



**Import Taxes**

# **EU Import Taxes**

# Import Duties

$$Y \times X\% = \text{Import Duty}$$

Y = Customs Value, X = Duty Rate (%)

## Tariff Rates

In the EU, tariffs are harmonised. This means that the same duty rates apply in all EU states when importing from non-EU countries. Each product is classified according to a 10-digit HS code, which combined with the origin of the country, determines the applicable duty rate.

**Search Rates:** EU Duty Rate Databank (TARIC Consultation) ([Link](#))

The screenshot shows the search interface for the EU Duty Rate Databank (TARIC Consultation). It features a navigation bar with tabs for 'Measures', 'Geographical areas', and 'Regulations'. The main search area is titled 'Search by goods code and geographical area' and includes a 'Goods code' input field with a '[Browse]' link, an 'Origin/destination' dropdown menu set to 'China - CN', and a '[Hide the advanced search]' link. Below this is a 'Textual search' section with a text input field containing 'Watches' and a language dropdown set to 'en'. The 'Measure type' section has a dropdown menu with '----Import----' selected, showing a list of measure types such as 'Additional duties', 'Additional duties (safeguard)', and 'Additional duty (poultry) based on cif price'. To the right, there are input fields for 'Order number' and 'Legal base' (with an example '(e.g. R2842/72, D0456/75)'). The 'Measure start date' section includes a 'Between' range selector with date inputs and buttons for '[<]', '[>]', '[Last week]', and '[Last month]'. A 'Retrieve Measures' button is located at the bottom left. At the bottom of the interface, it states 'The current reference date for the query is 08-04-2015 [Change the reference date]'.

**Tip:** Use Textual search if you don't have the goods code (HS code)

## Customs Valuation

$$\text{Customs Value} = \text{Product Cost} + \text{Freight Cost} + \text{Insurance}$$

In the European Union, the customs value is based on the CIF (Cost, Freight, and Insurance) price, which includes the following:

- Unit cost (as declared on the Commercial Invoice)
- Insurance cost
- Freight cost (to Port of Destination)

### Additional Costs

Additional costs (also called 'assists') may also include the following:

- Tooling costs
- Paid product samples
- Paid services (i.e., design services paid to the supplier)

## Value Added Tax (VAT)

$$(\text{Y} + \text{Import Duty}) \times \text{VAT Rate (\%)}$$

$$\text{Y} = \text{Customs Value}$$

VAT is paid on imports from outside the EU. You will pay the VAT rate applicable in the country you import the goods too. Note that the import VAT can be deducted from the sales VAT.

**VAT Rates:** VAT rates in EU countries and the United Kingdom ([Link](#))

# Calculation

Cost	Calculation	Sub Total	Comment
<b>Product Costs</b>			
<b>Unit Price (FOB)</b>	\$20 x 1000 pcs	\$20,000	Included in Customs Value
<b>Tooling</b>	\$0	\$0	Included in Customs Value
<b>Shipping Costs (Non-EU)</b>			
<b>Freight Cost (CIF)</b>	\$400 x 1.2 cbm	\$480	Included in Customs Value
<b>Insurance</b>	$(\$20,000 + 0.1 \times \$20,000) \times 0.5\%$	\$110	Included in Customs Value
<b>Shipping Costs (EU)</b>			
<b>Local Charges</b>	\$350 x 1.2 cbm	\$420	<b>Not</b> Included in Customs Value
<b>Inland Transportation</b>	\$200	\$200	<b>Not</b> Included in Customs Value
<b>Taxes</b>			
Import Duty	$(\$20,000 + \$480 + \$110) \times 2\%$	\$411.8	Duty rate at <b>2%</b> assumed
VAT	$(\$20,000 + \$480 + \$110 + 411.8) \times 20\%$	\$4200.36	VAT rate of <b>20%</b> assumed
<b>Total</b>	$\$20,000 + \$0 + \$480 + \$110 + \$420 + \$200 + \$411.8 + \$4200.36$	<b>\$25,822.16</b>	Includes VAT