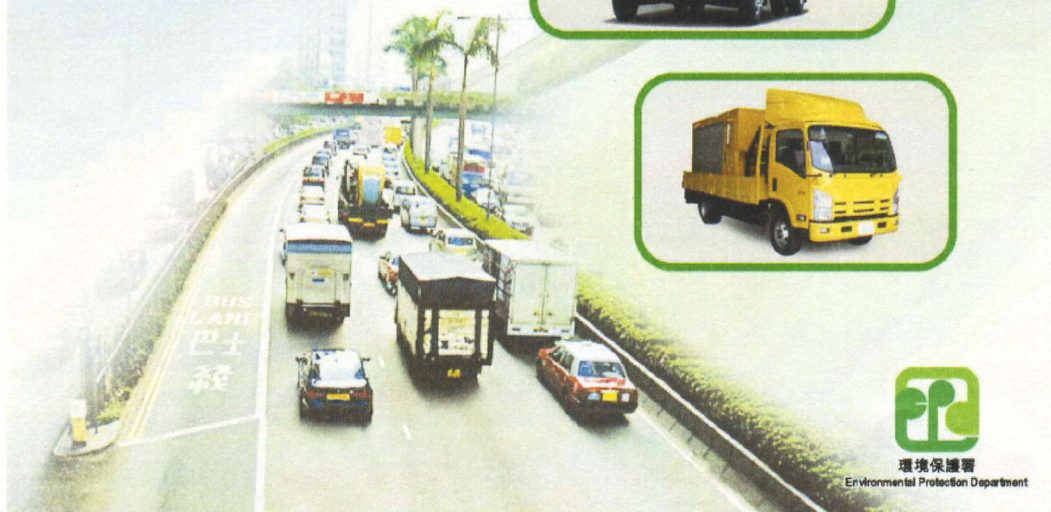




Incentive Scheme for Replacing **Euro II** Diesel Commercial Vehicles by New Commercial Vehicles



環境保護署
Environmental Protection Department

The Incentive Scheme

Vehicles are the second largest air pollution source in Hong Kong. Among all vehicles, diesel commercial vehicles are the most polluting. Compared with Euro IV vehicles, Euro II models emit seven times more respirable suspended particulates and twice as much nitrogen oxides. To improve Hong Kong's air quality, the Government will offer a one-off grant to owners of Euro II diesel commercial vehicles to encourage them to replace their vehicles with new ones from 1st July 2010 to 30th June 2013.

Under this incentive scheme, "commercial vehicles" include light, medium and heavy goods vehicles; private and public light buses; as well as non-franchised buses. The scheme also classifies "Euro II" vehicles by their dates of first registration as shown in the table below.

Definition of Euro II Vehicles

Vehicle Class¹	Permitted Gross Vehicle Weight	Date of First Registration (both dates inclusive)
Goods Vehicles	Not more than 3.5 tonnes	1 st Oct 1998 to 31 st Dec 2001
	More than 3.5 but not more than 4 tonnes	1 st Oct 1998 to 30 th Sep 2001
	More than 4 tonnes	1 st Apr 1997 to 30 th Sep 2001
Non-franchised Buses	N.A.	1 st Apr 1997 to 30 th Sep 2001
Diesel Light Buses	Not more than 3.5 tonnes	1 st Oct 1998 to 31 st Dec 2001
	More than 3.5 but not more than 4 tonnes	1 st Oct 1998 to 31 st Jul 2003
	More than 4 tonnes	1 st Oct 1998 to 30 th Sep 2001

¹ Vehicle class, permitted gross vehicle weight and date of first registration are defined by the vehicle registration document issued by the Transport Department.

Eligibility

In order to obtain the grant, an applicant must meet the requirements and complete the steps listed below between 1st July 2010 and 30th June 2013 when the incentive scheme is open for application:

1. The applicant being the registered owner² of a Euro II vehicle, scraps the vehicle and purchases a new replacement vehicle that meets the Euro IV or more stringent emission standard³.
2. The applicant deregisters the Euro II vehicle and applies to register the new vehicle in Hong Kong for the first time.
3. The Euro II and replacement vehicles must belong to the vehicle classes shown in the table above.
4. On the day the Euro II vehicle is scrapped, it has a valid vehicle licence.
5. The applicant applies to register the replacement vehicle for the first time only after the Euro II vehicle is scrapped and de-registered.
6. The applicant is the first registered owner of the replacement vehicle and is the registered owner of the Euro II vehicle when it is scrapped and deregistered.
7. The replacement vehicle has never been registered in Hong Kong.
8. The applicant submits a grant application to the Transport Department.

Environment-Friendly Commercial Vehicles

If vehicle owners replace their Euro II diesel commercial vehicles with eligible environment-friendly commercial vehicles, they can apply for the incentive scheme as well as benefit from reduction in first registration tax on the vehicles. They can also enjoy a 100% profits tax deduction of such vehicles' capital expenditure.

Grant Amount

The grant amount is determined by the vehicle class involved in each application. See detail figures in Annex overleaf. If an application is approved, the grant shall only be paid to the first registered owner of the new vehicle as stated in the vehicle registration document issued by the Transport Department.

If an application involves vehicles of two different classes linked to different grant amounts, the actual grant paid shall be the lower of the two. The incentive scheme recognizes the class of the old vehicle when it is deregistered and that of the new vehicle when it is registered for the first time.

If an application involves a goods vehicle, its permitted gross vehicle weight shall also be taken into account in determining the grant amount.



The grant amount for replacing light buses takes into account the fuel used by the new vehicle, i.e. diesel, liquefied petroleum gas or electricity. Higher grants are offered to vehicles having lower impact on the environment.

² Registered owner - the scheme only recognizes ownership of vehicle according to Transport Department's vehicle registration document.



³ At the time of printing this leaflet, vehicles registering for the first time are legally required to meet Euro IV emission standard. If a new requirement comes into force before an applicant registered a new vehicle, the new vehicle must then meet the new requirement.

The following examples show how the grant amount is determined when an application involves vehicles of different classes or gross vehicle weights:

Example 1: Grant amount according to vehicle class of old vehicle as of de-registration

De-registered Euro II vehicle	Euro IV vehicle registered for the first time	Grant receivable
2.8 tonnes light goods vehicle (van type) Grant amount is \$36,000	16 tonnes medium goods vehicle Grant amount is \$88,000	The applicant shall receive the lower amount, i.e. \$36,000.
Euro II 	Euro IV 	

Example 2: Grant amount according to gross vehicle weight of new vehicle as of first registration

De-registered Euro II vehicle	Euro IV vehicle registered for the first time	Grant receivable
16 tonnes medium goods vehicle Grant amount is \$88,000	9 tonnes medium goods vehicle Grant amount is \$59,000	The applicant shall receive the lower amount, i.e. \$59,000.
Euro II 	Euro IV 	

Enquiry

Please contact the following departments for enquiries:

Issues:	Euro II vehicle replacement incentive scheme	Environment-friendly commercial vehicles tax incentives scheme	Euro II vehicle replacement incentive scheme — application and procedures
Department:	Environmental Protection Department		Transport Department
Address:	Mobile Source Group, Environmental Protection Department, Room 4518, 45/F, Revenue Tower, Wan Chai, Hong Kong		Hong Kong Licensing Office, Transport Department, 3/F, United Centre, 95 Queensway, Hong Kong
Phone:	2824 0022	2594 6392	2804 2600
Fax:	2877 8690	2824 9361	2804 2599
Website:	http://www.epd.gov.hk		

Environmental Protection Department
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Annex

Grant Amount for Different Vehicle Classes

The grant amount is determined by the vehicle class involved. If an application involves vehicles of two different classes linked to different grant amounts, the actual grant paid shall be the lower of the two. The incentive scheme only recognizes the class of the old vehicle when it is deregistered and that of the new vehicle when it is registered for the first time.

If an application involves a goods vehicle, its permitted gross vehicle weight shall also be taken into account in determining the grant amount.

The grant amount for replacing light buses takes into account the fuel used by the new vehicle, i.e. diesel, liquefied petroleum gas or electricity. Higher grants are offered to vehicles having lower impact on the environment.

This leaflet has examples to show how the grant amount is calculated in an application involving vehicles of different classes or having different permitted gross vehicle weight.

Goods vehicles and non-franchised buses

Vehicle Class	Permitted Gross Vehicle Weight	Grant Amount
Light goods vehicle (van type)	Not more than 1.9 tonnes	\$17,000
	More than 1.9 but not more than 5.5 tonnes	\$36,000
Light goods vehicle (non-van type)	Not more than 1.9 tonnes	\$27,000
	More than 1.9 but not more than 5.5 tonnes	\$47,000
Medium goods vehicle	More than 5.5 but not more than 10 tonnes	\$59,000
	More than 10 but not more than 13 tonnes	\$70,000
	More than 13 but not more than 16 tonnes	\$88,000
	More than 16 but not more than 24 tonnes	\$121,000
Heavy goods vehicle	More than 24 tonnes	\$139,000
Non-franchised bus: 17 to 30 seats		\$84,000
Non-franchised bus: More than 31 seats		\$203,000

Newly acquired light buses

Vehicle Class	Fuel	Grant amount
Light Bus	Diesel	\$77,000
	liquefied petroleum gas	\$88,000
	Electricity	\$92,000