

Recommendation 3

18.2.18 We further recommend that the beneficiary of duty exemption on a car:

- (a) should reimburse excise duty on a pro-rata basis in case of termination of employment or resignation from office within four years as from the date of purchase of the last duty exempted car;
- (b) proceeding on retirement would not be required to refund any excise duty provided the duty exempted car is not sold within four years as from the date of purchase;
- (c) should pay proportionate duty if the duty exempted car is sold within four years as from the date of purchase in accordance with relevant provisions of the Excise Act;
- (d) proceeding on retirement and to whom a 70% or 100% duty exemption certificate has been granted would be allowed to utilise same within six months after the effective date of retirement;
- (e) would be allowed to renew his duty exempted car after an aggregate period of five or seven years, whichever is appropriate, as from the date of purchase of the car excluding any period of leave without pay and/or any period during which he has drawn a monthly car allowance in lieu of duty exemption;
- (f) who has purchased a 100% duty remitted car and is subsequently promoted to a grade qualifying him for a self/chauffeur driven government official car within four years as from the date of last purchase of the car should continue to be exempted from reimbursement of proportionate excise duty notwithstanding the provisions at paragraph (c) above;
- (g) who has purchased a car of up to 2250 cc and has paid excise duty on the difference between a 1400 cc or 1500 cc or 1601 cc or 1850 cc car and a car of up to 2250 cc should, if he opts to retain the car on qualifying for a 1500 or 1601 or 1850 cc car, be refunded proportionate excise duty, if any, thereon as from the date he qualifies for a 1500 or 1601 or 1850 cc car; and
- (h) who qualifies for a higher rate of duty exemption on a car or higher engine capacity should, in the first instance, take advantage of this enhanced benefit and only after five/seven years, as appropriate, may opt for deferred renewal for higher rate of duty exemption/engine capacity.

Change in Entitlement

Recommendation 4

18.2.19 We also recommend that an officer who has taken advantage of 70% duty exemption and qualifies, by virtue of salary, for 100% duty exemption on or after 01 January 2016 or purchased a 70% or 100% duty exempted car

