

5. Please bring the contents of this circular to the attention of your members and staff accordingly. For enquiries, please contact us via www.lta.gov.sg/feedback. Thank you.

Yours faithfully



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News Release



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Date of Issue: 18 February 2022

Introduction of New Additional Registration Fee (ARF) Tier for Luxury Cars

1. As announced by Minister for Finance Lawrence Wong in the Budget 2022 Statement, there will be a new Additional Registration Fee (ARF) tier for cars, taxis, and goods-cum-passenger vehicles whose Open Market Value (OMV) exceeds \$80,000. This is to achieve a more progressive vehicle tax system. Examples of car models in this new tier include the Porsche Cayenne, Lamborghini Urus and Bentley Continental GT.

2. The updated ARF structure is as follows:

Current ARF Banding and Rates		New ARF Banding and Rates	
First \$20,000 of OMV	100% of OMV	First \$20,000 of OMV	*100% of OMV
Next \$30,000 of OMV (i.e. \$20,001 to \$50,000)	140% of OMV	Next \$30,000 of OMV (i.e. \$20,001 to \$50,000)	*140% of OMV
Above \$50,000 of OMV (i.e. \$50,001 and above)	180% of OMV	Next \$30,000 of OMV (i.e. \$50,001 to \$80,000)	*180% of OMV
		[NEW] Above \$80,000 of OMV (i.e. \$80,001 and above)	220% of OMV

**no change to ARF rates*

3. The new ARF structure will apply to all cars, including imported used cars, and goods-cum-passenger vehicles registered with Certificate of Entitlements (COEs) obtained from the second bidding exercise in February 2022 onwards. The second COE bidding exercise in February 2022 will take place from 21 to 23 February 2022. An example of the tiered ARF computation can be found in [Annex A](#).

4. For taxis, classic cars³ and COE-exempted cars, the new ARF structure will apply for those registered on or after 19 February 2022.

For media queries, please contact:

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³ Owners of these cars do not need to bid for COEs. Taxi operators pay the Prevailing Quota Premium (PQP) of Category A at the point of registering a taxi; Classic car owners pay 10% of the PQP of the relevant car category at the point of registering a classic car.

EXAMPLE OF TIERED ARF COMPUTATION

The ARF payable under the new and old ARF tax structure (before utilisation of rebates from Vehicular Emissions Scheme, or EV Early Adoption Incentive, etc. if applicable) for a car with an OMV of \$100,000 is computed as follows:

New ARF Tax Structure:

Vehicle OMV	ARF Rate	ARF Payable
First \$20,000	100% of OMV	100% x \$20,000 = \$20,000
Next \$30,000 (i.e. \$20,001 to \$50,000)	140% of OMV	140% x \$30,000 = \$42,000
Next \$30,000 (i.e. \$50,001 to \$80,000)	180% of OMV	180% x \$30,000 = \$54,000
Above \$80,000 (i.e. \$80,001 and above)	220% of OMV	220% x \$20,000 = \$44,000

Total ARF payable is \$20,000 + \$42,000 + \$54,000 + \$44,000 = \$160,000

Old ARF Tax Structure:

Vehicle OMV	ARF Rate	ARF Payable
First \$20,000	100% of OMV	100% x \$20,000 = \$20,000
Next \$30,000 (i.e. \$20,001 to \$50,000)	140% of OMV	140% x \$30,000 = \$42,000
Above \$50,000 (i.e. \$50,001 and above)	180% of OMV	180% x \$50,000 = \$90,000

Total ARF payable is \$20,000 + \$42,000 + \$90,000 = \$152,000

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