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**PRESS RELEASE**

**NEW IMPORT TAX REGIME FOR MOTOR VEHICLES**

In November 2022, Government introduced a new tax regime for the importation for motor vehicles. The new import tax regime lowers Import Duty and Excise Tax rates on certain classes of motor vehicles and modified the motor vehicle Surcharge Tax. The lower Import Duty and Excise Tax came into effect on January 1<sup>st</sup> 2023. The revised motor vehicle Surcharge Tax will come into effect on April 1<sup>st</sup> 2023. The main objectives of the new regime are to reduce import taxes on motor vehicles whilst encouraging citizens to choose newer, more efficient, motor vehicles with smaller engines (below 1,600cc), hybrid and electric. A comparison of the old and new lower rates is summarized below.

Tariff Heading	Description	EXCISE TAX		IMPORT DUTY	
		Old Rate	New Rate	Old Rate	New Rate
87.01	Road Tractors for semi-trailers	55%	35%	NO CHANGE	
87.02	Minibuses and coaches (Hybrid and Electric only)	45%	35%	NO CHANGE	
87.03	Cars and SUVs (OVER 1,600cc)	45%	30%	35%	30%
87.03	Cars and SUVs (UNDER 1,600cc)	45%	25%	35%	25%
87.03	Cars and SUVs (Hybrid and Electric)	45%	20%	35%	20%
87.04	Motor Vehicles for the Transport of Goods (3.5 tonnes to 5 tonnes)	60%	30%	NO CHANGE	

The revised motor vehicle Surcharge is calculated as a multiple of four (4) factors for each class of motor vehicle as follows:

<p>Electric Motor Vehicle Surcharge = \$1,000 x Range Factor x Age Factor x CIF Factor</p> <p>ICE<sup>1</sup> Motor Vehicle Surcharge = \$1,000 x Engine size Factor x Age Factor x CIF Factor</p> <p>Coaches and Minibuses Surcharge = \$1,000 x Seating Capacity Factor x Age Factor x CIF Factor</p> <p>M V<sup>2</sup> for the Transport Goods Surcharge = \$1,000 x Tonnage Factor x Age Factor x CIF Factor</p>
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**The new lower rates for Import Duty and Excise Tax are now in effect and are applicable to all motor vehicle imports. However, the old motor vehicle Surcharge will apply to all in-transit motor vehicles ordered and paid for before December 1<sup>st</sup> 2022. This transitional arrangement will end on March 31<sup>st</sup> 2023.**

<sup>1</sup> Internal Combustion Engine

<sup>2</sup> Motor Vehicle

The public is asked to take note that a public awareness campaign will be launched in the coming days to sensitize citizens on the benefits of the new regime, provide information on the revised surcharge, the lower duties and excise tax, and on how to make buying decisions to derive better value from money from your motor vehicle purchase. The Agency for Public Information and the Customs and Excise Department will be using all available communication channels and media including social media to disseminate all the details and workings of the new regime.

Meanwhile the Duty Calculator is also available online at <http://asycudaw.svgcustoms.net/svg-duty-calc.php>. The public is encouraged to use it to inform their choice of motor vehicle.

**For more information please contact the Customs and Excise Department  
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