

**Summary on 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:

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

\* Refer to Table in Annex D

(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:

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