

Extension of first registration tax concession arrangement for electric vehicles for two years and relevant new arrangements

The 2024-25 Budget announced today (February 28) that the first registration tax (FRT) concession arrangement for electric vehicles (EVs) will be extended for two years to March 31, 2026. The relevant new FRT concession arrangements for various types of EVs are as follows:

From April 1, 2024, to March 31, 2026:

(a) Electric private cars (e-PCs)

(i) Except for eligible e-PC owners (see paragraph (a)(ii)), the FRT concession cap for e-PCs in general will be adjusted from \$97,500 to \$58,500.

(ii) For vehicle owners who register a new e-PC for the first time after arranging for the scrapping and cancellation of the registration of their eligible old private car (PC) (PC with an internal combustion engine or e-PC) under the "One-for-One Replacement" Scheme, the FRT concession cap granted will be adjusted from \$287,500 to \$172,500.

(iii) e-PCs with a taxable value (i.e. vehicle price before tax) of over \$500,000 will no longer be entitled to the FRT concession.

(b) The FRT for other types of EVs (including electric commercial vehicles, electric motorcycles and electric motor tricycles) will continue to be waived in full.

The prevailing vehicle first registration procedures remain unchanged. The above new arrangements are applicable to "One-for-One Replacement" Scheme applications or EV first registration applications submitted on or after April 1, 2024 (subject to receipt of the completed application form and required documents by the Transport Department (TD)). The Government will implement a one-off arrangement. For e-PCs that have been ordered on or before February 28, 2024, or have been arranged by the vehicle owners to be shipped to Hong Kong for their own use, even if the e-PCs have not been first registered before April 1, 2024, they are still entitled to the FRT concession before adjustment, provided that the relevant local registered distributors/registered importers/vehicle owners have submitted the supporting documents required to the TD and have applied for paying motor vehicles FRT based on the concession before adjustment, and that the relevant application is verified and approved by the TD. However, local registered distributors/registered importers/vehicle owners must submit the application on or before February 27, 2025, so that they can pay the motor vehicles FRT

at the concession before adjustment under the aforementioned one-off arrangement.

For enquiries, members of the public can call 1823 or the TD's Hong Kong Licensing Office at 2804 2637.