

Government of Pakistan
Central Board of Revenue
Facilitation and Tax Education Wing
(Help Line Center)

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IMPORT OF VEHICLES MEANT FOR TRANSPORT OF PASSENGERS

1. The current Trade Policy and Customs rules permits import of vehicles meant for transport of passengers under the following three schemes:
 - Transfer of residence
 - Gift
 - Personal baggage
2. The following table explains the applicable terms and conditions of the above mentioned three schemes for import of vehicles meant for transport of passengers:

Table – I

S. No.	Requirements	Transfer of Residence Scheme	Gift Scheme	Personal Baggage Scheme
		Applicable terms and conditions		
1.	Period of stay out-side Pakistan (abroad) of the importer	More than two years	More than two years	More than six months
2.	Registration of the vehicle abroad	Compulsory and in the name of the importer for at least one year	Not applicable	Compulsory and in the name of the importer for at least sixty days
3.	How old can be the vehicle	More than two years old model (year of manufacturer)	Not more than two years old model (year of manufacturer)	Not more than two years old model (year of manufacturer)

4.	Documents	a. Registration book of the vehicle attested by the Pakistan High Commission b. Valid driving license of the importer c. Bill of lading (B/L), if applicable	a. Gift undertaking attested by Pakistan High Commission b. Earning certificate. c. Bill of lading (B/L), if applicable	a. Registration book of the vehicle attested by the Pakistan High Commission b. Valid driving license of the importer c. Bill of lading B/L, if applicable
5.	Donee (To whom the vehicle can be gifted)	Not applicable	a. By parents to children (adult) b. By children (adult) to parents c. By either of the spouse <u>Cannot be gifted to sister or brother</u>	Not applicable

3. Two different regimes are in-force for levy of the taxes payable on import of vehicles, under the above schemes. In this facilitation material, these are referred as **Special Regime** and **Normal Regime**.

- Special Regime covers certain specified Old and Used vehicles.
- Normal Regime covers all New and Old and Used vehicles not covered under special regime.

SPECIAL REGIME

4. The applicable consolidated taxes, ***irrespective of the value of the vehicle and the optional or additional accessories***, covering Custom Duty, Sales Tax, Income Tax and Capital Value Tax on import of the following Old and Used vehicles meant for transport of passengers under any of the above mentioned three schemes is as under:

TABLE – II

S. No.	Type of vehicle	Taxes
1.	Upto 800 CC (Asian makes only)	US\$ 4,000
2.	Upto 800 CC (Other than Asian makes)	US\$ 6,000
3.	From 801 CC to 1000 CC	US\$ 5,000
4.	From 1001 CC to 1300 CC	US\$ 10,000
5.	From 1301 CC to 1500 CC	US\$ 14,000
6.	From 1501 CC to 1600 CC	US\$ 17,000
7.	From 1601 CC to 1800 CC excluding jeeps (Asian makes only)	US\$ 21,000

5. The amount of taxes stated in Table – II, above, are reduced on account of depreciation of the vehicle at the rate of 2% for each completed month subject to a maximum of 50%.

Each completed month for depreciation is calculated from the date of first registration abroad of the vehicle to the date of entry into Pakistan.

6. The amount of taxes stated in Table – II, above, are payable in US Dollars or equivalent amount in Pak Rupees converted at the rates prevailing at the time of making the payment of the taxes.

NORMAL REGIME

7. The applicable taxes on import of the following Old and Used vehicles or New vehicles meant for transport of passengers under any of the above mentioned three schemes is as under:

TABLE – III

S. No.	Type of vehicle	Customs Duty	Sales Tax	Income Tax	Capital Value Tax
Old and Used vehicles					
1.	From 1601 CC to 1800 CC (Other than Asian makes)	65.00%	15.00%	6.00%	7.50%
2.	From 1601 CC to 1800 CC (Jeeps)	65.00%	15.00%	6.00%	7.50 %
3.	From 1801 CC and above	75.00%	15.00%	6.00%	7.50 %
New Cars					
1.	Upto 800 CC	50.00%	15.00%	6.00%	Nil %
2.	From 801 CC to 1000 CC	50.00%	15.00%	6.00%	3.75 %
3.	From 1001 CC to 1300 CC	50.00%	15.00%	6.00%	5.00 %
4.	From 1301 CC to 1500 CC	50.00%	15.00%	6.00%	6.25 %
4.	From 1501 CC to 1600 CC	65.00%	15.00%	6.00%	6.25 %
2.	From 1601 CC to 1800 CC	65.00%	15.00%	6.00%	7.50 %
3.	From 1801 CC and above	75.00%	15.00%	6.00%	7.50 %

8. The value of a vehicle for the purposes of levy of above taxes is determined as under:
- a. Export models - FOB Value at the time of its manufacture, as certified by the manufacturers or their authorized local agents.
 - b. Domestic models - FOB values for similar export models certified by the manufacturers or their authorized agents loaded by 5% of the C&F value.
 - c. In addition, the followings incidental charges and cost are added:
 - i. Value of optional/additional accessories;
 - ii. Local agents commission;
 - iii. Ocean/air freight calculated from the country where originally manufactured;
 - iv. Insurance in the country where manufactured or where first registered (in case of non-availability of insurance memo an amount equivalent to 1% of C&F value);

- v. Landing charges at the rate of 1% of the CIF value;
- vi. Other incidental charges;

9. In case of Old and Used vehicles, the value determined as above, is reduced on account of depreciation of the vehicle at the rate of 2% for each completed month subject to a maximum of 50%.

Each completed month for depreciation is calculated from the date of first registration abroad of the vehicle to the date of entry into Pakistan.

10. Once the value is determined the amount of taxes payable are calculated as under:

Value determined		Rs. 1,000,000	=====
Custom Duty	- applicable rate 50%		
	(50% of value determined i.e. Rs. 1,000,000)	Rs. 500,000	
Sales Tax	- applicable rate 15%		
	(15% of Value determined Rs. 1,000,000 plus		
	Custom Duty Rs. 500,000 i.e. Rs. 1,500,000)	Rs. 225,000	
Income Tax	- applicable rate 06%		
	(06% of Value determined Rs. 1,000,000 plus		
	Custom Duty Rs. 500,000 plus		
	Sales Tax Rs. 225,000 i.e. Rs. 1,725,000)	Rs. 103,500	
Capital Value Tax	- applicable rate 7.5%		
	(7.5% of Value determined Rs. 1,000,000 plus		
	Custom Duty Rs. 500,000 plus		
	Sales Tax Rs. 225,000 i.e. Rs. 1,725,000)	Rs. 129,375	-----
Total Taxes		Rs. 957,875	=====

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