TD's website:
   http://www.td.gov.hk/en/public\_services/licences\_and\_permits/vehicle\_first\_registration/new\_frt\_concessions\_for\_electric\_vehicles\_2018/index.html

Appendix

## **Press Releases**

New arrangements for first registration tax concessions for electric vehicles \*\*\*\*\*\*\*\*\*\*\*\*\*

Pursuant to the 2018-19 Budget Speech, the Environment Bureau (ENB) announced today (February 28) the details of the first registration tax (FRT) concessions for different types of electric vehicles as follows:

- (a) For 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 April 1, 2018, to March 31, 2021, as at present; and
- (ii) a new "One-for-One Replacement" Scheme will run from today to March 31, 2021 (both dates inclusive), allowing PC owners who arrange to scrap and deregister their own eligible old PC (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 of up to \$250,000.
- (b) For other types of electric vehicles (i.e. electric commercial vehicles, electric motorcycles and electric motor tricycles), their FRT will continue to be waived in full from April 1, 2018, to March 31, 2021.

A spokesman for the ENB said, "The Financial Secretary has announced in the Budget Speech today that, taking into account factors such as the technological development and market situation of electric vehicles, road traffic considerations, and views from various stakeholders, the Government has decided to continue to waive in full the FRT for electric commercial vehicles, electric motorcycles and electric motor tricycles until March 31, 2021. As for e-PCs, on one hand, the Government has to control the growth of PCs to prevent aggravating traffic congestion and roadside air pollution, and on the other hand it also hopes to encourage car owners to go for electric vehicles as far as possible when purchasing PCs. As such, apart from continuing with the current FRT concession up to \$97,500, the Government has introduced the new 'One-for-One Replacement' Scheme from today to allow eligible PC

owners who buy a new e-PC and arrange to scrap an eligible Old PC they own to enjoy a higher FRT concession of up to \$250,000. The above concessions will remain in force until March 31, 2021."

The spokesman added, "To join the 'One-for-One Replacement' Scheme, a PC owner should first arrange to scrap his or her Old PC and deregister it at the Transport Department (TD). After completing the deregistration of the Old PC, the owner of the Replacement e-PC (in case the Replacement e-PC is imported by the owner) or the registered distributor selling the Replacement e-PC concerned should submit to the TD the application for the first registration of the Replacement e-PC under the name of the Old PC owner and apply for the above-mentioned higher FRT concession for the Replacement e-PC under the 'Onefor-One Replacement' Scheme." The eligibility criteria for the Scheme are listed in the Annex.

The spokesman also reminded PC owners to check the details of application for the "One-for-One Replacement" Scheme before scrapping their Old PC. The details of application for the "One-for-One Replacement" Scheme, including the eligibility criteria and other application details, will be uploaded to the TD website (www.td.gov.hk) later today.

For enquiries, please contact the TD's Hong Kong Licensing Office at 2804 2270.

Ends/Wednesday, February 28, 2018 Issued at HKT 12:39

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#### Eligibility criteria for the "One-for-One Replacement" Scheme

Car owners and cars applying to join the "One-for-One Replacement" Scheme must satisfy all the criteria below –

#### "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 (i.e. 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 deregistration date must be 6 years or more.
- (c) Ownership period 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, 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 3 years or more.
- (d) Licensed period 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.

#### "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 February 28, 2018 and March 31, 2021, 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.