

Ex-gratia Payment for Phasing Out Pre-Euro IV Diesel Commercial Vehicles Special Arrangement for Euro II Diesel Public Light Buses

The Road Traffic (Amendment) Bill 2017 for increasing the maximum passenger seating capacity of light buses from 16 to 19 was passed on 28 June 2017. It is understood that many new 19-seat public light buses (PLBs) ordered for replacing Euro II diesel PLBs cannot be delivered to Hong Kong in time for their owners to complete the necessary procedures for de-registering their old PLBs and for submitting their applications for the ex-gratia payment under the Ex-gratia Payment Scheme for Phasing Out Pre-Euro IV Diesel Commercial Vehicles (DCVs) (the ex-gratia payment scheme) by the deadline of 31 December 2017. Separately, for some of these Euro II diesel PLBs, depending on their individual vehicle licence expiry dates, they may need to have their vehicle licences renewed after the statutory deadline of 31 December 2017, pending the availability of the replacement PLBs.

Ex-gratia payment

2. Euro II diesel PLB owners' eligibility for ex-gratia payment will be extended up to 30 June 2018, subject to their meeting of the following requirements—

- (i) placement of an order for a new replacement 19-seat PLB on or before 31 October 2017; and
- (ii) submission of an application for retaining the eligibility for ex-gratia payment to the Environmental Protection Department (EPD) using a prescribed application form on or before 14 November 2017.

3. The applicant must submit the duly completed application form together with the photocopy of following documents to the EPD -

- (i) applicant's Hong Kong Identity Card (HKID) or passport for non-HKID holders for individual owners; or both the Certificate of Incorporation and Business Registration Certificate if the applicant is a business entity;
- (ii) vehicle registration document of the Euro II diesel PLB; and

(iii) sales contract^[1] (i.e. the placement order) of the new 19-seat PLB signed between the authorised supplier of the PLB manufacturer or distributor (as seller) and the applicant (as buyer), and the deposit receipt. The sales contract should state the vehicle class, make, model and fuel type of the new PLB.

4. For avoidance of doubt, even if the application for retaining the eligibility is approved, approval of ex-gratia payment is subject to the concerned owner meeting all prevailing eligibility criteria and completing all other necessary procedures under the ex-gratia payment scheme and submission of application for the ex-gratia payment on or before 30 June 2018.

5. The approval for “Retention of Eligibility for Ex-gratia Payment for Phasing Out Pre-Euro IV Diesel Commercial Vehicles” is **not transferrable**. Thus, if an Euro II diesel PLB owner who has been granted the approval for retention of eligibility sells the concerned PLB and transfers its ownership to a new buyer, the new buyer of the Euro II diesel PLB will not be eligible for the retention of eligibility for ex-gratia payment beyond 31 December 2017. In other words, the original Euro II DCV ex-gratia payment application deadline (31 December 2017) still applies to the concerned PLB. By the same token, the vehicle licence of the concerned PLB, which is owned by the new buyer, will not be renewed after 31 December 2017 (paragraphs 7 and 8 below).

6. The application form for “Retention of Eligibility for Ex-gratia Payment for Phasing Out Pre-Euro IV Diesel Commercial Vehicles” can be obtained via fax on demand from EPD hotline 2651 1100 or downloaded from EPD’s website at

www.epd.gov.hk/epd/english/environmentinhk/air/prob_solutions/Phasing_out_diesel_comm_veh.html. Applicants should carefully read the Notes for Attention in the application form before completing the application form.

¹ Other supporting document confirming that the registered owner of the Euro II PLB has placed order for a new 19-seat PLB may be accepted on a case-by-case basis.

Vehicle licences

7. In accordance with the Air Pollution Control (Air Pollutant Emission)(Controlled Vehicles) Regulation, Cap. 311X (the Regulation), the vehicle licences for Euro II DCVs will no longer be issued/renewed after 31 December 2017.

8. Owners of Euro II diesel PLBs with vehicle licence that expires after 31 December 2017 may have the need to apply for vehicle licence renewal after 31 December 2017, depending on the expiry dates and the replacement PLB availability dates. The concerned owners need to **separately** apply for exemption under Section 6 of the Regulation for extending the retirement deadline by submitting an application in writing to EPD together with a copy of EPD's approval of retention of eligibility for ex-gratia payment. When granting approval of retention of eligibility for ex-gratia payment, EPD will remind the applicants of this separate requirement in case they wish to apply for renewing the vehicle licence of their Euro II diesel PLBs and that there will not be automatic extension of the statutory vehicle retirement deadline of 31 December 2017.