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www.lta.gov.sg

30 December 2024

Our ref VRL/19/2024
LTA/VR&L/V43.054.000

All Motor Vehicle Dealers / Importers

All Electronic Service Agents

Dear Sir / Madam

ADJUSTMENTS TO COMMERCIAL VEHICLE EMISSIONS SCHEME (“CVES”) AND EXTENSION OF EARLY TURNOVER SCHEME (“ETS”)

1. We refer to the Joint Media Release issued by the National Environment Agency (“NEA”) and the Land Transport Authority (“LTA”) on 30 December 2024 (see **Appendix A**) on the adjustments to the Commercial Vehicle Emissions Scheme (CVES) and extension of the Early Turnover Scheme (ETS) for heavy commercial vehicles. The details of the changes are summarised below.

<u>CVES</u>

2. To continue encouraging the adoption of cleaner commercial vehicles, the validity for CVES for light commercial vehicles (“LCVs”)[1] will be extended for two years from 1 April 2025 till 31 March 2027. The incentive for commercial vehicles in Band A (electric vehicles) will remain at $15,000, while the incentive for Band B (mainly petrol vehicles) will be removed. The surcharge for Band C (mainly diesel vehicles) will be raised from the current $15,000 to $20,000. Details of the adjustments to the incentive and surcharge for CVES are in **Annex A** of the Media Release.

CVES Label

3. A new CVES label will replace the existing CVES label that will **expire on 31 March 2025**. The new label will be available for download by 31 March 2025. Please be reminded that all new LCVs that are subject to the fuel economy and vehicular emissions requirements must be affixed with the new CVES labels on their front windscreen when they are displayed for sale from **1 April 2025**.

4. If the LCV that is displayed within/outside of the showroom or at public event/venue (such as at a road show and in a pop-up store) is not meant for sale (e.g. for storage purposes, pending LTA’s approval or awaiting delivery to customers, and hence does not have the requisite CVES label), a “NOT FOR SALE” signage must be displayed prominently on the windscreen of the LCV. Otherwise, the LCV should be kept out of the public’s view (e.g.

[1] LCVs include Light Goods Vehicles, Goods-Cum-Passenger Vehicles, and small buses with maximum laden weight not exceeding 3,500kg.

covered up). Please do not display both “NOT FOR SALE” signage and CVES label on the same LCV as this would confuse potential LCV buyers.

Requirements on Printed Promotional Materials

5. All printed promotional materials meant for distribution such as newspaper advertisements, sales brochures and handouts used for marketing, advertising or promotion of any new and imported used LCV for sale locally shall include the following information:

a. The fuel consumption in litres per 100 kilometres (l/100km) or electric energy consumption in kilowatt hours per 100 kilometres (kWh/100km), or both (where applicable) for the combined driving cycle of the LCV; and

b. CVES banding (i.e. A, B, C) of the LCV.

6. Promotional materials in digital formats and online platforms such as websites are not subject to the above requirements. However, motor dealers are encouraged to include the fuel economy and vehicular emissions information of their LCVs in the digital promotional materials and online platforms to allow LCV buyers to make more informed decisions in shifting to LCVs with lower emissions.

7. You may also wish to note that for electric and plug-in hybrid LCVs, the Emission Factor used to account for the CO_2 emissions produced for every unit of electricity generated from the burning of fossil fuels at the power stations in Singapore will remain unchanged at 0.4g CO_2/Wh of electricity till **31 December 2025**.

ETS

8. The ETS for Heavy Commercial Vehicles (“HCVs”)[2] will be extended from 1 April 2025 till 31 December 2025 and will cease thereafter. There is no change to the ETS incentive quanta for HCVs. Please refer to details of the ETS incentives for HCVs in **Annex C** of the Media Release.

9. As announced in the Joint Media Release issued by the NEA and the LTA on 15 November 2022, **the ETS for LCVs will cease after 31 March 2025**. The last date to deregister an eligible LCV will therefore be 31 March 2025 and its replacement vehicle must be registered by 30 April 2025.

[2] HCVs include Heavy Goods Vehicles, Very Heavy Goods Vehicles, Goods-Cum-Passenger Vehicles, and buses with maximum laden weight exceeding 3,500kg.

10. Please inform your members of the above. If you have any enquiries, you may send them via our LTA online contact form at lta.gov.sg/feedback.

11. Thank you.

Yours sincerely

Neu Siew Lay (Ms)
Deputy Director
Vehicle Quota & Registration Division
Vehicle Services Group

Appendix A

National Environment Agency
Safeguard • Nurture • Cherish

Land Transport Authority

JOINT MEDIA RELEASE

COMMERCIAL VEHICLE EMISSIONS SCHEME AND EARLY TURNOVER SCHEME EXTENDED

CVES incentive for Band A models and ETS for HCVs extended to improve Singapore's air quality, moving towards the vision to have all vehicles run on cleaner energy by 2040

Singapore, 30 December 2024 – To continue encouraging the adoption of cleaner commercial vehicles, incentives for vehicles in Band A under the Commercial Vehicle Emissions Scheme (CVES) will be extended for two years from 1 April 2025 till 31 March 2027. The Early Turnover Scheme (ETS) will be extended for Heavy Commercial Vehicles (HCVs) till 31 December 2025.

Adjustments to Commercial Vehicle Emissions Scheme (CVES)

2 In April 2021, the CVES was introduced to encourage the adoption of cleaner light commercial vehicles (LCVs). The CVES applies to all new and used imported LCVs, including Light Goods Vehicles, Goods-Cum-Passenger Vehicles, and small buses, with maximum laden weight not exceeding 3,500kg. Under CVES, vehicles are classified into bands based on their worst-performing pollutant among the following: carbon dioxide (CO_2)[1], hydrocarbons (HC), carbon monoxide (CO), nitrogen oxides (NO_x) and particulate matter (PM) emissions. The vehicles are then granted an incentive or are subject to a surcharge, based on the band they are in.

3 To continue encouraging the adoption of cleaner commercial vehicles, the CVES will be extended for two years till 31 March 2027. The incentive for commercial vehicles in Band A (electric vehicles) will remain at $15,000, while incentive for Band B (mainly petrol vehicles) will be removed. The surcharge for Band C (mainly diesel vehicles) will be raised from the current $15,000 to $20,000. These changes are in line with the Government's vision to have all vehicles run on cleaner energy by 2040. Details of the adjustments to the incentive and surcharge for CVES are in Annex A.

[1] To account for the CO_2 emissions produced by electricity generation from fossil fuels, an emission factor will continue to be applied to the electricity consumption of electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs). The emissions factor (EF) for electric and plug-in hybrid cars will remain unchanged at 0.4g CO_2/Wh of electricity till 31 December 2025.

4 There are more Band A LCVs available on the market currently, compared to 2021 when CVES was first introduced. Band A LCVs are assessed to have the lowest total cost of ownership among the three Bands over the vehicle's lifespan[2]. The most pollutive vehicles, i.e. in Band C, typically incur the highest total cost of ownership after applying the CVES surcharge. The comparison of the total cost of ownership between Band A, B and C LCVs is shown in Annex B**.**

Extension of Early Turnover Scheme (ETS) for Heavy Commercial Vehicles (HCVs)

5 The ETS was introduced in April 2013 to promote the replacement of older, more pollutive diesel commercial vehicles and buses. The ETS provides a discount off the Prevailing Quota Premium[3] when owners of older diesel commercial vehicles and buses switch to cleaner new vehicles.

6 The ETS for HCVs, including Heavy Goods Vehicles, Very Heavy Goods Vehicles, Goods-Cum-Passenger Vehicles and buses, with maximum laden weight exceeding 3,500kg, will be extended till 31 December 2025 and will cease thereafter. There is no change to the ETS incentive quanta for HCVs. Details of the ETS incentives for HCVs are in **Annex C**. The Government is studying other means to promote cleaner HCVs.

7 As announced on 15 November 2022, the ETS for LCVs will cease after 31 March 2025.

8 As of September 2024, around 70,000 vehicles eligible under the ETS scheme have been replaced with cleaner models.

9 Since the implementation of the CVES, coupled with ETS, about 80 per cent of LCVs registered from April 2021 to September 2024 were of cleaner models.

- End -

[2] The cost per km of electricity to run an electric vehicle is cheaper than the cost per km of petrol or diesel needed.

[3] PQP is the amount of Quota Premium payable to extend or renew the Certificate of Entitlement (COE) of an existing in-use vehicle. It is based on the three-month moving average of Certificate of Entitlement (COE) prices (i.e. Quota Premium) for the past three months price, and there is no need for the owner to bid for a COE.

About the National Environment Agency

The National Environment Agency (NEA) is the leading public organisation responsible for ensuring a clean and sustainable environment for Singapore. Its key roles are to improve and sustain a clean environment, promote sustainability and resource efficiency, maintain high public health standards, provide timely and reliable meteorological information, and encourage a vibrant hawker culture. NEA works closely with its partners and the community to develop and spearhead environmental and public health initiatives and programmes. It is committed to motivating every individual to care for the environment as a way of life, in order to build a liveable and sustainable Singapore for present and future generations.

For more information, visit www.nea.gov.sg

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About the Land Transport Authority

The Land Transport Authority (LTA) is a statutory board under the Ministry of Transport, which spearheads land transport developments in Singapore. As the agency responsible for planning, designing, building and maintaining Singapore's land transport infrastructure and systems, we aim to bring about a greener and more inclusive public transport system, complemented by convenient options to walk and cycle from their homes or to their destinations. We leverage technology to strengthen our rail and bus infrastructure and provide exciting options for future land transport. For more information, please visit the website at www.lta.gov.sg.

Annex A

Changes in Incentive Quanta for Commercial Vehicle Emissions Scheme (CVES) (Changes in Red)

Band	Current CVES (1 Apr 2023 – 31 Mar 2025)	Adjusted CVES (1 Apr 2025 – 31 Mar 2027)
A*	$15,000 incentive	$15,000 incentive (no change)
B	$5,000 incentive	No incentive or surcharge
C^	$15,000 surcharge	$20,000 surcharge

**Disbursement of CVES Incentives*
Band A incentive will be fully disbursed to the vehicle owner upon vehicle registration.

^Imposition of CVES surcharge
For Band C vehicles, the surcharge will be imposed upon vehicle registration.

Pollutant Thresholds for CVES (No change from 1 Apr 2023)

Band	**CVES (1 Apr 2023 – 31 Mar 2027)**				
	CO_2 g/km	**HC** g/km	**CO** g/km	**NO_x** g/km	**PM** mg/km
A	≤123	=0.0	=0.0	=0.0	=0.0
B	≤216	≤0.025	≤0.27	≤0.015	≤0.85
C	>216	>0.025	>0.27	>0.015	>0.85

Annex B

Total Cost of Ownership Comparison for Commercial Vehicle Emissions Scheme (CVES) Bands A, B and C Vehicles
(Based on Available Estimates for Popular Models as of Dec 2024)

	Band A (e.g. electric)	**Band B** (e.g. petrol)	**Band C** (e.g. diesel)
Average Upfront Cost (excluding COE)	$56,900	$28,800	$62,100
Average Upfront Cost (excluding COE) (After CVES)	$41,900	$28,800	$82,100
Lifecycle Costs (LCC)[1] over 10 years	$81,400	$118,700	$88,800
Total Cost of Ownership over 10 years (Before CVES)	$138,300	$147,500	$150,900
Total Cost of Ownership over 10 years (After CVES)	$123,300	$147,500	$170,900

[1] Lifecycle costs refer to running and maintenance costs such as road taxes, fuel costs, servicing costs.

Annex C

Incentive Quanta for Early Turnover Scheme (ETS) for Heavy Commercial Vehicles (HCVs)

Existing Vehicle and Emission Standard		Replacement Vehicle (Euro VI or equivalent)	Incentive	
			Current ETS (1 Apr 2023 – 31 Mar 2025)	**Adjusted ETS (1 Apr 2025 – 31 Dec 2025)**
LCVs	**Euro II, III**	**Band A under CVES**	40%[2]	Not applicable
		Band B under CVES	20%	
	Euro IV	**Band A under CVES**	20%[2]	
		Band B under CVES	10%	
HCVs	**Euro II, III**	**Vehicle w/o tailpipe emissions[1]**	90%[3]	90%
		Vehicle with tailpipe emissions[1]	60%[4]	60%
	Euro IV	**Vehicle w/o tailpipe emissions[1]**	70%[3]	70%
		Vehicle with tailpipe emissions[1]	25%[4]	25%

[1] Tailpipe emissions refer to air pollutants HC, CO, NOx and PM.
[2] The same incentive applies if replacement vehicle is an HCV without tailpipe emissions. Owners who replace an existing LCV with an HCV with tailpipe emissions do not qualify for the ETS incentive.
[3] The same incentive applies if replacement vehicle is a Band A LCV under the CVES.
[4] The same incentive applies if replacement vehicle is a Band B LCV under the CVES.

Annex D

Examples of available LCV models under CVES (Based on Available Information[1])

Band	Vehicle Models
A	BYD T3, DFSK EC35, DFSK EC31, Maxus e-Deliver 3, Opel Combo-E, Citroen E-Berlingo, Golden Dragon EV ABS Van, Opel E-Vivaro, Foton Iblue V6, Citroen Electric Dispatch, Mercedes e-Vito
B	Honda N Van Style Fun, Suzuki Spacia Base, Nissan NV200, Toyota Town Ace 1.5GL Auto
C	Toyota Hiace Van, Peugeot Partner 1.5 BlueHDI, Nissan NV350 Diesel, Toyota Hiace 2.8 DX, Mercedes Vito 114

Legend

Electric Petrol Diesel

[1] The table is based on available information that NEA has received and is subject to changes. The table is non-exhaustive and is meant to be a representation of models in those bands.

Annex E

Adjusted Early Turnover Scheme (With effect from 1 April 2025)

1. To be eligible for the scheme, the following criteria must be met:

(I) The existing vehicle must be:

- A Category C vehicle;
- Not COE-exempted;
- Maximum Laden Weight (MLW) above 3,500kg;
- Propelled by diesel, diesel-Compressed Natural Gas (CNG) or diesel-electric;
- Under the permanent ownership of the registered owner;
- Registration and deregistration dates are within the following period:

Registration Date	From 1 January 2001 to 31 December 2013 (inclusive)
Deregistration Date	From 1 April 2025 to 31 December 2025 (inclusive)

- Properly disposed of (i.e. scrapped or exported and COE rebate, if any, successfully granted) before registration of the replacement vehicle; and
- Have at least one day of COE life remaining **or** at least one day of its remaining statutory lifespan, at the point of deregistration.

(II) The replacement vehicle must be:

- Not COE-exempted;
- A vehicle that meets Euro 6 or equivalent emission standards;
- Registered in the name of the last registered owner of the existing vehicle [1]; and
- Registered within 1 month from the date of deregistration of the existing vehicle.

See illustrations:

For existing vehicle registered on or after 1 January 2001 to 31 December 2013	• If deregistered on 1 August 2025, the replacement vehicle must be registered by 31 August 2025. • As scheme ends on 31 December 2025, the last date to deregister will therefore be 31 December 2025 and its replacement vehicle must be registered by 31 January 2026.

2. The details of the 2 components of the scheme are as follows:

a) COE transfer. This will allow a transfer of the remaining COE validity period from an eligible vehicle to a new Euro 6-compliant vehicle.
b) COE bonus. This is based on the remainder of the vehicles' 20-year lifespan and structured as follows [2] in Annex C.

[1] Vehicle owners who wish to transfer their replacement vehicle to another owner can apply to LTA to effect the ownership transfer after registration of the replacement vehicle.
Visit onemotoring.lta.gov.sg for vehicle ownership transfer procedures and forms.

[2] The bonus COE period would carry zero financial value. The cash value of the full 10-year COE for the replacement vehicle would be the transferred value of the remaining COE life of the existing vehicle (based on the old COE price) and the amount paid for the PQP top-up.

Annex F

Summary on Prevailing Quota Premium (PQP) Payable and Calculation of COE

(A) **How PQP Payable for the Replacement Vehicle is Derived**

For eligible vehicles that are deregistered under the scheme, 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.

Discounted PQP payable at registration of replacement vehicle	=	PQP rate at registration / 10 years	x	(10 years	–	Unused COE period in years of existing vehicle at deregistration (if any) (*i.e. Transferred COE period*)	–	**X%*** of the remaining statutory lifespan in years of the existing vehicle at deregistration (if any) (*i.e. Bonus COE period)*)
				OR				
		PQP rate at registration	x	10% **; whichever is higher**				

***** Refer to Table in Annex C

(B) **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:

Value of 10-year COE of the replacement vehicle	=	Discounted PQP paid at registration	+	COE rebate granted to existing vehicle at deregistration, if any