

# Importing a Car

**T**he import of cars into Pakistan by individuals is rare as such cars are usually imported by automobile dealers. However, if you want to import a car, be ready to go through a cumbersome procedure and willing to pay a heavy price.

Under the Import Trade and Procedure Order 2000, the criteria for all legal imports of cars are as follows:

- 1** Only Pakistani nationals can import new and/or second hand car once every two years.
- 2** You may gift an imported car only to immediate family members (siblings, parents, spouse, and children) and to do so you must have resided abroad for at least 780 days.
- 3** To import a car as part of your personal baggage allowance, you must have resided abroad for at least 180 days.

The Government of Pakistan levies two different tax regimes with respect to the import of cars.

**1 Special regime taxes.** These are levied only on specified second hand cars, depending on engine capacity, the duty ranges from US\$ 4,000 (for an 800cc Asian car) to US\$ 21,000 (for 1,600 and 1,800cc).

**2 Normal regime taxes.** These are applied on new and those second hand cars that are not part of the special regime. The taxes take into account the engine capacity and the value of the car. Commonly imposed taxes under this banner include custom duty, sales tax, income tax on sales tax and a special federal excise duty.

At the end of it all, be ready to pay approximately 100% more than the original price of the car. You will also have to pay additional taxes on any car accessories, freight, landing charges and insurance charges and local agent commissions.

The documentation required includes the purchase receipt of the car, original passport and a photocopy attested by the Pakistani Embassy of the country from where you are importing the car, bill of lading and in the case of a second hand car, registration documents. These documents must be attached to an import authorisation form and sent to the Deputy Collector In-charge for approval. Once you have paid the necessary taxes and your documents are cleared, you will then be given an import clearance.