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29 April 2016

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Dear Sir / Madam

Extension of Early Turnover Scheme (ETS) For Pre-Euro/Euro I Vehicles

I refer to the press release issued today (see **Attachment**).


The ETS for eligible Pre-Euro/Euro I Category C diesel vehicles, i.e. registered before 1 January 2001 (“existing vehicles”), will be extended to 31 July 2017.

With this extension, the last day to deregister an eligible existing vehicle will be 31 July 2017. Its replacement vehicle must be registered within 1 month from the deregistration of the existing vehicle, i.e. by 30 August 2017.

The eligible criteria and discounted Prevailing Quota Premium (PQP) computation method remain the same. Visit the ONE.MOTORING portal at www.onemotoring.com.sg for more details on the ETS. Vehicle owners can continue to use the existing e-Service at www.onemotoring.com.sg (go to *LTA e-Services > Online Enquiries > Calculator – Category C Early Turnover Scheme*) to find out the discounted PQP payable for a replacement vehicle under the ETS.

Please bring the contents of this circular to the attention of your members and staff accordingly. Please call our Customer Service hotline on 1800-CALL LTA (1800-2255 582) if you have any questions. Thank you.

Yours faithfully



Ng Lay Choo (Ms)
Deputy Director
VRL Service Operations Division
Vehicle Services Group



Joint Media Release

Date of Issue: 29 April 2016

Extension of Early Turnover Scheme for Pre-Euro and Euro I Vehicles

The Early Turnover Scheme (ETS) for eligible Pre-Euro/Euro I Category C diesel vehicles, i.e. those registered before 1 January 2001 (“existing vehicles”), will be extended a final time from 30 April 2016 to 31 July 2017 to give vehicle owners more time to replace their old diesel vehicles with newer and less pollutive ones.

2 The last day to deregister an eligible existing vehicle will be 31 July 2017. The replacement vehicle must be registered within one month from the date of deregistration of the existing vehicle, i.e. by 30 August 2017.

3 Details on the ETS and eligibility criteria are available on the ONE.MOTORING portal at www.onemotoring.com.sg. Vehicle owners may use the “Calculator – Early Turnover Scheme” e-service on the ONE.MOTORING portal to find out the discounted Prevailing Quota Premium payable for a replacement vehicle.

4 Vehicle owners who wish to enquire about the ETS may contact LTA at 1800-CALL LTA (2255-582).

Background on the Early Turnover Scheme

The Early Turnover Scheme (ETS) was implemented in April 2013. It provides incentives to encourage early replacement of old diesel vehicles, in the form of:

- i. Allowing owners to transfer the unused COE period from their existing vehicle to their replacement vehicle; and
- ii. A bonus COE period for the replacement vehicle, which is proportional to the existing vehicle's remaining 20-year lifespan.

Thus, the earlier the existing vehicle is replaced, the higher the COE bonus, and the greater the extent/quantum of the unused COE life that owners get to transfer to their replacement vehicle. Vehicle owners benefit from a lower upfront capital outlay when replacing their old vehicle. In addition, they only need to pay a discounted Prevailing Quota Premium and do not need to bid for a new Category C COE. The ETS has been extended to 31 July 2017 to give vehicle owners more time to decide and plan for their vehicle replacement.

How PQP Payable for the Replacement Vehicle is Derived

For eligible vehicles that are deregistered between 1 August 2015 and 31 July 2017, the discounted PQP payable at the point of registration of the replacement vehicle will be computed as follows and rounded up to the nearest dollar:

$$\begin{aligned} \text{Discounted PQP payable at registration of replacement vehicle} &= \frac{\text{PQP rate at registration}}{10 \text{ years}} \times \left(10 \text{ years} - \begin{array}{l} \text{Unused COE period of existing} \\ \text{vehicle at deregistration} \\ \text{(if any)} \\ \text{(i.e. Transferred COE period)} \end{array} - \begin{array}{l} \text{X\%* of the remaining 20-year} \\ \text{lifespan of the existing vehicle at} \\ \text{deregistration (if any)} \\ \text{(i.e. Bonus COE)} \end{array} \right) \\ &\quad \times \text{PQP rate at registration} \quad \text{x} \quad 10\% \text{ OR ; whichever is higher} \end{aligned}$$

** X = 20% if the existing vehicle has a Maximum Laden Weight (MLW) of 3,500kg or less and the replacement vehicle is compliant to Euro V or equivalent*

X = 23% if the existing vehicle has a MLW of 3,500kg or less and the replacement vehicle is an electric vehicle or compliant to Euro VI or equivalent

X = 100% if the existing vehicle has a MLW of more than 3,500kg and the replacement vehicle is compliant to Euro V or equivalent

X = 110% if the existing vehicle has a MLW of more than 3,500kg and the replacement vehicle is an electric vehicle or compliant to Euro VI or equivalent

How the Value of the 10-year COE for the Replacement Vehicle is Calculated

Once registered, the value of the 10-year COE for the replacement vehicle will be calculated as follows:

$$\begin{aligned} \text{Value of 10-year COE of the replacement vehicle} &= \text{Discounted PQP paid for the replacement vehicle at registration} + \text{COE rebate that would have otherwise been given to the existing vehicle at deregistration had it not taken up the scheme (if any)} \end{aligned}$$

Eligibility Criteria

To be eligible for the scheme,

(I) The existing Pre-Euro/Euro I vehicle must be:

- a) A Cat C vehicle and not COE-exempted;
- b) Propelled by diesel, diesel-Compressed Natural Gas (CNG) or diesel-electric;
- c) Under the permanent ownership of the registered owner;
- d) Registered before 1 January 2001;
- e) Deregistered¹ between 1 August 2015 and **31 July 2017** (both dates inclusive);
- f) Properly disposed of (i.e. scrapped or exported and COE rebate, if any, successfully granted) before registration of the replacement vehicle; and
- g) Have at least one day of COE life remaining **or** at least one day of its 20-year lifespan remaining, at the point of deregistration.

(II) The replacement vehicle must be:

- a) A Cat C vehicle and not COE-exempted. The replacement Cat C vehicle can be of any type. For example, an existing Light Goods Vehicle can be replaced with a Heavy Goods Vehicle. However, the registered owner must fulfil the registration conditions of the replacement vehicle, such as obtaining LTA's prior approval for the registration of a private hire bus, etc;
- b) A Euro V/JPN2009-compliant diesel, diesel-CNG, or diesel-electric vehicle, or a Euro IV/JPN2005-compliant CNG, petrol, petrol-CNG or petrol-electric vehicle, or an electric vehicle;
- c) In order to qualify for additional bonus COE incentives from 1 August 2015, the vehicle must be a Euro VI-compliant (or, for vehicles with MLW of 3,500kg or less, JPN2009 with Euro VI Particle Number (PN)-compliant) diesel, diesel-CNG or diesel-electric vehicle; a Euro VI-compliant petrol, petrol-CNG, petrol-electric or CNG vehicle; or an electric vehicle;
- d) Registered in the name of the last registered owner of the existing vehicle ; and
- e) Be registered within 1 month from the date of deregistration of the existing vehicle. To illustrate, if the existing vehicle is deregistered on 31 July 2017, the replacement vehicle must be registered within one month, i.e. by 30 August 2017.

¹ Depending on the date of deregistration, the bonus COE period may differ.