This Bill seeks to amend the Motor Vehicles and Road Traffic Act, Chap. 48:50, the Income Tax Act, Chap. 75:01, the Corporation Tax Act, Chap. 75:02, the Petroleum Taxes Act, Chap. 75:04, the Value Added Tax Act, Chap. 75:06, the Stamp Duty Act, Chap. 76:01, the Miscellaneous Taxes Act, Chap. 77:01 and the Customs Act, Chap. 78:01.

Clause 1 of the Bill would provide for the short title.

Clause 2 of the Bill would amend the Fourth Schedule of the Motor Vehicles and Road Traffic Act, Chap. 48:50 to provide exemptions from motor vehicles tax payable in respect of new and used motor vehicles of certain specifications, manufactured to use compressed natural gas, electric vehicles and hybrid vehicles, imported for commercial use.

Clause 3 of the Bill would amend section 18 of the Income Tax Act, Chap. 75:01 to increase the personal allowance of an individual who is resident in Trinidad and Tobago and, an individual who is not resident in Trinidad and Tobago and in receipt of pension income accruing or derived from Trinidad and Tobago, from seventy-two thousand dollars to eighty-four thousand dollars. The clause also seeks to increase the wear and tear rate of allowance of plant and machinery classified under Class B of the Seventh Schedule from 25 per cent to 30 per cent.

Clause 4 of the Bill would amend section 3 of the Corporation Tax Act, Chap. 75:02 to adjust the rate of corporation tax of a Small and Medium Enterprise company listed on the Trinidad and Tobago Stock Exchange for the first ten years from listing on the Trinidad and Tobago Stock Exchange broken down and calculated into five-year periods. This clause would also amend section 3 of the Corporation Tax Act in the definition of “SME listed company” by requiring a company’s minimum number of twenty-five unconnected shareholders to own a per cent of the new issued share capital of the company and, a company’s capital to be raised with the issuance of an initial public offering followed by a listing on the Trinidad and Tobago Stock Exchange no more than sixty days after allotment of the issue.

This clause would also amend section 10D and the Fourth Schedule of the Corporation Tax Act. Section 10D of the Corporation Tax would be amended in respect of the Catastrophe Reserve Fund to meet the requirements of the Insurance Act, 2018, such as withdrawals from the Catastrophe Reserve Fund, deductions from the Fund due to catastrophe losses, the removal of the requirement to establish a trust and appoint a trustee, the manner in which the accounts of the Fund must be submitted to the Board of Inland Revenue and consequential amendments to certain definitions.
This clause would also amend sections 10G(1), 10I(1), 10J, 10K, 10L(1) and 10Q(1) of the Corporation Tax Act by increasing the tax allowance relating to arts and culture, sporting activities or events, audio, visual or video productions, production companies and the fashion industry from six million dollars to twelve million dollars. The clause would also amend section 10L(2) of the Corporation Tax Act by increasing the aggregate allowance of a production company up to a maximum of eight million dollars.

This clause would also insert new sections 10R, 10S and to provide a tax allowance of three million dollars to companies that incur expenditure in investing in a tech start-up or a new-tech business; and for companies providing technology enabled solutions; and for companies creating youth employment in the technology industry, respectively.

This clause would also amend section 16 of the Corporation Tax Act to allow an approved property development company to claim a twenty per cent deduction from any capital expenditure incurred by the company in the construction of a commercial or industrial building which commenced on or after 1st January, 2015 and is completed on or before 31st December, 2024.

This clause also seeks to amend the Fourth Schedule of the Corporation Tax Act to delete the words “policy account” and substitute the words “policy accounts” since there would be more than one policy account held by an insurance company.

Clause 5 of the Bill would amend the Third Schedule of the Petroleum Taxes Act, Chap. 75:04 to provide an exemption from the Supplemental Petroleum Tax chargeable in respect of small onshore producers, for the financial years 2021 and 2022, where the weighted average crude oil price is U.S. $75.00 per barrel or less. This clause also seeks to insert the rates for Small Onshore Producers regarding Supplemental Petroleum Tax, where the weighted average crude oil price is between U.S. $75.01 and above.

Clause 6 of the Bill would amend Schedule 2 of the Value Added Tax Act, Chap. 75:06 to remove the zero rate tax allowance on electric vehicles, hybrid vehicles and motor vehicles manufactured to use compressed natural gas (“CNG vehicles”), imported for private use. This removal of zero rate tax allowance includes used electric vehicles, hybrid vehicles and CNG vehicles, imported for private use, that are older than three years from the year of manufacture.

This clause would also amend the age of used electric vehicles, hybrid vehicles and CNG vehicles, imported for commercial use and are currently allowed the zero rate tax allowance, to be not older than three years from the year of manufacture. This clause also seeks to remove the expiration of the zero rate tax allowance on 31st December, 2020 for new CNG vehicles with an engine size exceeding 1599 cc, imported for commercial use, and used CNG vehicles with an engine size, exceeding 1599 cc and not older than three years from manufacture, imported for commercial use.

This clause would also amend Schedule 2 of the Value Added Tax Act to provide a zero rate tax allowance to laptop computers, notebook computers, tablet computers, mobile and digital equipment, cell phones, software, accessories and peripherals.
Clause 7 of the Bill amends the First Schedule of the Stamp Duty Act, Chap. 76:01 to increase the threshold for exemption from stamp duty to two million dollars in respect of a conveyance or transfer on sale of any property of a first-time home-owner where the property is, or includes, a dwelling-house used wholly or mainly for residential purposes, as approved by the Board of Inland Revenue.

This clause would also amend the First Schedule of the Stamp Duty Act to increase the threshold for exemption from stamp duty to two million dollars in respect of mortgage deeds for first-time home-owners of property that is, or includes, a dwelling-house used wholly or mainly for residential purposes, as approved by the Board of Inland Revenue.

Clause 8 of the Bill amends the Miscellaneous Taxes Act, Chap. 77:01 to exempt laptop computers, notebook computers, tablet computers, mobile and digital equipment, cell phones, software, accessories and peripherals from the payment of online purchase tax.

Clause 9 of the Bill amends Part A of the Second Schedule of the Customs Act, Chap. 78:01 to exempt mobile and digital equipment, cell phones, software, accessories and peripherals from the payment of customs duty.

Clause 10 of the Bill would provide for the commencement of the Act.
THE FINANCE BILL, 2020

ARRANGEMENT OF CLAUSES

Clause

1. Short title
2. Chap. 48:50 amended
3. Chap. 75:01 amended
4. Chap. 75:02 amended
5. Chap. 75:04 amended
6. Chap. 75:06 amended
7. Chap. 76:01 amended
8. Chap. 77:01 amended
9. Chap. 78:01 amended
10. Commencement
B I L L  
An Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters

ENACTED by the Parliament of Trinidad and Tobago as follows:

1. This Act may be cited as the Finance Act, 2020.

2. The Motor Vehicles and Road Traffic Act is amended in the Fourth Schedule –

(a) by repealing paragraphs 8, 9 and 10 and substituting the following paragraphs:

8. Notwithstanding paragraph 1, motor vehicles tax shall not be charged, levied and collected in respect of a –

(a) new motor vehicle, imported for commercial use, with an engine size not exceeding 1599 cc, which is manufactured to use compressed natural gas;

(b) used motor vehicle, imported for commercial use, with an engine size not exceeding 1599 cc, which is—

(i) manufactured to use compressed natural gas; and

(ii) not older than three years from the year of manufacture;

(c) new motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc, which is manufactured to use compressed natural gas; and

(d) used motor vehicle, imported for commercial use, with an engine size exceeding 1599 cc, which is—

(i) manufactured to use compressed natural gas; and

(ii) not older than three years from the year of manufacture.

9. (1) Notwithstanding paragraph 1, motor vehicles tax shall not be charged, levied and collected in respect of a –

(a) new electric vehicle, imported for commercial use, with an engine size not exceeding 159
kilowatts;

(b) used electric vehicle, imported for commercial use, with an engine size not exceeding 159 kilowatts, which is not older than three years from the year of manufacture;

(c) new electric vehicle, imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; and

(d) used electric vehicle, imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is not older than three years from the year of manufacture.

(2) In this paragraph, an “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

10. (1) Notwithstanding paragraph 1, motor vehicles tax shall not be charged, levied and collected in respect of a—

(a) new hybrid vehicle, imported for commercial use, with an engine size not exceeding 1599 cc;

(b) used hybrid vehicle, imported for commercial use, with an engine size not exceeding 1599 cc, which is not older than three years from the year of manufacture;

(c) new hybrid vehicle, imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; and

(d) used hybrid vehicle, imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than three years from the year of manufacture.

(2) In this paragraph, a “hybrid vehicle” means a vehicle
which is capable of being propelled by a combination of an internal combustion engine and an on-board rechargeable energy system or other energy storage device.”;

(b) in Part I of Appendix A, by inserting after item (9), in the columns headed “Class of Description of Motor Vehicles” and “Vehicle Tax $”, the following items:

“(10) Private Motor Cars which are manufactured to use compressed natural gas:

(a) new motor vehicles with an engine size not exceeding 1599 cc … … 4.00 per cc

(b) used motor vehicles, with an engine size not exceeding 1599 cc, which are not older than three years from the year of manufacture, … … 3.00 per cc

(11) Private Motor Cars which are manufactured as hybrid vehicles:

(a) new motor vehicles with an engine size not exceeding 1599 cc … … 4.00 per cc

(b) used motor vehicles, with an engine size not exceeding 1599 cc, which are not older than three years from the year of manufacture, … … 3.00 per cc”; and

(c) in Part IA of Appendix A, by inserting after item (7), in the columns headed “Class of Description of Motor Vehicles” and “Vehicle Tax $”, the following item:

“(8) Private Motor Cars:

(a) new motor vehicles with an engine size not exceeding 159 kilowatts … … 4.00 per kilowatt
(b) used motor vehicles with an engine size not exceeding 159 kilowatts, which are not older than three years from the date of manufacture 3.00 per kilowatt”.

3. The Income Tax Act is amended –
   (a) in section 18, by deleting the words “personal allowance of seventy-two thousand dollars” and substituting the words “personal allowance of eighty-four thousand dollars”; and
   (b) in the Seventh Schedule, in “Class B (Wear and Tear Rate)”, by deleting the word “25” wherever it appears and substituting the word “30”.

4. The Corporation Tax Act is amended –
   (a) in section 3, by deleting subsections (2) and (3) and substituting the following:
     “(2) In the case of a SME listed company, the rate of tax for the first ten years from listing on the Trinidad and Tobago Stock Exchange shall be broken down and calculated as follows:
     (a) zero per cent for the first five years from listing;
     and
     (b) fifteen per cent for the next five years immediately following the period referred to in paragraph (a),
     and thereafter at the rate of tax specified in paragraph 1 of the First Schedule.

     (3) In subsection (2), “SME listed company” means a Small and Medium Enterprise company listed on the Trinidad and Tobago Stock Exchange, namely a company whose –
     (a) minimum issued share capital is five million dollars and maximum issued share capital does not exceed fifty million dollars following the initial public offering;
     (b) minimum and maximum capital base comprises of issued share capital only and does not include retained earnings and accounts transferred from such issued share capital or retained earnings to a reserved account;
     (c) minimum of twenty-five unconnected shareholders own a total of at least thirty per cent of the new issued share capital of the company; and
     (d) capital is raised with the issuance of an initial
public offering to be followed by a listing on the Trinidad and Tobago Stock Exchange no more than sixty days after allotment of the issue.”;

(b) in section 10D –

(i) by inserting after subsection (4), the following subsections:

“(4A) Where deductions in respect of amounts contributed by a company to its catastrophe reserve fund have been allowed under this section, and the company reduces the value of the catastrophe reserve fund in accordance with section 44 (5)(c) of the Insurance Act, 2018, the amount of the reduction shall be taken into account in determining the chargeable profits of the company for that year.

(4B) Where deductions in respect of amounts contributed by a company to its catastrophe reserve fund have been allowed under this section, and the company reduces the value of the catastrophe reserve fund –

(a) in accordance with section 44 (5)(a) of the Insurance Act, 2018; or

(b) in the case of a foreign insurer, in accordance with section 49A (3)(a) of the Insurance Act, 1980,

the amount of the reduction shall be taken into account in determining the chargeable profits of the company for that year.”;

(ii) in subsection (5), by deleting the words “The trustee of the fund established by a company which ceases its property insurance business under subsection (4) shall-” and substituting the words “Where a company ceases its property insurance business under subsection (4), it shall – ”;

(iii) by repealing subsection (6) and substituting the following subsection:

“(6) A company that maintains a catastrophe reserve fund shall submit to the Board-
(a) accounts in respect of that fund within three months from the end of the accounting period of the company and in such form as specified by the Board including the following:

(i) the assets in the fund and the performance of those assets; and

(ii) the contributions to the fund and any reduction in the balance of the fund; and

(b) such other information as may be prescribed by the Board.

(6A) The accounts required to be submitted in accordance with subsection (6), shall be signed by two directors of the company.”;

(iv) in subsection (7) –

A. by inserting before the definition of “catastrophe reserve fund” the following definition:

““catastrophe losses” means any losses arising from-

(a) earthquake shock, fire following an earthquake or a flood caused by an earthquake;

(b) hurricanes, cyclones, tornadoes, windstorms, including rain and flood accompanying or caused by those perils;”;

B. by deleting the definition of “catastrophe reserve fund” and substituting the following definition:

““catastrophe reserve fund” or “fund” means-

(a) a fund established by a company under section 44 of the Insurance Act, 2018;

or

(b) in the case of a foreign insurer, a fund established under section 49A of the Insurance Act, 1980;”;

C. by inserting after the definition of “catastrophe reserve fund” the following definition:
“catastrophe risks” means risks in respect of catastrophe losses;”;

D. by deleting the definition of “company” and substituting the following definition:

“company” means –

(a) a company registered under the Insurance Act, 2018; or

(b) a foreign insurer registered under the Insurance Act, 1980,

to carry on property insurance business insuring against catastrophe risks;

E. by inserting after the definition of “company” the following definition:

“flood” includes an overflow of the sea;

“foreign insurer” means a branch of a foreign insurance company, which is registered under the Insurance Act, 1980 to carry on insurance business in Trinidad and Tobago;”;

F. in the definition of “net written premium income” by deleting the words “for catastrophe risk reinsurance”;

G. in the definition of “property insurance business” by inserting after the words “motor insurance business” the words “and includes risks of loss to the persons insured attributable to interruption of the carrying on of business carried on by them or to the reduction of the scope of business so carried on”;

(c) in section 10G(1), by deleting the words “six million dollars” and substituting the words “twelve million dollars”;

(d) in section 10I(1), by deleting the words “six million dollars” and substituting the words “twelve million dollars”;

(e) in section 10J, by deleting the words “six million dollars” and substituting the words “twelve million dollars”;

(f) in section 10K, by deleting the words “six million dollars” and substituting the words “twelve million dollars”;

(g) in section 10L –
(i) in subsection (1), by deleting the words “six million dollars” and substituting the words “twelve million dollars”; and
(ii) in subsection (2), by deleting the words “four million dollars” and substituting the words “eight million dollars”;
(h) in section 10Q(1), by deleting the words “six million dollars” and substituting the words “twelve million dollars”;
(i) by inserting after section 10Q the following sections:

<table>
<thead>
<tr>
<th>Deductions of expenditure for investment in tech start-up and new-tech business.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10R. (1) Where in a year of income commencing from 01st January 2021, a company incurs expenditure in investing in a tech start-up or a new-tech business, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to one hundred and fifty per cent of the actual expenditure incurred in respect of such investment up to a maximum of three million dollars.</td>
</tr>
<tr>
<td>(2) For the purposes of this section, “tech start-up” or “new-tech business” means a company incorporated within three years from 01st January, 2020 whose purpose is to provide digital technology products or services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions of expenditure for engaging in technology solution.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10S. (1) Where in a year of income commencing from 01st January 2021, a company incurs expenditure in engaging in technology solution and digitization, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to one hundred and fifty per cent of the actual expenditure incurred, up to a maximum of three million dollars.</td>
</tr>
<tr>
<td>(2) For the purposes of this section, “technology solution” means a set of related software programmes or services that are sold as a package.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions of expenditure for creating youth employment in the technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>10T. (1) Where in a year of income commencing from 01st January 2021, a company incurs expenditure in creating employment in a technology industry, where the employees comprise a majority of young people, there shall be allowed as a deduction, in ascertaining the chargeable profits of the company for that year of income, an allowance equal to one hundred and fifty per cent of the actual expenditure incurred</td>
</tr>
</tbody>
</table>
industry.

in respect of such creation of employment, up to a maximum of three million dollars.

(2) For the purposes of this section—

“technology industry” means developers of computer software and hardware, providers of cloud services, internet services, e-commerce services, consumer electronics services and telecommunication services;

“young people” means a person between the ages of eighteen and thirty-five years of age.”;

(j) in section 16, by repealing subsection (1) and substituting the following subsection:

“(1) Subject to this section, for the purpose of ascertaining the chargeable profits of an approved property development company, there shall be deducted from any capital expenditure incurred by that company in the construction of a building that is to be used for commercial or industrial purposes by the company or a purchaser or lessee thereof—

(a) an amount equal to fifteen per cent, in the case where construction of the building is proved to the satisfaction of the Board to have commenced before 31st December 2005 and is completed on or before 31st December 2007 or to have commenced on or after 1st January 2008 and is completed on or before 31st December, 2014; or

(b) an amount equal to twenty per cent, in the case where construction of the building is proved to the satisfaction of the Board to have commenced on or after 1st January, 2015 and is completed on or before 31st December, 2024.”; and

(k) in the Fourth Schedule-

(i) in paragraph 3(1), by deleting the words “policy account” and substituting the words “policy accounts”; and

(ii) in paragraph 4A, by deleting the words “credited to the policy accounts and”.

13
5. The Petroleum Taxes Act is amended in the Third Schedule –

(a) in Part A, by inserting after item 3 the following new item:

“Small Onshore Producers

3A. The tax chargeable in respect of small onshore producers is hereby computed and fixed for the financial years 2021 and 2022 as follows:

(a) where the weighted average crude oil price is U.S. $75.00 per barrel or less, no tax is chargeable”; and

(b) where the weighted average crude oil price is between U.S. $75.01 and U.S. $90.00 per barrel, the tax is chargeable at the rates set out in the Small Onshore Producers - Scale of Supplemental Petroleum Tax Rates in Part B;

(c) where the weighted average crude oil price is between U.S. $90.01 and U.S. $200.00 per barrel, the tax is chargeable at rates based on the following sliding scale:

\[
SPT \text{ rate} = \text{Base SPT rate} + 0.2\% \times (P - \text{U.S. } $90.00)
\]

Base SPT rate = 18%
SPT = supplemental petroleum tax
P= weighted average crude oil price in USD;”

3B. For the purposes of item 3A, “small onshore producer” means a person who carries out petroleum operations on land under a licence, sub-licence or contract and produces less than two thousand barrels of crude oil per day.”; and

(b) in Part B, insert the following table:

“Small Onshore Producers - Scale of Supplemental Petroleum Tax Rates”

<table>
<thead>
<tr>
<th>PRICE U.S. $</th>
<th>Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>$75.00</td>
<td>0</td>
</tr>
<tr>
<td>75.01 and 90.00</td>
<td>18</td>
</tr>
<tr>
<td>90.01 and 200.00</td>
<td>SPT rate = Base SPT rate + 0.2% (P-$90.00)</td>
</tr>
<tr>
<td>200.01 and over</td>
<td>40</td>
</tr>
</tbody>
</table>
The Value Added Tax Act is amended in Schedule 2 –

(a) in item 8 (2) –
   (i) in paragraph (a), delete the words “imported for private or commercial use” and substitute the words “imported for commercial use”;
   (ii) in paragraph (b) –
      A. delete the words “imported for private or commercial use” and substitute the words “imported for commercial use”; and
      B. delete the words “older than four years” and substitute the words “older than three years”; and
   (iii) in paragraph (d), delete the words “older than four years” and substitute the words “older than three years”;

(b) in item 8 (4) –
   (i) in paragraph (a), delete the words “imported for private or commercial use” and substitute the words “imported for commercial use”;
   (ii) in paragraph (b) –
      A. delete the words “imported for private or commercial use” and substitute the words “imported for commercial use”; and
      B. delete the words “older than four years” and substitute the words “older than three years”; and
   (iii) in paragraph (d), delete the words “older than four years” and substitute the words “older than three years”;

(c) by deleting item 8(6);

(d) in item 43 –
   (i) delete the words “private or” wherever they occur;
   (ii) delete the words “four years” and substitute the words “three years”; and
   (iii) delete sub-item (5); and

(e) by inserting the following new items:
   “46. The items contained in the First Schedule to the Customs Act under Tariff Heading Number 8471.30.00, being laptop computers, notebook computers and tablet computers.

47. The items contained in the First Schedule to the Customs Act under Tariff Heading Number 8517.12.10, being mobile and digital equipment, cell phones, software, accessories and peripherals.”.
7. The Stamp Duty Act is amended in the First Schedule –
   (a) under the Exemption heading “Conveyance or transfer on
       sale of any property”, in item (1A), by deleting the words
       “for every dollar of the first two hundred and fifty thousand
       dollars in excess of one million five hundred thousand
       dollars;” and substituting the words “for every dollar of the
       first two hundred and fifty thousand dollars in excess of
       two million dollars;”;
   (b) under the Exemption heading “Mortgage Deeds for first-
       time homeowners …”, by deleting the words “one million,
       five hundred thousand dollars,” and
       substituting the words “two million dollars.”.

8. The Miscellaneous Taxes Act is amended by inserting after section
   72, the following section:
   “No online purchase tax.

73. Notwithstanding section 70, the online purchase tax
    shall not be charged in respect of—
       (a) laptop computers, notebook computers and tablet
           computers classified under Tariff Heading Number
           8471.30.00 of the First Schedule of the Customs
           Act; and
       (b) mobile and digital equipment, cell phones, software,
           accessories and peripherals classified under Tariff
           Heading Number 8517.12.10 of the First Schedule
           of the Customs Act.”.

9. The Customs Act is amended –
   (a) by deleting sections 45B and 45C and substituting the
       following sections:

       45B. (1) Notwithstanding section 6 and the
           First Schedule, import duty shall not be
           imposed in respect of a—
           (a) new electric vehicle which is imported
               for commercial use, with an engine size
               not exceeding 159 kilowatts;
           (b) used electric vehicle, imported for
               commercial use, with an engine size not
               exceeding 159 kilowatts, which is not
               older than three years from the year of
               manufacture;
           (c) new electric vehicle which is imported
               …
for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts; or
(d) used electric vehicle imported for commercial use, with an engine size exceeding 159 kilowatts but not exceeding 179 kilowatts, which is not older than three years from the year of manufacture.

(2) In this section, an “electric vehicle” means a vehicle which is propelled by an electric motor powered by a rechargeable battery pack or other energy storage device.

Exemption re hybrid vehicles

45C. (1) Notwithstanding section 6 and the First Schedule, import duty shall not be imposed in respect of a —
(a) new hybrid vehicle which is imported for commercial use, with an engine size not exceeding 1599 cc;
(b) used hybrid vehicle, imported for commercial use, with an engine size not exceeding 1599 cc, which is not older than three years from the year of manufacture;
(c) new hybrid vehicle which is imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc; or
(d) used hybrid vehicle, imported for commercial use, with an engine size exceeding 1599 cc but not exceeding 1999 cc, which is not older than three years from the year of manufacture.

(2) In this section, a “hybrid vehicle” means a vehicle which is capable of being propelled by a combination of an internal combustion engine and an on-board rechargeable energy system or other energy storage device.

Exemption re CNG vehicles

45D. (1) Notwithstanding section 6 and the First Schedule, import duty shall not be imposed in respect of a —
(a) new CNG vehicle which is imported for commercial use, with an engine size not exceeding 1599 cc;
(b) used CNG vehicle, imported for commercial use, with an engine size not exceeding 1599 cc, which is not older than three years from the year of manufacture;
(c) new CNG vehicle which is imported for commercial use, with an engine size exceeding 1599 cc; or
(d) used CNG vehicle, imported for commercial use, with an engine size exceeding 1599 cc, which is not older than three years from the year of manufacture.

(2) In this section, a “CNG vehicle” means a vehicle which is manufactured to use Compressed Natural Gas.”;

(b) in the First Schedule, by deleting the rate of duty in respect of the Tariff Heading and Description of Goods set out below in the First and Second Columns respectively and substituting the rate of duty set out in the Third Column

<table>
<thead>
<tr>
<th>HEADING</th>
<th>DESCRIPTION OF GOODS</th>
<th>RATE OF DUTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>87.03</td>
<td>Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.</td>
<td>Other vehicles, with spark-ignition internal combustion reciprocating piston engine:</td>
</tr>
</tbody>
</table>
8703.21.90  Other, of a cylinder capacity not exceeding 1,000 cc  20%

8703.22.90  Other, of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc  20%

8703.23.20  Other, of a cylinder capacity exceeding 1,500 cc but not exceeding 1,599 cc  20%

8703.90.00  Other  20%; and

(c) in Part A of the Second Schedule, by inserting after item 27(b) in the columns headed “General Heading”, “Item No.” and “Goods exempt from payment of Customs Duty”, the following item:

“Mobile and digital equipment, cell phones, software, accessories and peripherals classified under Tariff Heading Number 8517.12.10 of the First Schedule.”.

Commencement

10. This Act comes into effect on the 1st day of January 2021.

Passed in the House of Representatives this 11th day of December, 2020.

Clerk of the House

I confirm the above and certify that this is a Money Bill.

Speaker

Passed by the Senate this day of , 2020.
I confirm the above.

President of the Senate

Clerk of the Senate