IOR UAE — Import VAT Checklist

Calculate · File · Reclaim — Global Compliance Guide

1. What Is Import VAT?

Import VAT is a consumption tax applied when goods cross borders. It’s charged on the total customs value of the shipment — including the cost of goods, freight, insurance, and any applicable duties. The Importer of Record (IOR) is legally responsible for paying and reporting it.

2. Calculation Formula

Import VAT = (Customs Value + Freight + Insurance + Duties + Charges) × VAT Rate

Component	Amount (USD)	Included in VAT Base?	Notes
Goods (Invoice Value)	10,000	Yes	Transaction value
Freight & Insurance	1,000	Yes	Included in customs value
Customs Duty	500	Yes	VAT applies on duty as well
Handling Fees	100	Depends	Varies by jurisdiction
VAT Rate	10%	—	Based on local rules
Total Import VAT Due	1,160 USD	Calculated	—

Tip: Confirm the correct VAT rate for each product type and destination before shipping.

3. Who Pays Import VAT?

- Importer of Record (IOR): Legally responsible for payment and declaration.
- Freight Forwarder / Broker: May advance VAT on behalf of the importer.
- Courier or Postal Service: Often collects VAT for low-value or e-commerce shipments.

4. Documentation Checklist

Keep these records to ensure correct VAT handling and enable reclaim.

Required Documents	Purpose
Commercial Invoice	Declares goods’ value and origin
Packing List	Supports customs inspection
Import Declaration / Customs Entry	Official proof of import
Freight & Insurance Documents	Establish total shipment value
Proof of VAT Payment (Customs Receipt)	Confirms tax settlement
VAT Registration / Tax ID	Enables reclaim in most countries

5. Reclaim & Compliance Notes

VAT-registered importers can reclaim Import VAT as input tax (subject to local laws). Non-resident entities may reclaim through fiscal representation or refund programs. Keep all import and VAT records for at least five years and ensure invoice, customs entry, and payment records align precisely.

6. Why Accurate Import VAT Matters

Proper VAT management prevents overpayment, protects compliance records, and improves cash flow by enabling timely reclaims.

IOR UAE Trade Compliance Experts

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