Compilation of Foreign Motor Vehicle Import Requirements

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Introduction

The Compilation of Foreign Motor Vehicle Import Requirements is designed to provide motor vehicle exporters with market data and worldwide automotive import restrictions for the major automotive markets around the world.

The U.S. Department of Commerce, Office of Transportation and Machinery, Automotive Industries Team, collects, compiles, and disseminates the information available in this document. However, it should be noted that the assistance of Commerce's country specialists (Global Market) and overseas representatives (USFCS) played an important role in making this document possible.

This document is updated periodically and every attempt is made to ensure its accuracy. Due to the numerous amounts of information sources and changes in countries' import requirements, the Office of Transportation and Machinery cannot guarantee the accuracy of all the material contained in this document.

This document is also available on the Office of Transportation and Machinery's homepage: http://trade.gov/td/otm/auto.asp.

COUNTRIES OF THE WORLD THAT DRIVE ON THE LEFT SIDE OF THE ROAD

Anguilla	Mauritius
Antigua	Montserrat
Australia	Mozambique
Bahamas	Namibia
Bangladesh	Naunu
Barbados	Nepal
Bhutan	New Zealand
Botswana	Norfolk Islands
British Virgin Islands	Pakistan
Brunei	Papua New Guinea
Cayman Islands	Pitcairn Island
Channel Islands	St. Helena
Christmas Island	St. Kitts and Nevis
Cooke Islands	St. Lucia
Cocos Island	St. Vincent
Cyprus	Seychelles
Dominica	Singapore
Falkland Islands	Solomon Islands
Fiji	Somalia
Granada	South Africa
Guyana	Sri Lanka
Hong Kong	Surinam
India	Swaziland
Indonesia	Tanzania
Ireland	Thailand
Isle of Man	Tonga
Jamaica	Trinidad and Tobago
Japan	Turks and Caicos Islands
Kenya	Uganda
Kiribati	United Kingdom
Lesotho	Virgin Islands (U.S.)
Macao	Zambia
Malawi	Zimbabwe
Malaysia	
Malta	

Top Markets for U.S. Exports of New Cars And All Light Trucks

	2012	2013	2014
Canada	743,478	791,532	870,025
China	153,570	233,693	307,425
Mexico	159,415	153,738	151,902
Germany	168,522	135,048	147,680
Saudi Arabia	145,328	139,038	104,074
United Arab Emirates	61,443	69,381	63,901
Australia	30,915	44,857	61,052
Russia	21,935	48,298	60,766
United Kingdom	35,895	36,343	42,194
Korea	20,086	25,192	32,213

Top Markets for U.S. Exports of Used Cars

	2012	2013	2014
Mexico	62,434	106,136	102,157
United Arab Emirates	90,567	80,740	82,584
Nigeria	92,019	102,022	74,890
Benin	63,462	53,934	54,192
Cambodia	19,143	17,695	23,990
Jordan	26,369	34,571	23,766
Dominican Republic	17,871	17,984	19,738
Georgia	10,423	16,971	18,855
Saudi Arabia	43,103	26,640	18,651
China	121,138	14,920	18,007

NORTH AMERICAN COUNTRIES SURVEYED:

NAFTA

Motor vehicle trade between the United States, Canada, and Mexico are bound by the terms of the 1994 North American Free Trade Agreement (NAFTA), which may be found at: https://www.nafta-sec-alena.org/Home/Legal-Texts/North-American-Free-Trade-Agreement . Specific coverage of the automotive sector is contained in Annex 300A of Chapter 3 of the Agreement. The text is available at: http://www.sice.oas.org/trade/nafta/anx300a1.asp. An exporter's guide may be accessed by clicking on the "NAFTA" tab of the U.S. Commerce Department's Trade Information Center web site at: http://www.trade.gov/td/tic/.

CANADA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	20,450,000	20,652,000	21,261,660
Commercial Use Vehicles	970,000	1,053,000	1,072,134

Source: Ward's Motor Vehicle Data

The Canadian Border Services Agency also maintains a web page with pertinent information for motor vehicle importers. Many of the details from that web page are found below. This page can be found at: http://www.cbsa-asfc.gc.ca/publications/pub/bsf5048-eng.html

Regulations governing automotive trade between the United States and Canada were first liberalized by the Canada-U.S. Automotive Trade Products Act of 1965, and further relaxed by the Canada-U.S. Free Trade Agreement of 1989, before being subsumed into the NAFTA in 1994.

Duties:
There are no customs duties on Canadian imports from the United States of motor vehicles or of automotive parts that meet the NAFTA rule of origin (in essence, 62.5 percent of the value of the vehicle must originate within NAFTA). Vehicles and components that do not comply with the rule of origin are subject to a 6.1 percent duty.

Taxes:
All Canadian imports are also subject to sales taxes applicable at the moment of clearing customs, "goods and services tax" (GST) or "harmonized sales tax" (HST) depending on the province. They are calculated on the sum of the Customs-valued import and applicable duty.

The current applicable taxes are:

Province	NL	NS	PE	NB	QC	ON	MB	SK	AB	BC
GST rate	n/a	n/a	n/a	n/a	5%	n/a	5%	5%	5%	5%
HST rate	13%**	15%	14%	13%	n/a	13%	n/a	n/a	n/a	n/a

**Rate as of October 2015. Scheduled to increase to 15% in January 2016

Air conditioners designed for use in vehicles are subject to an excise tax of CD $100. The excise tax on fuel-inefficient vehicles ranges from CD $1,000 to CD $4,000, which applies to passenger vehicles calculated based on the weighted average of fuel consumption rating. The heavy vehicle weight tax is repealed as of March 20, 2007. Further information on excise taxes on automobiles can be found at http://www.cra-arc.gc.ca/E/pub/et/etsl64/etsl64-e.html

Safety and Emissions Compliance:
Vehicles 15 years old or more based on the date of manufacture, or buses manufactured before January 1, 1971 are no longer regulated under Canada Motor Vehicle Safety Standards (CMVSS) by virtue of their age and exempt from the Registrar of Imported Vehicles (RIV) registration. While Transport Canada does not regulate the importation of such vehicles, they must still meet provincial/territorial safety and licensing requirements.

Vehicles less than 15 years old, or buses manufactured on or after January 1, 1971 may be imported provided that they are modified to comply with CMVSS (http://www.tc.gc.ca/eng/acts-regulations/regulations-crc-c1038.htm) and must be entered into RIV program upon crossing the border. These vehicles must also comply with the provincial/territorial safety and licensing requirements.

A list of vehicles admissible can be found at http://www.tc.gc.ca/eng/roadsafety/safevehicles-importation-usa-index-445.htm. Admissible vehicles (excluding competition vehicles, snowmobile cutters, and all terrain vehicles) must be certified by original equipment manufacturers (OEMs) to all applicable U.S. Federal Motor Vehicle Safety Standards (FMVSSs). Vehicles modified from their original state other than regular maintenance may not be imported. Also, confirmation of no outstanding recalls on vehicles is required before the inspection form can be released by the RIV.

The RIV Program assures that qualifying vehicles are modified, inspected, and certified to meet Canadian safety standards. The RIV Program registration fee is $195 Canadian in all provinces. In Quebec there is an additional Quebec Sales Tax (QST) charged (9.975 percent of the value plus the GST).

For further information on the RIV program see website at: www.riv.ca/english/html/about_riv.html. Livingston International administers the RIV program on behalf of Transport Canada and can be reached at 1-888-848-8240, Fax: (416)-626-0366.

MEXICO - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	22,961,571	23,588,137	24,286,354
Commercial Use Vehicles	9,881,728	9,688,940	10,093,201

Source: Ward's Motor Vehicle Data

The North American Free Trade Agreement supplanted Mexico's Automotive Decrees on light and heavy vehicles, providing for the staged elimination of Mexican tariffs, market access restrictions, import trade balancing requirements, and market share restrictions. With only the one exception noted below, all barriers have been eliminated on imports from the U.S. that meet NAFTA rule of origin.

Tariffs:
The following free duty advantage is applicable only to vehicles, trucks, and auto parts that comply with a NAFTA Certificate of Origin.

- The tariff applied to cars is zero percent.
- The tariff applied to trucks is zero percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is zero percent.
- Regular duty 20% for non-NATFANAFTA new vehicles or trucks and 50% for non-NATFANAFTA used vehicles and trucks. Non-NATFANAFTA parts have five percent tariff but might increase depending on country of origin.

Taxes:
- Value Added Tax is 16 percent nationwide
- ISAN – New vehicle taxation applied upon vehicle's value; as follows:

New vehicle value	**Extra percentage and fixed quota**	
Up to $233,343.40 MXP	2%	no quota
More than $233,343.40 MXP	5%	plus $4,666.79 MXP
More than $280,012.02 MXP	10%	plus $7,033 MXP
More than $326,680.84 MXP	15%	plus $11,667.19 MXP
More than $420,017.94 MXP	17%	plus $25,667.73 MXP

- **IGI payment (General Import Tax)**

IGI payment (General Import Tax)

Model Years	Mixed Tax
5	1% + USD$300
6	1% + USD$250
7	1% + USD$200
8	1% + USD$150
9	1% + USD$100
10 or more	1% + USD$50

Import Restrictions:

- Imports of used automobiles and heavy trucks have requirements for the importer and custom agent.
- Imports of remanufactured parts is allowed. However, U.S. remanufacturers cannot comply with NATFA Certificate due to the remanufacturing process in sourcing parts from overseas.

Used Vehicles:

- As originally negotiated, NAFTA allowed Mexico to continue to restrict imports of used vehicles until January 1, 2009, when a 10-year phase out based on vehicle age would commence, subject to new requirements.

- New decrees issued by Mexico came into force changing the requirements for imports of used vehicles, reducing imports. Changes dated February 14, 2005, August 22, 2015, April 26, 2006, February 1, 2008, December 24, 2008, January 26, 2009, July 1, 2011, January 31, 2013 and latest on August 29, 2014.

- The Mexican government maintains the allowed entry of used vehicles from the United States and Canada, subject to new requirements for the importers if qualify as:

    - **Persona Fisica:** Individuals can import one used vehicle during a twelve-month period without the requirement of signing up to the Padron de Importadores, which is Mexico's official importers registry. Once imported, vehicles should be registered in accordance with the Public Vehicle Registry Law (Repuve). If they need to import more than one used vehicle, they should be signed up in the Padron de Importadores and have a RFC (Federal Taxpayer's Registration).

    - **Persona Moral:** Companies or proprietors can also import one used vehicle in a twelve-month period without the requirement of signing up to the Patron de Importadores, which is Mexico's official importers registry. For unlimited number of used vehicles they can import them as long as they are signed up at the Padron de Importadores. In addition, they are mandated to provide import records on a monthly basis to the Mexican Government Entity for Taxation (SAT).

- **Requirements for Importers**

- Customs Agent (affiliated to custom of entry of vehicle)
- Bill of Lading for permanent import per car with code as Appendix 2 and Annex 2
- Invoice stamped "shipper export" by US customs
- Reference Price
- Brand, make and model year
- NIV (Vehicle Identification Number)
- RFC (Federal Taxpayer's Registration)
- CURP (Unique Population Registry Code – Personal ID Number)

- INE (Official Elections Voting and ID card)
- Proof of Address
- Vehicle must be physically driven so as to pass customs
- IGI payment (General Import Tax)
- Preferential Duty as per FTA
- VAT payment (Value Added Tax) 16 percent
- DTA payment (Custom's Paperwork Fee)
- Payment through wire transfer / check

- Importers of used vehicles are required to post a guarantee representing any difference in duties and taxes if the declared customs value is less than the established reference price. Otherwise, if a lower valuation can be formally justified or proven, the importer is reimbursed within a period of no longer than three months. Reference prices can be found in this link, as per the decree on January 26, 2009: http://www.dof.gob.mx/nota_detalle.php?codigo=5078407&fecha=26/01/2009

IGI payment (General Import Tax)

Model Years	**Mixed Tax**
5	1% + USD$300
6	1% + USD$250
7	1% + USD$200
8	1% + USD$150
9	1% + USD$100
10 or more	1% + USD$50

- If the VIN of a used vehicle indicates that it was manufactured in one of the NAFTA member countries, it will not require a prior permission (license or authorization to legally import) from the Secretary of Economy, or a NAFTA Certificate of Origin to be imported into Mexico.

- Vehicles under harmonized code numbers: 8704.22.07, 8704.23.02, 8704.32.07 for merchandise transportation 8702.10.05 or 8702.90.06 for transportation of sixteen or more passengers, 8702.20.02 for tractors or 8705.40.02 for other trucks.

- **Rest of the Country:** Individuals or companies can import used vehicles allowed if **four to nine years old** and **five to ten years old** for heavy vehicles with a 10% ad-valorem tax.

- **Border Zone:** Individuals or companies with location in the border zone including Baja California Norte and Sur, Sonora (Cananea and Caborca), can import used vehicles if **five to nine years old** with one percent ad-valorem tax. If used vehicles are **10 years old** with a 10% ad-valorem tax.

- **Import Restrictions**

Used vehicles in a condition that is restricted or prohibited from circulating in their own country of origin, will be prohibited from importation into Mexico. Used vehicle

restrictions also apply for the following conditions, some of which may be indicated on the vehicle's deed of title:

- ☐ Parts only
- ☐ Assembled parts
- ☐ Total Loss (except those with deed of title "salvage", "clean", "rebuilt" or "corrected").
- ☐ Dismantlers
- ☐ Destruction
- ☐ Non repairable
- ☐ Non rebuildable
- ☐ Non street legal
- ☐ Flood (except those with deed of title "clean", "rebuilt" or "corrected").
- ☐ Junk
- ☐ Crush
- ☐ Scrap
- ☐ Seizure / forfeiture
- ☐ Off-highway use only
- ☐ Water damage
- ☐ Not eligible for road use
- ☐ Salvage category whenever these types: except those with deed of title "clean", "rebuilt" or "corrected".
- ☐ DLR (Dealer License Requirement) Salvage
- ☐ Salvage – parts only
- ☐ Lemon salvage
- ☐ Salvage letter – parts only
- ☐ Flood salvage
- ☐ Salvage Cert-Lemon Buyback
- ☐ Salvage Certificate – No VIN
- ☐ Salvage Title w / No Public VIN
- ☐ DLR / Salvage Title Rebuildable
- ☐ Salvage Theft
- ☐ Salvage Title – Manufacture Buyback
- ☐ Court Order Salvage Bos
- ☐ Salvage / Fire Damage
- ☐ Salvage with Replacement VIN
- ☐ Bonded Salvage
- ☐ Watercraft Salvage
- ☐ Salvage Katrina
- ☐ Salvage Title with Altered VIN
- ☐ Salvage With Reassignment
- ☐ Salvage Non Removable
- ☐ Stolen (only when the deed of title indicates it was recovered and valid status)
- ☐ Frame Damage
- ☐ Fire Damage
- ☐ Recycled
- ☐ Crash Test Vehicle

- **Custom Agent's Obligations:**

Request from the importer the original title and verify that it doesn't mention any of the above categories and that the document is not scratched, with corrections, erasure, or any characteristic that provokes suspicion that it was modified or counterfeited. Moreover, after checking this document, it is mandatory to note on the document: "File a sworn statement that the presented document is a true copy of the original I've seen". Verify with the country of origin's vehicle through confederations, chambers, or associations that the vehicle to be imported has not been stolen, damaged, crashed,

restricted, or forbidden from circulating in their own country of origin. The Custom Agent should provide a copy to the importer where the NIV appears. This measure applies only to vehicles from the United States whose model year is less than 30 years to importation's date. The Custom Agent should provide the following information:

a) Verify that the vehicle has not been stolen
b) Deed of title
c) NIV Decodification
d) Code and Bill of Lading, as well as RFC or CURP for the importer

- The source of information from the country of origin should have online capability for SAT to verify that the vehicle is not stolen. Likewise, the importer should also verify in the Mexican Public Vehicle Registry (REPUVE) that the vehicle was not also stolen in Mexico. Take a digital picture of the NIV and attach it to the bill of lading.

- Comply with Mexican standards for emission controls as per the NOM-041-SEMARNAT-2006 and NOM-047-SEMARNAT-1999 for vehicles and NOM-076-SEMARNAT-2012 and NOM-044-SEMARNAT-2006 for buses, trucks and tractors.

- By 2019, as per NAFTA, Mexico may not adopt or maintain a prohibition or restriction on imports of used vehicles from the United States.

Local/Regional Content Requirements:

- The NATFA Chapter 403 for Automotive Goods for a producer's fiscal year beginning on the day closest to January 1, 1998 and thereafter, 56 percent under the net cost method, and for a producer's fiscal year beginning on the day closest to January 1, 2002 and thereafter, 62.5 percent

- For a producer's fiscal year beginning on the day closest to January 1, 1998 and thereafter, 55 percent under the net cost method, and for a producer's fiscal year beginning on the day closest to January 1, 2002 and thereafter, 60 percent

- The regional value-content requirement for a motor vehicle identified in Article 403(1) or 403(2) is 50 percent for five years after the date on which the first motor vehicle prototype is produced in a plant by a motor vehicle assembler, if

    - 50 percent for two years after the date on which the first motor vehicle prototype is produced at a plant following a refit, if it is a different motor vehicle of a class, or marque, or, except for a motor vehicle identified in Article 403(2), size category and underbody, than was assembled by the motor vehicle assembler in the plant before the refit.

    - As of January 1, 2002, at least 62.5 percent of a passenger car or light truck's net cost must be of value originating in North America. All other

vehicles must reach 60 percent North American content to qualify for zero duty rates.

Other Measures:

- The Mexican government requires importers to have an import license in order to import vehicles, trucks, or parts.

- Effective November 2011, the Mexican government established mandatory emission control standards for the import of used vehicles. To avoid red tape, U.S. exporters can attach emission control state certificates from Arizona, California, Texas, or New Mexico, as those states have very strict standards that are compliant with Mexican Standard 041.

Membership in Trade & Economic Agreements:

Mexico has eleven Free Trade Agreements with 46 countries, 33 agreements for investment promotion and protection and nine agreements of limited coverage as per ALADI. Mexico is a member of WTO, APEC, OCDE and ALADI.

- NAFTA
- Bilateral initiatives with member countries: Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru and Uruguay
- MERCOSUR member (ACE 55 Automotive Chapter with Brazil)
- MERCOSUR member (ACE 54 Automotive Chapter with Argentina)
- Regional Initiatives: Pacific Alliance, Latin American Arch, Free Trade Agreement with Central America and decisions on the FTA with Central America.
- EUROPEAN UNION agreement
- ASIA-PACIFIC agreements with member countries such as: Australia, Korea, China, India, Israel, Japan, Singapore and TPP (ongoing negotiations).

SOUTH/CENTRAL AMERICAN AND CARIBBEAN COUNTRIES SURVEYED:

ARGENTINA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	8,274,108	9,100,000	9,452,000
Commercial Use Vehicles	2,684,976	3,000,000	3,041,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 21.5 percent.
- The tariff applied to trucks ranges from 15.5-21.5 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from 1.5-19.5 percent (most in the 15.5-19.5 percent range).

Taxes:

- Value Added Tax (VAT): cars (21 percent); trucks (10.5 percent)
- An additional "advanced" VAT of 6-8 percent (based on CIF value plus the duty and the import statistics fee of 10 percent)
- Various provincial sales taxes
- Duty Surcharge (0.5 percent)
- Statistical tax (3 percent)
- A 3 percent advanced profit tax, charged on the custom value of goods

Import Restrictions:

- Import ban on used vehicles
- Import license required
- Foreign vehicles which do not have a domestic equivalent are subject to import quotas. This quota system limits imports to a percentage of total domestic production (for example, in 1994 this quota was 10 percent). The rights of the quotas are auctioned off, and the bidder willing to pay the most amount above the average duty wins the quota. However, dealers can bid on a portion of the quota allotment by offering to pay an additional import duty over the regular 20 percent. Individuals may also participate, along with dealers, in special periodic quota allotments, under the same bidding system. Both individuals and dealers are limited to two imported vehicles per year. Assemblers who also import vehicles are also committed to maintain a higher level of exports than imports.

- Products including automotive parts – appears to be those classified under the two digit HS codes 82 and 83 - have limited ports of entry according to the 2010 NTE which points to this regulation: http://www.infoleg.gov.ar/infolegInternet/anexos/130000-134999/131847/norma.htm

- In February 2011, the country began requiring import licenses for a significant list of automotive parts. The licenses are not automatically granted. Even if granted the licenses can take significant time to process: http://www.buyusainfo.net/docs/x_5274375.pdf

- The import of used, rebuilt or remanufactured automotive parts is banned with the exception that Original Equipment Manufacturers (vehicle assemblers) can import and market remanufactured parts to service their own products.

Local Content/Regional Content Requirements:

The Governments of Argentina and Brazil allow local automakers to import a certain number of cars and trucks from each other duty-free. This quota is adjusted each year by the respective Governments. As of January 1, 2008, this "flex-program" is based on a ratio of Brazil (1.00) to Argentina (1.95).

Regarding local content there is no index, except for the special agreements with Brazil and Uruguay where the regional content required is of a minimum of 60%.

Other Measures:
- Not Applicable

Membership in Trade & Economic Agreements:
- MERCOSUR member
- ALADI
- Andean Community
- Bolivia
- Chile (auto only)
- Colombia (auto only)
- Ecuador
- Mexico (auto with quota)
- Venezuela
- European Community
- India
- Peru (auto only)
- Egypt
- WTO (no CKD bindings)
-

BOLIVIA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	218,736	231,721	245,200
Commercial Use Vehicles	295,010	353,263	410,000

Source: Ward's Motor Vehicle Data

Tariffs:
- Bolivia has a three-tier tariff structure. Capital goods designated for industrial development may enter duty-free; non-essential capital goods are subject to five percent tariffs; and most other goods are subject to 10 percent tariffs. Heavy trucks greater than

or equal to 6 tons are considered capital goods and are subject to 5 percent tariffs. All other automotive goods are subject to 10 percent tariffs.

Taxes:

- Bolivia levies a 14.94 percent effective value-added tax and a 10 percent specific consumption tax on car sales.
- Imported goods are also subject to customs warehouse fees (which vary with volume) and customs brokers' fees of up to 2 percent of the CIF price.

Other Measures:

- Bolivia requires pre-shipment valuation inspections.

Regional/Local Content:

- There are no regional or local content regulations or restrictions.

Import Restrictions:

- Bolivia prohibits the importation of cars over five years old, diesel vehicles with engines smaller than 4,000 cubic centimeters, and all vehicles that use liquefied petroleum gas.

Membership in Trade and Economic Agreements:

Andean Community
MERCOSUR associate member
Chile
Mexico
European Community
WTO

Brazil – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	27,490,694	29,566,116	31,339,000
Commercial Use Vehicles	7,164,275	7,705,144	8,356,000

Source: Ward's Motor Vehicle Data

Taxes on automobiles:

Import Tax: 35% over CIF value.
Sales Tax (ICMS): state tax, varies by state. 18% in Sao Paulo
Tax on Industrial Products (IPI)
2% for 1.0 liter engine models;
8% for higher power engine models;
38% for imported cars.
Social Contribution Tax (Cofins): 7.6% of the final price
Social Contribution Tax (PIS): 1.65%

Taxes on Autoparts

Import Tax: 20%; 18%; 16%; 14% and 10% over CIF Value. Note that a large number of automotive parts are classified as " No Tarifarios" (not locally produced) and enjoy an import tax reduction to 2%.
IPI: 5%, 12% and 15% (varies by products)
PIS: 2.62% and 2.68%
Cofins: 13.57%
ICMS: varies by state. 18% in Sao Paulo

CHILE – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,169,280	2,383,638	2,588,061
Commercial Use Vehicles	1,138,252	1,208,390	1,267,610

Source: Ward's Motor Vehicle Data

The United States and Chile implemented a Free Trade Agreement (FTA) on January 1, 2004.

Tariffs:

- All new imported motor vehicles and automotive parts coming from non-treaty countries are assessed Chile's uniform tariff rate of 6 percent, based on the CIF value (see Various Trade Arrangements).
- Used automotive parts coming from non-treaty countries are assessed an additional tariff surcharge equal to 50 percent of the tariff.
- While the FTA provides an opportunity for cores used in remanufactured products to qualify under origin requirements, remanufactured automotive products are specifically excluded.

Taxes:

- Value Added Tax (VAT) of 19 percent, charged on the sum of the CIF value and the amount of the duty. This tax is chargeable to the importer, not the foreign supplier. (Imports by Chilean Government offices and Armed forces are not subject to import duties or taxes.)
- Emissions tax (Impuesto Verde) determined by levels of Mpg city, emission of nitrogen oxide and the selling price of the vehicle.

Other Measures:

- Import of remanufactured, rebuilt and/or used motor vehicle parts is allowed, however Chilean Customs tends to heavily question such imports with an apparent eye toward whether they will be used to assemble used vehicles or a significant portion of a used vehicle once in the country (see Import Restrictions below). Such investigations hamper the importation process of remanufactured rebuilt and/or used motor vehicle parts.

Import Restrictions:

- In Chile the importation of used vehicles is prohibited. Chile does allow imports of used ambulances, funeral hearse cars, fire-fighting vehicles, street cleaning vehicles,

irrigation vehicles, towing vehicles, television projection equipment vehicles, armored commercial vehicles, workshop vehicles, cement making trucks, prison vans, radiological equipment vehicles, motor homes, off-road transportation vehicles, and other similar vehicles for special purposes, different from common transportation vehicles. These used vehicles pay a 9 percent import duty plus VAT. Fire-fighting vehicles are not subject to import duties, and pay the VAT on the CIF value only. A vehicle is considered new if: 1) It is of the current year; or The model is of the last year but the importation occurred before April 30th, and 2) the vehicle has no more mileage than that required to transport the vehicle from the factory to the point of sale and according to customs it corresponds to a first transaction vehicle (i.e., the invoice is from the distributor or the factory). Special laws allow tax-exempt new/used car imports by persons returning from exile or returning after living abroad (for one complete year or more) for studies or work after a determined number of years. People domiciled in two domestic free trade zones, Iquique in the north and Punta Arenas in the south may also import used cars. Imports in these areas are exempt from customs duties and VAT. (See Various Trade Arrangements).

- Automotive investment in Chile is governed by the "Automotive Statute", which allows any car assembly company to operate in Chile. The Statute establishes a 13 percent minimum of local content in vehicles assembled from completely knocked-down (CKD) kits and 3 percent for vehicles assembled from semi-knocked down (SKD) kits. Local vehicle assemblers and part manufacturers benefit from Article 3 of Law 18,483, which exempts imported auto parts and components from customs duties if the importer exports parts and components of specific, certified quality worth the same amount ex-factory. If exported alone, the parts must include in country value-added of at least 50 percent. If they are built into vehicles that are assembled in Chile and then exported, then the value-added component must be at least 70 percent. (This law is being replaced by a new law called the Arica Law which gives incentives to establish in the Arica industrial free trade zone for any manufacturing plant)
- An import report to the Central Bank is required, free of cost, for shipments above US$500, CIF for statistical record keeping purposes.
- In the Metropolitan Area gasoline powered vehicles under 2,700 Kgs., need to comply with TIER2 Federal/EURO 4; diesel powered vehicles under 2,500 Kgs., must comply with TIER 2/EURO 5. Vehicles over 2,700 Kgs., but under 3860 Kgs., must comply with EURO 5 or TIER 2. Buses must follow EPA 2007/EURO 5. Trucks must abide with EPA 2007/EURO 5. As of October 2014, new emissions requirements were being developed.

Membership in Trade & Economic Agreements:

- United States
- Canada
- European Union
- Central America
- Panama
- Korea
- Mexico
- MERCOSUR
- Argentina

- Ecuador
- Peru
- New Zealand
- Singapore
- Brunei
- Japan
- Bolivia
- Colombia
- Venezuela
- ALADI
- WTO
- GATT
- China
- India

COLOMBIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,289,740	2,526,000	2,828,671
Commercial Use Vehicles	883,814	974,000	1,251,328

Source: Ward's Motor Vehicle Data

Tariffs:

- The import tariff applied to cars is 35 percent.
- The import tariff applied to trucks is 15 percent.
- Automotive parts (HTS 8407-08 and 8708) tariffs range between 5 – 10 percent.
- Complete Knock Down Kits can qualify for zero tariffs under the Andean Automotive Policy.
- With the implementation of the U.S.-Colombia Trade Promotion Agreement, 53% of U.S. industrial exports received duty-free treatment. Tariffs on another 23% of exports will be eliminated over five years and the remaining 24% over ten years tariff reduction (starting in May 2012).

Taxes:

- VAT is assessed on the F.O.B. value plus applicable duties:
  - -- Four-wheel-drive vehicles (16 percent)
  - -- All other cars (16 percent); unless the F.O.B. value plus tariff is greater than or equal to US $30,000, in which case the Consumption Tax is 16 percent.
  - -- Ambulances and hearses (16 percent)
  - -- Electric vehicles for public transportation-taxis (5 percent)

- Since January 1996, all imports and sales of automotive parts and accessories transacted in Colombia are subject to a 16 percent value-added tax (IVA in Spanish). This tax applies to both locally produced goods and imports and, in the case of imports, is assessed on top of the CIF value and import tariff.
- Consumption Tax for private owned vehicles (HTS 8703-8704 and 8711) of FOB value equal or lower than USD$ 30,000 is 8%
- Consumption Tax for private owned vehicles (HTS 8703-8704) of FOB value higher than US$ 30,000 is 16% (Vehicles - Luxury Tax).

Import Restrictions:

- The Andean Automotive Policy bans imports from other countries of used cars, trucks, buses and motorcycles, as well as new vehicles from previous years. It also bans trade in these vehicles among the member nations.
- Imports of rebuilt, and/or used motor vehicle parts are not authorized.
- With the implementation of the FTA with the U.S., Colombia is accepting re-manufactured auto parts listed under Chapter Four, Rules of Origin and Origin Procedures, Section A - Rules of Origin, ANNEX 4.18 (The country is formulating policies to allow the import of remanufactured products to meet commitments under its FTA with the United States).

Local/ Regional Content Requirements:

- The Andean Automotive Complementary Agreement signed in 1999, removed the initial requirement of minimum regional/local content (24%) to reduce import duties. Automotive parts and passenger vehicles with a capacity of up to 16 persons and cargo vehicles of 4.5 tons weight (Category 1), and other type of vehicles (Category 2), will just need to comply with specific origin requirement established by the General Secretary Office of the Andean Community.

Other Measures:

- There are no limitations on the types of models imported, and no special import permits are required. However, imported vehicles must be registered with the Colombian government prior to shipment (Dynamics Certified Emissions Test conducted by Colombian Environmental Licensing Authority-ANLA). Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles.
- Colombia has required gas emission/evaporation control systems (to reduce gasoline tank and carburetor emissions) and a gas emission control system or positive ventilation valve (to control crankcase gas emissions) on all gasoline engine motor vehicles imported into or assembled in Colombia since January 1, 1994.
- Colombia has required catalytic converters to be installed on imported and locally produced vehicles since January 1, 1995.
- Colombia is distributing gasoline with 10 percent ethanol to comply with Law 693 of 2001 (for environmental protection) since November 2, 2005.

- Since January 2015, Colombia requires EURO IV - EU emission standards to heavy-duty diesel engines for freight or passenger transportation (buses and trucks), per Resolution 1111, enacted on September 2, 2013.
- Imported or assembled vehicles in Colombia need to comply with Technical Regulations applicable to seat belts, pneumatic tires, and safety glazing.

Membership in Trade & Economic Agreements:

- United States
- Mexico
- El Salvador
- Guatemala
- Honduras
- Andean Community
- CARICOM
- MERCOSUR
- Chile
- European Free Trade Association: Switzerland, Liechtenstein
- Canada
- Venezuela
- Cuba
- Nicaragua
- European Union
- ALADI
- WTO (no truck, CKD or automotive parts bindings)

FTA's signed but not implemented

- Costa Rica
- Panama
- Israel
- South Korea
- Pacific Partnership (Chile, Colombia, México & Perú)

COSTA RICA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	611,175	634,000	660,300
Commercial Use Vehicles	199,696	201,500	205,400

Source: Ward's Motor Vehicle Data

Tariffs:

- passenger cars – 1-15 percent
- trucks and buses – 0-15 percent
- automotive parts – 1-10

Costa Rica held a nation-wide referendum that ratified its participation in the CAFTA-DR Free Trade Agreement on October 7, 2007. Many U.S.-origin automotive parts are

receiving tariff elimination since then. Virtually all remaining automotive parts were subject to back weighted 10 year tariff phase-outs. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to the same back weighted tariff phase out.

- Find more information on the CAFTA-DR at: http://www.ustr.gov/Trade_Agreements/Regional/CAFTA/Section_Index.html

Taxes:

- New and used automobiles are also taxed heavily, ranging up to 54 percent of the assessed (not actual) value of the car, depending upon the age of the vehicle. Taxes on imported products are calculated on a cumulative basis and generally include: a) Ad valorem tax or duty --applied against CIF (cost, insurance & freight) value, (also known in Costa Rica as "D.A.I.")--duty rates currently range from 1 to 10 percent for motor vehicle parts; b) Consumption tax --applied against total cumulative sum of CIF value, plus the ad valorem tax --tax rates currently range from 0 to 25 percent for motor vehicle parts; c) Law 6946 tax --applied against CIF value -- currently 1 percent for all products; and, d) Sales tax --applied against total cumulative sum of CIF value, plus any ad valorem tax, plus the consumption tax, plus Law 6946 tax currently 13 percent for all products.
- The potential taxes on imported vehicles can be viewed at: http://www.hacienda.go.cr/autohacienda/Autovalor.aspx

Note: In short, about half the final price of a car in Costa Rica is comprised of a cascade of internal taxes.

Other Measures:

- To calculate tariffs and taxes on used vehicles, Costa Rica uses values reported by the U.S. N.A.D.A. Official Used Car Guide. This reference pricing for automobiles disadvantages U.S. models versus Korean models in the Costa Rican market. U.S. vehicle values are based upon NADA Blue Book values while Korean values are based upon an individual Korean company's publication which understates Korean car prices.
- Costa Rican law requires the exclusive use of the metric system but, in practice, accepts U.S. and European commercial and product standards.
- It is forbidden to import vehicles with a right-side steering wheel.

Import Restrictions:

- The Government of Costa Rica prohibits importing used tires without rims.

Membership in Trade & Economic Agreements:

- Canada
- China
- Mexico
- Panama (AELC)
- Association of Caribbean States
- WTO
- GATT
- Chile

- Peru
- Singapore
- Central America/DR Free Trade Agreement (CAFTA – DR)
- Central America - European Union Association Agreement (AACUE)

DOMINICAN REPUBLIC – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	662,633	697,180	716,100
Commercial Use Vehicles	706,447	736,228	767,300

Source: Ward's Motor Vehicle Data

Tariffs:

- passenger cars – 8-20% (generally 20%)
- trucks and buses – 8-20% (generally 20%)
- automotive parts – 8-14% (generally 8%)

- The CAFTA-DR Free Trade Agreement was implemented in March 2007. Many U.S.-origin automotive parts received immediate tariff elimination. Virtually all remaining automotive parts were subject to a 5 year tariff phase out in 5 equal stages (20% per year). Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to 5 to 10 year tariff phase-outs.

Taxes:

- Vehicles are generally subject to the Luxury Tax (Impuesto Selectivo al Consumo). It is a consumption tax for luxury imports or "non-essential" goods that ranges between 15 and 60 percent. The tax is calculated on the CIF price.

- There is a 17 percent tax on the first matricula (registration document) for all vehicles.

- The Dominican Republic assesses all imported new and used passenger vehicles (except pick-up trucks) with a variable ISC, and an eight percent sales tax. The tariff amount is not included in the calculation of the ISC; however, the sales tax is assessed on the sum of the vehicle's value plus the tariff plus the ISC. The table below explains the rates:

Dominican Republic ISC Tax Table

Price U.S. $	Basic-R.D. $	(%)*	Marginal Excess (%)
0 - 7,000	0	0	0
7,001 - 10,000	0	0	15
10,001 - 14,000	5,625	(4)	30
14,001 - 20,000	20,625	(12)	45

20,001 - 26,000	54,375	(21)	60
26,001 - 32,000	99,375	(30)	80
32,001 and above	---	(45)	---

*The percentages in parentheses indicate what the basic tax rate is for vehicles priced at the beginning of each range (using an exchange rate of 12.8 RD$/US$). The second percentage applies to the excess over the beginning value of the range. As an example, a car priced at US $12,000 would be subject to the basic amount of RD $5,625 or US $439, plus the marginal amount of US $600 (30 percent of US $2,000, the excess over US $10,000) = a total ISC of US $1,039.

- The system uses published official list prices for automobiles, instead of price lists supplied by the manufacturer, to determine the value upon which the ISC is based.

- The decree depreciates the value base for each model year of a car's age up to seven years according to the following scale: vehicles one year older than the current model year, 5 percent depreciation; two years older, 10 percent depreciation; three years older, 15 percent depreciation; four years older, 20 percent depreciation; five years older, 30 percent depreciation; six years older, 40 percent depreciation; seven years older or more, 50 percent depreciation. Thus, for a used car two years older than the current model year, the DR will deduct 10 percent from that model's new car price and use the resulting value as the base from which to calculate the tariff and ISC.

Import Restrictions:

- The import of automobiles and light trucks (under 5 tons) over 5 years old is prohibited under law no. 147 of December 27, 2000. This provision is however frequently overlooked.
- The import of vehicles 5 tons or heavier over 15 years old is prohibited under law no. 12-01 of January 17, 2001.

Membership in Trade & Economic Agreements:

- Association of Caribbean States
- Costa Rica
- Honduras
- Nicaragua
- El Salvador
- Panama
- United States
- WTO (no automotive parts bindings)
- GATT

ECUADOR – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	455,502	502,216	547,600
Commercial Use Vehicles	630,094	687,511	743,100

Source: Ward's Motor Vehicle Data

Tariffs:

- As a member of the Complementary Convention in the Automotive Sector and/or Andean Automotive Policy with Colombia and Venezuela, Ecuador shares common external automotive tariffs of 35 percent for automobiles, 10 percent for trucks and buses (15 percent for the other members), and a concession rate of 3 percent for CKD kits available to assemblers participating in the regional/local content scheme (see below).
- Automotive parts (HTS 8407-08 and 8708) are subject to customs duties ranging from 5 to 15 percent.

Taxes:

- VAT: 12 percent for vehicles and automotive parts
- Special tax: 5.15 percent (Special Consumption Tax – ICE) + 25 percent uplift (Commercialization Margin)
- Special Contribution: .5 percent (Childhood Development Funds FODINFA)

Non-Tariff Measures:

- Not Applicable.

Regional/Local Content:

- Under the Andean Automotive Policy, a regional/local content scheme was established for a five-year period so that vehicles and parts could be traded amongst all three countries duty-free. For example, the 1995-96 minimum requirement was set at 30 percent for automotive parts and passenger vehicles with a capacity of up to 16 persons and merchandise transport vehicles of a total weight of 4.5 tons (Category 1), and at 15 percent for other types of vehicles (Category 2).
- To enjoy the privilege of importing CKD material with a 3 percent import duty, assemblers must incorporate local content of 33 percent for Category 1 and 18 percent for Category 2.
- The regional content requirement was 24.8 percent in 2000 and was set to increase to 34.7 percent by 2009.

Import Restrictions:

- The Andean Automotive Policy prohibits imports from other countries of used cars, trucks, and buses, as well as new vehicles from previous years. It also bans trade in these vehicles among the member nations.

- Import of CKD's is subject to a quota assignment by the National Automotive Commission and regulated by the automotive development law. Importation is limited to those brands having a distributor and/or an authorized concessionary in the country to guarantee an adequate supply of spare parts.

Other Measures:

- Importers require a "Conformity Certificate" provided by INEN (Ecuadorian National Standards Institute). Once obtained, it is presented for approval to the central bank.
- Every automobile (CDU) must come with a technical report verifying it complies with applicable environmental standards.
- There are no regulations concerning engine emissions, safety, or noise.
- Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles.
- There are no requirements or standards for parts imports, nor are there labeling requirements.
- The chaotic customs systems, creates disincentives to import goods through formal channels, and incentives for contraband. Many auto parts, for example, enter disguised as other goods that carry lower (or zero) customs duty.

Membership in Trade & Economic Agreements:

- Andean Community Member
- ALADI
- Cuba
- Uruguay
- Paraguay
- MERCOSUR
- WTO (no automotive parts bindings)
- GATT

EL SALVADOR - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	92,000	97,300	102,800
Commercial Use Vehicles	120,00	126,400	133,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff ranges from 1-30% for passenger cars.
- The tariff for trucks and buses is 1%.
- The tariff for auto parts (HTS 8407-08 and 8708) is 1% percent.
- El Salvador was the first country to implement the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR). Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Taxes:

- The Value Added Tax (VAT) is 13%.
- Unlike new parts, importers of used, remanufactured and rebuilt parts do not have to show an invoice from the manufacturer to calculate the 13% which is estimated by Salvadoran Customs authorities.

Import Restrictions:

- El Salvador maintains restrictions on the import of passenger vehicles older than eight years, buses older than 10 years and trucks older than 15 years (from Article 1 of Decree No. 357 dated April 6, 2001).

Local/Regional Content Requirements:

- There are no local content requirements.

Other measures:

- The amount set forth in the commercial invoice is used to determine the tariff assessment for vehicles. If there is doubt about the accuracy of the stated price, Salvadoran Customs assesses its own value. For valuation of used cars, Customs uses N.A.D.A., Edmund's, the Truck Blue Book, The Older Car Red Book, The Truck Blue Book and the Motorcycle Red Book.
- Every automobile must come with a Certification of Gas Emissions from the manufacturer verifying it complies with applicable environmental standards. (According to Salvadoran Transit and Transportation Law, Official Publication No. 212, Book No. 329, dated November 16, 1995). This certification needs to be authenticated in the country of origin.

Membership in Trade & Economic Agreements:

- CACM - Central American Common Market
- Association of Caribbean States
- Dominican Republic
- Panama
- United States
- Chile
- Argentina
- Ecuador
- Peru
- Mexico
- Taiwan
- Colombia
- WTO
- GATT

GUATEMALA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	563,000	576,821	601,000
Commercial Use Vehicles	998,000	1,039,573	1,087,900

Source: Ward's Motor Vehicle Data

Tariffs:

- passenger cars – (5 passengers or less) 20%, (6-9 passengers) 15%
- trucks and buses – 5-10%
- automotive parts – 20%

- The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) was implemented with Guatemala on July 1, 2006. Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Other Measures:

- Many importers report that Guatemalan customs arbitrarily assigns values to imported products.
- In Guatemala City, model year restrictions exist preventing the operation of buses in the city by denying permits to use them.

Membership in Trade & Economic Agreements:

- CACM - Central American Common Market
- Association of Caribbean States
- Dominican Republic
- Panama
- United States
- Chile
- WTO
- GATT

HONDURAS - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	2,387	2,597	2,486
Commercial Use Vehicles	9,060	14,054	13,239
Total Motor Vehicles	11,447	16,651	15,725

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 3.4 percent.
- The tariff applied to trucks is 6.8 – 10.2 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 0 percent.

- The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) was implemented with Honduras on April 1, 2006. Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Taxes:

- A general 12 percent sales tax is applied to most products. Trucks are exempted from this tax.
- A Special Consumption/luxury tax on new cars is 10 percent.

Import Restrictions:

- Under the Financial Balance and Social Protection Act (Article 7 of Decree No. 194-2002 from May 15, 2002), imports of ground motor vehicles over seven years old and passenger buses over thirteen years old are prohibited, except for those considered to be classic collectible cars. The CAFTA-DR agreement does not address this trade restriction.
- Imports of right-hand drive vehicles are also prohibited.

Local/Regional Content Requirements:

- There are no local/regional content requirements.

Other Measures:

- There are no import licensing requirements for imports of vehicles and auto parts.

Membership in Trade & Economic Agreements:

- CAFTA-DR (U.S.-Central America-Dominican Republic Free Trade Agreement)
- CACM – Central American Common Market
- Association Agreement European Union- Central America
- WTO
- FTA Central America - Panama
- FTA Central America –Chile
- FTA CA3-Colombia
- FTA CA3- México
- FTA Central America – Dominican Republic
- FTA Honduras-El Salvador-Taiwan
- FTA Honduras-Canada (Negotiation completed. Pending ratification in Congress)

JAMAICA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	139,000	141,400	143,800
Commercial Use Vehicles	36,000	36,500	37,000

Source: Ward's Motor Vehicle Data

Tariffs:

- passenger cars –5-40%
- trucks and buses – 0-10%
- automotive parts – 0-25%

Other Measures:

- Import licensing is required for some motor vehicles and parts. An import license for motor vehicles can be granted every three years in the case of a private importer. The number of vehicles that may be imported by a dealer is not limited. Car dealers must meet a number of preliminary conditions: they must be approved and certified by the Ministry of Commerce and Technology and registered under the Companies Act 1965, offer guarantees to clients, and maintain spare parts facilities and stocks. Inspection and re-certification of dealers are made annually by the Ministry of Commerce and Technology.

Import Restrictions:

- The age of motor vehicles that can be imported was reduced in April 2003 from four to three years for cars and from five to four years for light commercial. Special waivers are available for older cars.

Membership in Trade & Economic Agreements:

- CARICOM - Caribbean Community and Common Market
- Association of Caribbean States
- Dominican Republic
- Colombia
- Venezuela
- WTO
- GATT

NICARAGUA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	94,300	112,000	113,200
Commercial Use Vehicles	305,000	176,000	177,600

Source: Ward's Motor Vehicle Data

Tariffs:

- passenger cars – 5-10%
- trucks and buses – 0-5%

- automotive parts – 5-10%

- The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) was implemented with Nicaragua on April 1, 2006. Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Taxes:

- Although the 1997 tax law eliminated many special tax exemptions, investors still express frustration at the arbitrary and centralized decision making in taxation and customs procedures.
- Tariffs and import taxes for most used goods are not assessed on a CIF/bill of lading basis, but rather on a "reference price" determined by Customs at the time of entry inspection. This reference price can be significantly higher than the actual amount paid by importers. Presentation of a bill of sale (or other evidence of purchase price) certified by a Nicaraguan consular official is often, but not always, accepted by Customs inspectors as proof of the value of used goods.
- A luxury tax is levied through the selective consumption tax (IEC) on many items. Cars with large engines (greater than 4000 cc) face an IEC tax of 25 percent. Vehicles with smaller engines are charged between zero and three percent IEC tax.

Other Measures:

- The government has established a mandatory registration for importers (RNI). Importers claim that the RNI creates additional costs, since they must be cleared by several agencies that have nothing to do with many importer's commercial activities (i.e., the tax agency, Nicaraguan customs, the electricity distribution company, and the ENITEL telephone company).
- The Consumer Protection Law enacted in 1995, as well as its regulations promulgated in 1999, introduced product labeling standards and consumer rights to Nicaragua. While most U.S. products will likely meet Nicaraguan regulations by following U.S. guidelines, the following should be noted: the label must list product origin, contents, price, weight, production date, and expiration date.
- Although information is required to be in Spanish, historically Nicaragua has not enforced its language requirements.

Import Restrictions:

- The Ground Transportation Law (2005/524) prohibits the import of motor vehicles that are more than 10 years old.

Membership in Trade & Economic Agreements:

- CACM - Central American Common Market
- Association of Caribbean States
- Dominican Republic
- Panama
- United States

- Chile
- Argentina
- Ecuador
- Peru
- WTO
- GATT

PANAMA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	380,401	453,510	525,000
Commercial Use Vehicles	105,201	108,117	111,700

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to new cars is 18 percent of the CIF value if is less than USD$ 20,000
- The tariff applied to new cars is 23 percent of the CIF value if is between USD$ 20,000 and USD$25,000
- The tariff applied to new cars is 25 percent if the cost exceeds USD$ 25,000.
- The tariff applied to trucks is 10 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is between 5-15 percent.

Taxes:

- Value Added Tax is 7 percent

Import Restrictions:

- There are no import restrictions on new or used cars and trucks into Panama.

Local/Regional Content Requirements:

- There are no Local/Regional contents required for Panama.

Other Measures:

- Panama requires legalization of documents for products shipped by surface transportation. See the Guatemala section for an explanation of this procedure.
- Some auto parts import volume is limited.

Membership in Trade & Economic Agreements:

- Association of Caribbean States
- Costa Rica
- Honduras
- Nicaragua
- El Salvador
- Dominican Republic
- United States

- Canada
- Mexico
- Colombia
- Chile
- WTO
- GATT

PARAGUAY – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	379,000	350,000	334,600
Commercial Use Vehicles	95,000	104,000	112,700

Source: Ward's Motor Vehicle Data

Tariffs:
- Motor vehicle tariffs currently range from 10 to 20 percent depending on engine displacement.
- Truck tariffs range from 10 to 16 percent.
- Automotive parts (HTS 8407-08 and 8708) ranges from 0-19.5 percent (most in the 10-16 percent range).

Taxes:
- A transfer tax is applicable on all auto sales, and a separate registration fee is also charged in addition to any applicable municipal vehicle tax.

Other Measures:
- Not Applicable

Regional/Local Content:
- For trade among the MERCOSUR countries, all products that have at least 60 percent regional content are traded among these countries with a 0 percent import tax, although trade is not free. Only Paraguay allows imports of MERCOSUR made vehicles with 0 percent import tariff without restriction.

Import Restrictions:
- Not Applicable

Membership in Trade & Economic Agreements:
- Ecuador
- MERCOSUR
- Andean Community
- European Community
- Chile
- Egypt
- Bolivia
- India

- Mexico
- WTO
- GATT
- ALADI

PERU – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	860,366	927,698	963,776
Commercial Use Vehicles	771,460	809,016	823,768

Source: Ward's Motor Vehicle Data

Tariffs:

- Under the US – Peru Trade Promotion Agreement, tariffs are on most U.S.-made automotive goods will be phased out in a 10 year period, declining by 10 percent per year.
- The tariff applied to pick-up trucks, both diesel and gas, with maximum cargo of 5 tons is to be reduced from 7% to tariff free by 2019
- The tariff applied to other vehicles varies between tariff free and 12% (reaching tariff free by 2019).
- The tariff for auto parts (HTS 8407-08 and 8708) is between zero and 12% (all tariff free by 2014) with most already facing no tariffs.

Taxes:

- Value Added Tax (VAT) is 19% and is broken into two parts:
    - General Sales Tax is 17%
    - Municipal Promotion Tax is 2%
- Selective Consumption Tax for imported new cars and light trucks is 10% of the C.I.F. value and the tariff amount
- Selective Consumption Tax for imported used vehicles is 30%
- All other imported vehicles and automotive parts are exempt from the Selective Consumption Tax

Import Restrictions:

- Imports of used tires and automotive parts are banned.
- Age restrictions allow for importation of diesel engines for passenger and cargo vehicles that are 2 years old and less. Other used vehicles, excepting used diesel engines, must be 5 years or less.
- Importation of the following used vehicles with diesel engines is prohibited:
    - Vehicles with under 4 wheels
    - Passenger vehicles with 8 seats or less (not counting driver)
    - Passenger vehicles with 8 seats or more (not counting driver) but weighing less than 5 tons of weight
    - Trucks weighing less than 12 tons
- Mileage restrictions prohibit importation of spark ignition engine vehicles that reach the following mileage (kilometers) at time of nationalization:

    - Trucks (all sizes) – 31,068 miles (50,000 km)
    - Passenger vehicles with 8 seats or less (not counting driver) – 49,709 miles (80,000 km)
    - Passenger vehicles with 8 seats or more but weighing less than 5 tons – 55,923 miles (90,000 km)
    - Passenger vehicles with 8 seats or more weighing over 5 tons – 186,411 miles (300,000)
    - Trucks weighing under 3.5 tons – 55,923 miles (90,000 km)
    - Trucks weighing between 3.5 tons and 12 tons – 186,411 miles (300,000 km)
    - Trucks weighing over 12 tons – 372,822 miles (600,000 km)
- Mileage restrictions prohibit importation of diesel engine vehicles that reach the following mileage at time of nationalization:
    - Passenger vehicles with 8 seats or more weighing over 5 tons – 124,274 miles (200,000)
    - Trucks weighing over 12 tons – 248,548 (400,000 km)
- All imported vehicles must have a Vehicle Identification Number (VIN).
- Importation of a vehicle damaged in a car accident is prohibited.
- The position of the steering wheel must have been manufactured on the left side. Importation of a car whose steering wheel is on the right or whose steering wheel has been moved to the left is prohibited. Vehicles entering the ports of Ilo and Matarani for reconditioning are exempt.
- Emissions cannot exceed current legal maximum.
- The following exceptions are not bound to the quality standards:
    - Public sector donations
    - National Diplomatic Services imports
    - Age requirement is not waved for foreign administrative personnel or employees of Diplomatic Missions, Consular Offices, Representatives and Offices of International Organizations that are authorized by the Peruvian government
    - Vehicles that fall between the national subheadings of 8703.21.00.10 and 8703.90.00.90 must be at least 35 years old to be considered for collection purposes. These vehicles may be imported for repair purposes but may not be done in CETICOS or ZOFRATACNA.

Other Measures:

- Require a Unique Customs Declaration (carried out in Peru), an invoice, bill of lading/airway bill.
- Insurance is optional
- Used vehicles requires the Type-Approval number and vehicle details according to the National Vehicle Regulations as well as the VIN on the Unique Customs Declaration
- New vehicles imported by someone other than the filer of the Type-Approval are required to provide proof by the manufacturer or Peruvian representative that the vehicle to be nationalized corresponds to the Type-Approval. A Certificate of Conformity can also be presented.
- Imported used vehicles require a verifying inspection.

- Remanufactured products currently must be sanctioned by their original manufacturer and be certified by remanufacturer. A number of specific remanufacturing processes must have taken place.

Membership in Trade & Economic Agreements:
- Andean Community
- Latin American Integration Association
- Free Trade Agreements with United States, Canada, Singapore, EFTA, Thailand, Japan, Mexico, Korea, Central America and China

URUGUAY - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	625,000	695,000	740,900
Commercial Use Vehicles	82,000	88,000	93,200

Source: Ward's Motor Vehicle Data

Tariffs:
- The tariff applied to cars is generally 23 percent. Lower tariffs and some exemptions within quotas apply to cars imported from regional (MERCOSUR) countries.
- The tariff applied to trucks is 7 to 8 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 22 percent.

Taxes:
- Value Added Tax is 22 percent
- Special tax depending on fuel type: IMESI 46.7%
- Special Consumption tax:
  - < 1000 cc 23%
  - between 1000 and 1500 cc: 28.75%
  - between 1500 and 2000 cc: 34.5%
  - > 3000 cc: 46%
- A transfer tax is applicable on all auto sales.

Note: Because of taxes, in the best of cases a vehicle that costs $10,000 CIF, is sold to the public at $20,000 and in the worst of cases, at $40,000.

Import Restrictions:
- Imports ban on used vehicles.

Local/Regional Content Requirements:
- Regional Content Requirements: For the MERCOSUR countries (Brazil, Argentina, Uruguay and Paraguay) all products that have at least 60 percent regional content (30 percent of which must be from Argentina) to be traded duty free.

Membership in Trade & Economic Agreements:

- Uruguay has bilateral investment treaties with several countries – including one with the United States (signed in 2005) – and several Double Taxation Agreements (none with the United States). Ecuador, Finland, Germany, Hungary, India, Liechtenstein, Malta, Mexico, Portugal, Romania, South Korea, Spain and Switzerland. Agreements with Belgium, United Arab Emirates and Vietnam are pending parliamentary ratification.

- Uruguay has free trade agreements, both on a bilateral basis and as a member of MERCOSUR, with most countries in South America plus Mexico.

VENEZUELA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,480,000	2,531,529	2,546,037
Commercial Use Vehicles	789,000	807,867	814,283

Source: Ward's Motor Vehicle Data

Tariffs:

- As a member of the Complementary Convention in the Automotive Sector and/or Andean Automotive Policy with Colombia and Ecuador, Venezuela shares common external automotive tariffs ranging from 20-35 percent for automobiles (most are at 35), 5-35 percent for trucks and buses (most are at 15; 10 percent for Ecuador), and a concession rate of 3 percent for CKD kits available to assemblers participating in the regional/local content scheme (see below).
- Automotive parts (HTS 8407-08 and 8708) tariffs range from 5 to 15 percent.

Taxes:

- VAT 14.5 percent, based on price of vehicle: CIF value, plus duty paid, plus customs fee
- Transfer/local customs and service tax (5 percent), based on CIF value
- Customs handling fee (2 percent), based on CIF value

Other Measures:

- Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles. However all local assemblers are subject to a "Foreign Exchange Program."
- There are no labeling, marking or packaging requirements. Since there is some resistance by end users against non-identifiable manufacturers or countries of origin, it is advisable to print on the package or label the name of the manufacturer and his address or at least "Made in the USA". In the case of generic parts, it is helpful to list the automobile brands, model and model years for which the component is applicable.
- Luxury Tax: 10 percent over $30,000.
- Article 10 of the new auto regime (published on October 31, 2007) requires all vehicles, both import and assembled in Venezuela, to run on natural gas and gasoline interchangeably. Minister of Popular Power for Energy and Petroleum (MENPET) and

President of Petroles de Venezuela S.A. (PDVSA) Rafael Ramirez, has said all new vehicles sold in Venezuela after January 1, 2008 must have a pre-installed natural gas converter kit. MENPET and PDVSA have imported 50,000 natural gas converter kits and will distribute them to assemblers for free. Despite vehicle sales reaching nearly 500,000 in 2007, Ramirez said PDVSA only plans on importing 100,000 kits in 2008. He added that if there was a need for more kits, PDVSA would import more. Importers and assemblers report that the dual use requirement is impossible to meet by July 1 and will in fact take years to meet because vehicles and production lines must be redesigned. Diesel engines cannot use natural gas because their method of igniting fuel cannot be altered.

- The October 2007 auto regime also imposes strict import quotas which are drastically lower than 2007 imports. Each company must submit a plan by November 30, 2008. Included in this quota is a prohibition on importing vehicles with motors larger than 3 liters.
- Strict foreign exchange controls are causing severe problems in the auto industry, restricting importation of parts and equipment.

Regional/Local Content:

- Under the Andean Automotive Policy, a regional/local content scheme was established so that vehicles and parts could be traded amongst all three countries duty-free. For example, the 1995-96 minimum requirement was set at 30 percent for automotive parts and passenger vehicles with a capacity of up to 16 persons and merchandise transport vehicles of a total weight of 4.5 tons (Category 1), and at 15 percent for other types of vehicles (Category 2).
- To enjoy the privilege of importing CKD material with a three percent import duty, assemblers must incorporate local content of 33 percent for Category 1 and 18 percent for Category 2.
- The regional content requirement in 2000 was 24.8 percent, and will increase to 34.7 percent by 2009.

Import Restrictions:

- The Andean Automotive Policy prohibits imports from other countries of used cars, trucks, and buses, as well as new vehicles from previous years. It also bans trade in these vehicles among the member nations.
- Venezuela legislation published on October 31, 2007 limits vehicle imports to 219,000 units for 2008. The new auto import regime requires importers to solicit a license from the Ministry of Light Industry and Commerce (MILCO) for authorization to receive foreign exchange for the importation of assembled vehicles. According to the new policy, the approval of these licenses depends on "national need, the capacity of national production, model cost, historic sales, and the efficient use of fuel."

Membership in Trade & Economic Agreements:

- Andean Community Member
- ALADI
- CARICOM
- Chile
- Costa Rica

- El Salvador
- Guatemala
- Guyana
- Honduras
- Nicaragua
- Trinidad and Tobago
- Andean Community – MERCOSUR
- Andean Community - European Union
- Group of Three
- WTO (no parts bindings)
- GATT

MIDDLE EAST COUNTRIES SURVEYED:

IRAN – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	3,195,000	3,332,000	3,515,700
Commercial Use Vehicles	830,000	859,000	884,200

Source: Ward's Motor Vehicle Data

- **U.S. companies are not allowed to export goods and services to Iran as outlined by Executive Orders 12613, 12957, and 12959.**

- In early 1992, Iran lifted its 10-year ban on automobiles.

- Individuals are now allowed to import permitted makes including: Mercedes Benz, BMW, Volkswagen, Peugeot, Volvo, Mitsubishi, Honda, Subaru and Toyota.

ISRAEL - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,164,385	2,246,053	2,338,687
Commercial Use Vehicles	397,230	391,198	386,054

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 0 percent.
- The tariff applied to trucks is 0 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 0 percent.

Taxes:

- Value Added Tax - 18 percent (17 percent from October 1, 2015)
- Sales Tax on vehicles with conventional engine -83 percent
- Sales Tax on hybrid vehicles -30 percent (until 2017)
- Sales Tax on plugin vehicles -20 percent(until 2017)
- Sales tax on EV-10 percent
- Port Tax -1.5 percent

Import Restrictions:

- Imports of used automobiles up to two years old are allowed and that meet Israeli homologation standards
- Imports of certain remanufactured, rebuilt, and/or used motor vehicle parts is permitted
- Imports of used tires are allowed for retreading purposes only.

Local/Regional Content Requirements:

- No local content requirement exists

Other Measures:

- Import license is required for importers of vehicles and auto parts.
- Every automobile must come with a technical report verifying it complies with applicable environmental standards.

Membership in Trade & Economic Agreements:

- U.S-Israel FTA
- OECD
- WTO

JORDAN – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	819,706	891,000	969,600
Commercial Use Vehicles	129,706	131,000	132,400

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 0 percent.
- The tariff applied to trucks is 0 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 0 percent for American made and 10-30% from other countries.

Taxes:

- Sales Tax is 16 percent on all type of vehicles except farming tractors, it is 0 percent.
- Special Tax: Passenger Vehicles 56 percent, Pick Ups 30 percent, Pick Up (manufactured within the continental USA, Certificate of origin clearly states that it is manufactured in the USA, shipped from a USA Port and most importantly its rear bed length is at least 50% or more than its wheel base) 0 percent, Vans 30 percent, Trucks less than 4.5 tons 30 percent, Trucks more than 4.5 tons 0 percent, Farming tractors 0 percent.
- Income tax: 2 percent for all type of vehicles.

Import tips:

- Imports of used automobiles are allowed with no age limitation; however, personal vehicles imported cannot be more than ten years old.
- Imports of used spare parts are allowed with no age limitation.
- In order to get the full 15% exemption, vehicles must have engines that have 1600cc capacity or less, must have 3-point safety driver/passengers seat belts, outside rear view mirrors, inside rear view mirror, collapsible steering wheel column and a minimum driver's airbag.
- Calculations are based on CFR values of vehicle converted to Jordanian Dinar. (JD1 = $1.41)

- There are also additional fees such as inspection fees by Customs Dept. and Registration Dept. Furthermore, fees are paid for inspection of vehicles at Aqaba Port. Total amount of fees does not usually exceed JOD 50.-/vehicle. ($70)

Import Restrictions:

- Imports of used trucks older than three years are not allowed.
- Vehicles tinted windows should not exceed 10%.
- Imports of used tires are not allowed except for retreading purposes.

Other Measures:

- An import license is required for imports of vehicles and auto parts to Jordan.

Membership in Trade & Economic Agreements:

- Jordan signed a Free Trade Agreement (FTA) with the U.S. and now it is fully implemented.

KUWAIT - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,260,000	1,326,000	1,408,500
Commercial Use Vehicles	325,000	336,000	345,600

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is a flat five percent on all imported products.
- The tariff applied to trucks is a flat five Percent.
- The tariff for auto parts is five percent.

Taxes:

- Value Added Tax is N/A
- Special tax depending on fuel type is N/A
- Luxury tax is N/A
- Special Consumption tax is N/A
- A transfer tax is N/A

Import Restrictions:

- More than five year old vehicles are not allowed to import.
- Imports of remanufactured, rebuilt, and/or used motor vehicle parts are not authorized.
- The import of automobiles and light trucks (under five tons) over five years old is prohibited under law no. 147 of December 27, 2000. Only Five Year Old all kind of vehicles
- Imports of refurbished and right-hand drive vehicles are prohibited.

Local/Regional Content Requirements:

- Nothing is locally manufactured, so such laws are not applicable in this sector.

Other Measures:

- Importers in Kuwait need an import license to import new/used vehicles. American made vehicles are imported without any issues, which means US standard are accepted here in Kuwait.

Membership in Trade & Economic Agreements:

- Egypt
- India

SAUDI ARABIA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	3,614,000	3,803,000	4,039,500
Commercial Use Vehicles	1,994,000	2,044,000	2,088,800

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 10 percent.
- The tariff applied to trucks is 10 percent.
- The tariff for radiators, filters and nails is 12 percent, all other spare parts is 5 percent.

Taxes:

- No VAT or other taxes added to sales price.

Import Restrictions:

- Imports of remanufactured, rebuilt, and/or used motor vehicle parts are not authorized.
- The import of automobiles and light trucks (under five tons) over five years old is prohibited under law since 2005.

Local/Regional Content Requirements:

- No local content regulations or import restrictions

Other Measures:

- None

Membership in Trade & Economic Agreements:

- Saudi Arabia signed a Trade Investment Framework Agreement with U.S. in July 2003
- Saudi Arabia joined the World Trade Organization (WTO) in December 2005

UNITED ARAB EMIRATES (UAE) - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,812,000	1,945,000	2,096,700
Commercial Use Vehicles	115,000	120,000	124,300

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 5 percent (5% customs duties on value of the vehicle + 1% insurance + cost of the shipment).
- The tariff applied to trucks is 12 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 5 percent (custom duty @ 5% on total CIF value. However, Customs may charge different increased percentages according to commodities).

Taxes:

- Value Added Tax is 0 percent
- Special tax depending on fuel type – N.A.
- Luxury tax – N.A.
- Special Consumption tax – N.A.

Import Restrictions:

- The vehicle must be in conformity to the State standards and its steering wheel must not be modified.
- There must be no damages on the vehicle's outer body. If damage occurs at the arrival port, a certificate from the competent authorities is required to be submitted accordingly.
- Vehicles that have been subject to accidents such as drowning, fire, collision, rollover, etc., are not allowed to be imported.
- Vehicles used as a taxicab or by police are not allowed to be imported.
- The importer's residence authorization (Residency) must be valid if the importer is not a citizen of any of the GCC States.
- It is permissible to import more than one vehicle per year if the importer does not have a commercial registration legalizing business activity in vehicle sale and import.

Procedure:

- Submit the required documents including the certificates issued by the traffic department from the country of export and shipping documents to customs.
- Pay customs duties.
- Customs will view the vehicle in order to ascertain that the value given in the export declaration is correct. If the value is inconsistent with that of the invoice, one will have to pay the duties based on the customs estimation.
- After paying the customs duty, one will be given a certificate of registration addressed to the Traffic & Licensing Department.
- Approach the Traffic & Licensing Department to register the car locally.

Local/Regional Content Requirements:

All cars and buses entering UAE beginning in model year 2013 will have to abide by safety regulation imposed by the Emirates Authority for Standardization and Metrology (ESMA), viz.:

- Head restraints in all seats and air bags for the driver and the front passenger compulsory for all passenger cars and buses with capacity up to 22 passengers.
- Anti Braking System (ABS) to be installed in all new vehicles as well as safety belts.

- Extra seats in the aisles prohibited for any motor vehicle with a riding capacity of four people or more.
- Every vehicle should have an alarm to notify when drivers exceed speed limit of 120 km in cars and 100 km on buses.

Other Measures:
Required Documents:
- Original invoice (for new cars).
- Original Certificate of Origin (for new cars).
- Export declaration for the vehicle from the customs department in the country of export.
- Certificate of vehicle export from the traffic department in the country of export.
- Valid vehicle insurance certificate.
- Copy of identification document of the importer or a copy of trade license if the importer is a business person.

Membership in Trade & Economic Agreements:
- Gulf Cooperation Council Customs Union
- GCC and Singapore
- GCC and European Free Trade Association (EFTA)
- Switzerland, Norway, Iceland, the Principality of Liechtenstein and New Zealand

Proposed FTA (holding agreement talks):
- Australia
- The European Union
- Japan
- China, India, Pakistan
- Korea
- Group of Mercosur which include Brazil, Argentina, Uruguay and Paraguay.

ASIA, ASEAN AND OCEANIA COUNTRIES SURVEYED:

EAST ASIA

CHINA – Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	43,220,000	52,165,000	55,930,000
Commercial Use Vehicles	50,280,000	52,275,000	63,580,000

Source: Ward's Motor Vehicle Data

The Government of China has viewed its automotive sector, including the auto parts industry, as a pillar industry for many years. China continues to be the World's largest automobile market in 2014. Auto sales grew at a compound annual rate of nearly 17 percent between 2003 and 2014, according to PricewaterhouseCoopers. Vehicles can be imported from the car manufacturers or through parallel importers, which are registered businesses in Shanghai, Guangzhou, or Tianjin Free Trade Zones.

China plans to increase production of new energy autos and parts by 35 percent annually, dedicating more than $18 billion in government support to the sector through 2020. If achieved, China will very likely become the world's leading producer of electric and hybrid vehicles and their key components by 2030. The Chinese government's 12th Five-Year-Plan (2011-2015) includes specific directives to steer the nation toward energy-efficient vehicles, specifically New Energy Vehicles (NEVs), as a way to combat petroleum imports and oil dependency, as well as to build new industrial capacity. The Made in China 2025 Strategy for auto industry targets 1 million in sales of pure electric and plug-in hybrid cars by 2020, and 3 million in sales by 2025.

The China Compulsory Certificate mark, commonly known as a CCC Mark, is a compulsory safety mark for many products imported, sold, or used in the Chinese market. The CCC mark is required for both Chinese manufactured and foreign imported products. The GB Standard (GB stands for Guobiao, or "National Standard") is the basis for testing products that require certification.

Product name	**HS code**	**GB Standard**
Seat belt	8708	GB14166-2003
Tire	4011100000 4011200090 4011990090 4011100000 4011200090 4011990090	GB 9744 GB 9743
Safety glass products	7007-7008, 8708	GB 9656
Headlamp	8512	GB4599-2007

Front position lamp/ rear position lamp, parking lamp, outline marker lamp, braking lamp	8512	GB 4660-2007 GB 15235-2007 GB 11554-1998 GB 18409-2001 GB 17509-1998 GB 5920-1999 GB 18099-2000 GB 18408-2001
Turning-signal lamp	8512	
Reversing lamp	8512	
Front fog lamp, rear fog lamp	8512	
Rear license-plate light	8512	
Side-marker lamp	8512	
Seat and head restraints	9401201000 9401209000 8708995900 9401901900 8302300000	GB15083-2006 GB11550-1995 GB13057-2003
Brake hose	8708309100 8708309200 8708309400 8708309500 8708309600 8708995900 8708309990	GB16897-1997
Rear-view mirror	7009100000	GB15084-2006
Fuel tank	8708299000 8708995900	GB18296-2001
Horn	8512301100	GB15742-2001
Interior trimming material: floor covering, seat shield, decorating scale boards (inside door shield/panel, front wall inner shield, side wall inner shield, rear wall inner shield, roof liner)	4016910000	GB8410-2006
Door lock and door hinge	8301-8302	GB 15086-2006
Engines	8702-8705	

http://www.cnca.gov.cn/tzgg/ggxx/ggxx2015/201508/t20150805_41254.shtml

China has imposed antidumping and countervailing duties on imports of saloon cars and cross-country cars (with engine displacement >2.5 liters) from U.S. producers and exporters at the following rates:

	AD Rate	CVD Rate
General Motors	8.9%	12.9%
Chrysler Group	8.8%	6.2%
Mercedes-Benz	2.7%	0%
BMW	2.0%	0%
Honda	4.1%	0%
Ford	21.5%	0%
"All others"	21.5%	12.9%

Tariffs:

- The tariff applied to motor vehicles is the MFN rate—25 percent of FOB price

Taxes Levied for Imported Vehicles:

- Value Added Tax is 17 percent
- Consumption tax depends on the engine capacity, and applies to imported vehicles only.

Engine displacement	Consumption tax
Less than 1 liter	1%
1.0 liter < displacement <1.5 liters	3%
1.5 liters < displacement <2.0 liters	5%
2.0 liters < displacement <2.5 liters	9%
2.5 liters < displacement <3.0 liters	12%
3.0 liters < displacement <4.0 liters	25%
Displacement > 4.0 liter	40%

- Purchase tax is 10 percent

The method of basing tax rate on vehicle price shall be adopted for calculating the taxable amount of vehicle purchase tax. The formula for calculating the taxable amount of vehicle purchase tax shall be:
Taxable amount = Taxable price × Tax rate

- Vehicles and Vessel Tax (varied on provinces and cities)

Engine Displacement	Vehicle and Vessel Tax Range (in RMB)	Vehicle and Vessel Tax Range (in U.S. $) Exchange rate: 1 U.S. $ = 6.3 RMB
Less than 1 liter	60-360	9.5-57
1 liter < displacement < 1.6 liters	300-540	47.6-85

1.6 liters <displacement < 2.0 liters	360-660	57-104
2.0 liters <displacement <2.5 liters	660-1200	104-190
2.5 liters <displacement <3.0 liters	1200-2400	190-380
3.0 liters <displacement < 4.0 liters	2400-3600	380-571
More than 4.0 liters	3600-5400	571-857
Buses	480-1440	76-228
Trucks	16-120 per ton	2.5-19
Trailers	50% of trucks	1.25-9.5
Motorcycles	36-180	5.7-28.5

- Used vehicle are prohibited to be imported into China

Combined tax rate = tariff (25%) + consumption tax (1% - 40%) + VAT (17%) + Purchase tax (10%) + Vehicle and Vessel Tax + possible AD/CVD duties

Taxes Levied at the Purchase Stage for Domestic Manufactured Vehicles:

- Value Added Tax is 17 percent
- Purchase Tax is 10 percent
- Vehicles and Vessel Tax

JAPAN - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	58,670,314	59,421,009	60,035,297
Commercial Use Vehicles	15,196,370	15,061,199	14,929,813

Source: Ward's Motor Vehicle Data

A variety of nontariff barriers have traditionally impeded access to Japan's automotive market. Overall sales of U.S.-made vehicles and automotive parts in Japan remain low. The United States has expressed strong concerns with the overall lack of access to Japan's automotive market for U.S. automotive companies. Barriers include issues relating to standards and certification; transparency issues, including the lack of sufficient opportunities for stakeholder input in the development of standards and regulations; and barriers that hinder the development of distribution and service networks.

In October 2015, the United States and Japan successfully concluded the Trans-Pacific Partnership (TPP) agreement which includes 11 other partner countries from throughout the Asia Pacific region. The TPP and a U.S.-Japan bilateral agreement address many of these nontariff barriers described above. Once approved, the TPP is expected to afford greater market access for U.S. car and automotive parts.

Tariffs:

- Import duties on motor vehicles have been waived indefinitely since 1978.
- No import duties on automobile parts.

Taxes:

- Japan currently levies an 8 percent consumption tax on vehicles. This tax was increased from 5 percent in April of 2014. The Japanese government is considering raise the consumption tax to 10 percent on April of 2017.
- In addition to the consumption tax, there is an annual automobile tax, which increases by engine size, ranging from 29,500 to 111,000 yen. An additional 10% tax is levied on vehicles used for 13 years (11 years for diesel vehicles) or longer.
- Japan maintains no local content requirements or quantitative restrictions.
- Japan assesses an acquisition tax on the acquisition of an automobile, whether new or used, based on the purchase price. This tax is 3 percent of the purchase price for private cars, commercial and mini-vehicles. This acquisition tax will be abolished when the consumption tax will be raised to 10 percent on April of 2017. (Incentives granted for eco-friendly cars such as 100% cut, 75% cut or 50% cut. This measure is scheduled to end on March 31, 2018.)
- Japan also levies tonnage tax according to vehicle weight at each vehicle inspection. The tonnage tax for passenger cars is 5,000 yen per year for each 0.5 ton of gross vehicle weight. (Incentives granted for eco-friendly cars such as 100% cut, 75% cut or 50% cut. This measure is scheduled to end on March 31, 2018.) A heavier tax is levied on vehicles used for 18 years or longer (6,300 yen per 0.5 ton for private passenger cars).
- These taxes apply to both domestic and imported vehicles.

Import Restrictions:

- The HFCV (Hydrogen Fuel Cell Vehicle) fuel tank parts must meet the Japanese High Pressure Gas Safety Act standard.
- Regarding noise regulations, acceleration running noise and stationary noise measuring will be applied on a mandatory basis to a new type of vehicle from 2016 onward and tire noise measuring will be applied on a mandatory basis to new type of vehicle from 2018 onward.

Membership in Trade & Economic Agreements:

- TPP
- ASEAN
- Mexico
- Chile
- Switzerland
- India
- Peru
- Australia
- Mongolia

SOUTH KOREA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	14,136,465	14,577,182	15,078,344
Commercial Use Vehicles	4,300,908	4,293,351	4,322,520

Source: Ward's Motor Vehicle Data

The long-anticipated Korea-U.S. Free Trade Agreement (KORUS) went into force on March 15, 2012, becoming our nation's largest FTA since NAFTA. All three U.S. automakers ultimately supported the KORUS FTA. Trade in autos and auto parts proved to be among the most contentious area tackled by U.S. and South Korean negotiation in FTA.

South Korea cut its passenger car tariff to 4 percent upon implementation of the KORUS FTA and will remove the remaining tariff in four years. For trucks, South Korea dropped its 10% duty upon implementation.

Tariffs:
KORUS FTA results immediate reduction (from eight percent to four percent) and eventual elimination of Korean tariffs on passenger cars effective from January 2016 of the FTA's implementation.

- Car Tariff Elimination: Under the 2012 KORUS FTA agreement, duties on imported passenger cars are immediately reduced to four percent ad valorem on the date the KORUS enters into force. This will be maintained for 4 years and the tariff will be completely eliminated four years after the implementation of the KORUS FTA starting from January 2016.

- Truck Tariff Elimination: Under the 2012 KORUS FTA agreement, duties on trucks is reduced to 0 percent,

- Tariff on Electric Vehicles: Under the 2012 KORUS FTA agreement, duties were immediately reduced to four percent upon implementation of the KORUS FTA it will be completely eliminated after the four years of FTA implementation from January 2016.

- The tariff for auto parts (HTS 8407-08 and 8708) is 0 percent.

Taxes (as of 2015):

- The taxes described below are calculated cumulatively, but several are applied as percentages of other automotive taxes. The tax described below covered general application mainly to passenger cars due to the complexity of the multiple tax categories and rates and the methodology for calculating tax rates on various values of the vehicle.

Taxes Levied at the Purchase Stage:

- At the purchase stage, the following two taxes are levied: 1) a 5 percent (a 3.5 % until the end of 2015 temporarily) *individual consumption tax* (a percentage of the C.I.F. value of the vehicle plus duty, and 2) *a 10* percent *value added tax* (VAT), calculated on the vehicle value inclusive of the *individual consumption tax.*

  (Source: Individual Consumption Tax Div., Property & Consumption Tax Bureau, Ministry of Strategy & Finance)

Taxes Levied at the Registration Stage:

- At the registration stage, the Korean Government levies the following two taxes: 1) *acquisition tax* (7 percent of the retail price before VAT – the Korean Government merged the former registration tax and acquisition tax into one), 2) *subway bond* (based on engine displacement).

  (Source: Local Tax Management Div., Local Tax Policy Bureau, Ministry of Administration & Home Affairs)

- The subway bond is another tax based on engine displacement. The engine displacement categories and rates are calculated as a percentage of the retail price as follows:

Below 1,000cc	0 percent
Over 1,000 cc and below1,500 cc	9 percent
Over 1,500 cc and below 2,000 cc	12 percent
2,000 cc and over	20 percent
Multi purpose vehicle	5 percent
7-10 passenger vehicle	W390,000

  (Source: Public Enterprise Division, Local Tax Policy Bureau, Ministry of Government Administration & Home Affairs)

Taxes Levied at the Ownership Stage:

- The Korean Government also assesses two taxes at the ownership stage: 1) *annual vehicle tax* (based on engine size), 2) *annual vehicle education tax* (30 percent of the annual vehicle tax).
- The annual vehicle tax is based on engine displacement with the following rates:

1,000 cc and below	80 Won/cc
1,600 cc and below	140 Won/cc
Over 1,600 cc	200 Won/cc

(Source: Local Tax Management Division, Local Tax Policy Bureau,

Ministry of Government Administration and Home Affairs)

Despite having a KORUS FTA in place for three years by 2015, U.S. automotive exports continue to face a lack of stability and predictability in the Korean automotive policy environment. The U.S. automotive industry raised concerns that the benefits anticipated from the free trade agreement have not fully materialized.

There are still standards that are unique only to Korea and are inconsistent with the global norms adopted by leading economies.

Technical barriers to trade (TBT) that U.S. auto industry currently concerns include:

- 2020 CAFÉ/CO2 Standard
- End of Life Vehicle (Extended Producers Responsibility)
- Right to Repair – Proposed diagnostic tool regulation
- New Emission Standard for Gasoline/LPG for 2016 and beyond
- Damage Disclosure Requirement
- Regulations on the Self-Certification of Motor Vehicle and Parts

Seat Size and Seat Clearance, Ground Clearance

SOUTH/SOUTHWEST ASIA

INDIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	16,771,943	18,796,000	21,551,000
Commercial Use Vehicles	9,834,025	10,558,000	10,948,000

Source: Ward's Motor Vehicle Data

The automotive industry of India is categorized into passenger cars, two wheelers, commercial vehicles and three wheelers, with two wheelers dominating the market. More than 81% of the vehicles sold are two wheelers. Nearly 70% of these two wheelers sold were motorcycles and about 21% were scooters. Mopeds occupy a small portion in the two wheeler market; however, electric two wheelers are yet to penetrate.

Duties and Taxes:

- **Customs Duty:** In India, the basic law for levy and collection of customs duty is Customs Act 1962. It provides for levy and collection of duty on imports and exports, import/export procedures, prohibitions on importation and exportation of goods, penalties, offences, etc.

  The basic tariff applied to cars is 60 percent. (Overall duty is 125 percent)
  The basic tariff applied to trucks is 20 percent.
  The basic tariff for auto parts (Chapter 84 and 87) is 10 percent.

For a detailed schedule of the customs duty, please click here:

http://www.cbec.gov.in/htdocs-cbec/customs/cs-tariff2015-16/cst2015-16-idx

- **Value Added Tax (VAT):** It differs from state to state and some states have implemented 14.5%

- Special Tax depending on fuel type is $.09 per liter.

  www.allindiantaxes.com

- **Excise Duty:** Central Excise duty is an indirect tax levied on those automobiles which are manufactured in India and are meant for home consumption. The taxable event is 'manufacture' and the liability of central excise duty arises as soon as the automobiles are manufactured. It is a tax on manufacturing, which is paid by a manufacturer, who passes its incidence on to the customers.

- **Basic Excise Duty:** 10% This is the duty charged under section 3 of the Central Excises and Salt Act, 1944 on all excisable goods other than salt which are produced or manufactured in India. Basic Excise Duty (also known as Central Value Added Tax (CENVAT) is levied at the rates specified in the Central Excise Tariff Act.

- **Special Excise Duty (SED):** As per the section 37 of the Finance Act, 1978 Special excise Duty was attracted on all excisable goods on which there is a levy of Basic excise Duty under the Central Excises and Salt Act, 1944. Special Excise Duty is levied at the rates specified in the Second Schedule to Central Excise Tariff Act, 1985.

- **Education Cess on Education Duty:** Section 93 of Finance (No.2) Act, 2004 states that education cess is “duty of excise”, to be calculated on aggregate of all duties of excise including special excise duty or any other duty of excise, but excluding education cess on excisable goods.

- **Excise Duty in case of clearances by EOU:** The EOU units are expected to export all their production. However, if they clear their final product in DTA (domestic tariff area), the rate of excise duty will be equal to customs duty on like article if imported in India.

- **Additional Customs Duty commonly known as Countervailing Duty (CVD): 12%** This is the duty leviable under second schedule to the Central Excise Tariff Act, 1985 at the rates mentioned in the schedule. At present this is leviable on very few items.

- **Special CVD: 4% National Calamity Contingent Duty (NCCD):** Normally known as NCCD. This duty is levied as per section 136 of the Finance Act, 2001, as a surcharge on specified goods.

- **Excise Duties and Cesses leviable under Miscellaneous Act:** On certain specified goods, in addition to the aforesaid duties, prescribed rate of excise duty and cess is also leviable.

For a detailed schedule of the excise duty, please click here:

http://www.cbec.gov.in/htdocs-cbec/excise/cxt2015-16/cxt-1516-idx?pageID=3-3

Import Restrictions:

- Import of remanufactured, rebuilt, and/or used motor vehicle parts are not permitted.
- Left – hand drive vehicles cannot be imported.
- New vehicles may only be imported from the country of manufacture. The import of new vehicles shall be permitted only through the Customs port at Nhava Sheva (Mumbai), Calcutta and Chennai.
- Used vehicle can only be imported through the Customs Port at Mumbai. The second hand or used vehicles imported into India should have a minimum roadworthiness for a period of 5 years from the date of importation into India with assurance for providing service facilities within the country during the five year period. For this purpose, the importer shall, at the time of importation, submit a declaration indicating the period of roadworthiness in respect of every individual vehicle being imported, supported by a certificate issued by any of the testing agencies, which the Central Government may notify in this regard.

- The used vehicle has to be submitted for testing to Vehicle Research and Development Establishment (VRDE), Ahmednagar, of the Ministry of Defence or the Automotive Research Association of India, Pune or the Central Farm and Machinery Training and Testing Institute, Budni, Madhya Pradesh, and such other agencies as may be specified by the Central Government, for granting a certificate by that agency as to the compliance of the provisions of the Motor Vehicles Act, 1988 and any rules made thereunder.

Emission norms:

- In tune with international standards to reduce vehicular pollution, the central government unveiled the standards titled 'India 2000' in 2000 with later upgraded guidelines as 'Bharat Stage'. These standards are quite similar to the more stringent European standards and have been traditionally implemented in a phased manner, with the latest upgrade getting implemented in 13 cities and later, in the rest of the nation. Delhi (NCR), Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Ahmedabad, Pune, Surat, Kanpur, Lucknow, Solapur, Jamshedpur and Agra are the 13 cities where Bharat Stage IV has been imposed while the rest of the nation is still under Bharat Stage III. The government is looking to implement Bharat Stage V for the entire country in the year 2017.

Fuel Specification:

- The Fuel Quality plays a very important role in meeting the stringent emission regulation. The fuel specifications of Gasoline and Diesel have been aligned with the corresponding European Fuel Specifications for meeting the Euro II, Euro III and Euro IV emission norms. The use of alternative fuels has been promoted in India both for energy security and emission reduction. Delhi and Mumbai have more than 100,000 commercial vehicles running on CNG fuel. India is planning to introduce Biodiesel; Ethanol Gasoline blends in a phased manner and has drawn up a road map for the same. The Indian auto industry is working with the authorities to facilitate the introduction of alternative fuels. India has also setup a task force for preparing the Hydrogen road map. The use of LPG has also been introduced as an auto fuel and the oil industry has drawn up plans for the establishment of Auto LPG dispensing station in major cities**.**

Membership in Trade & Economic Agreements:

- Japan
- Korea
- ASEAN
- PTA with SAARC Nations
- Malaysia
- Thailand
- India-EU BTIA
- Canada
- Australia
- New Zealand

Other agreements can be found at www.commerce.nic.in or www.indiantradeportal.in

NEPAL

- An import license is required.
- The import duty is levied at around 94 percent on public carriers and around 117 percent on mini-buses (customs duty of 25 percent on public carriers and 40 percent on mini-buses, 32 percent excise duty on the gross of Invoice Value + Customs Duty, 1.5 percent local development tax on invoice value, 5 percent special tax on invoice value, and 13 percent value added tax (VAT) on the gross of invoice value + additional duties and taxes).
- The import duty on other vehicles is around 176 percent (80 percent customs duty, and additional duty and taxes as applicable on mini-buses and public carriers).

PAKISTAN - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,849,229	1,997,000	2,158,800
Commercial Use Vehicles	560,000	588,000	619,800

Source: Ward's Motor Vehicle Data

Pakistan - Customs Duties and Taxes on Motor Vehicles

Customs Duties

Following is the schedule of customs duties, assessed on the C&F value of new vehicle imports:

Passenger Cars:	Type	Customs Duty
	Up to 800 cc	50%
	801cc-1000cc	55%
	1001cc-1500cc	60%
	1501cc-1800cc	75%
	1801cc and above	90%

According to Business Monitor International, for commercial vehicles, "The general tariff regime in Pakistan is 20% on CKD buses and trucks; and 60% on compressed natural gas (CNG) trucks and 20% on CBUs for buses." In addition, CKD-kit bus imports have been exempted from customs duty.

Taxes

- A 15% General Sales Tax (a VAT tax), is assessed on all motor vehicles (personal, commercial, CKDs, and CBUs.

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Other Measures

Vehicles as Personal Gifts and Baggage:

- Pakistan permits the importation of motor vehicles as a personal gift, or as personal baggage accompanying a returning Pakistani after a residence abroad. Siblings are also now covered under the gifting scheme. The schedule of duties is listed in Appendix G of the Import Trade and Procedure Order, 2002-2003 (www.paksearch.com).

Exemption from Customs Duties:

- The Government of Pakistan exempts custom duty on the import of certain categories of motor vehicles by diplomats, tour operators/travel agents and privileged organization/offices/agencies as defined under Customs Rules and Procedures 2002-2003 (www.paksearch.com).

Prohibited Import Items:

- HS Code Description

8710.0000 Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles.

Investment Measures:

- On a case-by-case basis, with the permission of the Government of Pakistan, organizations engaged in infrastructure projects such as petroleum, gas, refinery, CNG, LPG, energy conservation, environment and safety control are exempt from duties and taxes on vehicles not manufactured locally.

Local Content Requirements:

- Pakistani companies, which manufacture automobiles, must comply with local content requirements. Within a specified time period the Pakistani plant must adhere to a specific local content ratio on the production line. The local content requirements vary for different types of vehicles and are determined by the Engineering Development Board of Pakistan (EDB). Further information may be obtained on EDB's website: http://www.engineeringindustry.info.

Safety and Emissions Standards and Certification Procedures:

- Pakistan does not have regulations concerning automobile safety and emissions standards and certification procedures. All U.S. and European vehicle specifications are accepted.

Membership in Trade & Economic Agreements:

- Malaysia
- China
- Sri Lanka
- WTO

ASEAN

Ten countries currently form the membership of the Association of South East Asian Nations (ASEAN). These countries include Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand and Vietnam. These countries belong to the ASEAN Free Trade Area (AFTA), under which all internal tariffs on manufactured products have been lowered to 0-5 percent, as applied by the common effective preferential tariff (CEPT). The less developed countries of Vietnam, Laos, Burma and Cambodia have longer phase in periods (Vietnam in 2006, Laos and Burma in 2008, and Cambodia in 2010).

The main trade scheme in ASEAN that has an impact on automotive trade within the region is the AICO (ASEAN Industrial Cooperation). Under the AICO scheme, approved companies are eligible to benefit immediately from the AFTA 0-5 percent preferential tariff rate, for trade in approved items. In the automotive sector this applies to completed vehicles, parts, half-finished goods and materials. In order to qualify, products must have 40 percent ASEAN content and demonstrate resource sharing between participating companies. In addition, ASEAN members are required to abolish the localization schemes in each country as well as the import tariff exemptions and local capital requirements.

INDONESIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	9,459,597	10,432,259	11,484,514
Commercial Use Vehicles	7,214,711	7,559,882	7,901,803

Source: Ward's Motor Vehicle Data

Tariffs:

- Tariffs on Completely Built-up (CBU) passenger vehicles range from 65, 70 and 80 percent depending on engine displacement.
- A 45 percent tariff is applied to CBU Commercial vehicles.
- CBU Pickup trucks and buses tariff rates range from 5, 40, 45 percent depending on engine size.
- Tariffs on non-passenger car kits are a uniform 25 percent.
- Tariffs on auto components and parts imported for local assembly of passenger cars and minivans are a uniform rate of 15 percent.

Taxes:

- In addition to the duty and luxury tax, Indonesia applies a 10 percent Value Added Tax (VAT).

- Luxury Tax Chart inserted below for applied
  PP 41/2005 dated 25 Oct 2005

Category	Engine Size	Luxury Tax	
		Old (%)	New (%)
Sedan	cc < 1.5	30	30
	1.5 < cc < 3.0 (P) 2.5 (D)	40	50
	cc > 3.0 (P) 2.5 (D)	75	75
MPV (4x2)	cc < 1.5	10	10
	1.5 < cc < 2.5	20	25
	2.5 < cc < 3.0 (P)	40	50
	cc > 3.0 (P) 2.5 (D)	75	75
SUV (4x4)	cc < 1.5	30	30
	1.5 < cc < 3.0 (P) 2.5 (D)	40	50
	cc > 3.0 (P) 2.5 (D)	75	75
Commercial	GVW 0.5 tons (P/D) all cc	20	25
Double Cabin			
4x2 and 4x4			

rates:

Note:
CBU (Completely Built Up)
CKD (Completely Knocked Down)
Lt (Liter)

Import Bans and Quotas:
Used vehicles and automotive parts imports are prohibited.

MALAYSIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	9,721,447	9,833,000	11,154,000
Commercial Use Vehicles	1,178,647	1,171,000	1,142,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The import tax for classification for auto parts under
  - HTS 8407 ranges from 5% to 30% import rate and 6% sales tax
  - HTS 8408 0% import rate and 6% sales tax
  - HTS 8708 ranges from 5% to 30% import rate and 6% sales tax

Taxes:

DUTIES & TAXES ON MOTOR VEHICLES

A. MOTOR CARS (INCLUDING STATION WAGAON, SPORTS CARS AND RACING CARS)						
ENGINE CAPACITY (cc)	***IMPORT DUTY***				***LOCAL TAXES***	
	CBU		***CKD***		***CBU***	***CKD***
	MFN	***ATIGA***	***MFN***	***ATIGA***	***MFN***	***ATIGA***
< 1,800	30%	0%	10%	0%	75%	10%
1,800 - 1,999	30%	0%	10%	0%	80%	10%
2,000 - 2,499	30%	0%	10%	0%	90%	10%
Above 2,500	30%	0%	10%	0%	105%	10%

B) Four Wheel Drive Vehicles

B. **FOUR WHEEL DRIVE VEHICLES**						
ENGINE CAPACITY (cc)	***IMPORT DUTY***				***LOCAL TAXES***	
	CBU		***CKD***		***CBU***	***CKD***
	MFN	***ATIGA***	***MFN***	***ATIGA***	***MFN***	***ATIGA***
< 1,800	30%	0%	10%	0%	65%	10%
1,800 - 1,999	30%	0%	10%	0%	75%	10%
2,000 - 2,499	30%	0%	10%	0%	90%	10%
Above 2,500	30%	0%	10%	0%	105%	10%

C. OTHERS (MPV & VAN)						
ENGINE CAPACITY (cc)	***IMPORT DUTY***				***LOCAL TAXES***	
	CBU		***CKD***		***CBU***	***CKD***
	MFN	***ATIGA***	***MFN***	***ATIGA***	***MFN***	***ATIGA***
< 1,500	30%	0%	NIL	0%	60%	10%
1,500 - 1,799	30%	0%	10%	0%	65%	10%
1,800 - 1,999	30%	0%	10%	0%	75%	10%
2,000 - 2,499	30%	0%	10%	0%	90%	10%
Above 2,500	30%	0%	10%	0%	105%	10%

D. COMMERCIAL VEHICLES						
ENGINE CAPACITY (cc)	***IMPORT DUTY***				***LOCAL TAXES***	
	CBU		***CKD***		***CBU***	***CKD***
	MFN	***ATIGA***	***MFN***	***ATIGA***	***MFN***	***ATIGA***
All	30%	0%	NIL	0%	NIL	10%

NOTE

MFN = Most Favored Nation
ATIGA = ASEAN Trade in Goods Agreement
CBU = Complete Built Up
CKD = Complete Knock Down

Cc = cubic centimeter

Other Taxes

Excise Taxes on passenger cars are assessed based on a graduated schedule i.e.

VALUE	*PERCENTAGE*
First RM7,000.00	25%
Next RM3,000	30%
Next RM3,000	35%
Next RM7,000	50%
Next RM5,000	60%
Balance	65%

TYPE OF VEHICLE CATEGORY	*EXCISE TAX*
MPV & 4WD	45%
VANS	30%
COMMERCIAL VEHICLES	0

Goods and Service Tax at 6%

Import Restrictions:

Approved Permits (AP), issued by the Ministry of International Trade and Industry (MITI) acts as a control mechanism limiting the number of cars imported into Malaysia. It was gazetted based on the Malaysian Customs Act 1967, in 1983 as a measure to protect the National Car – PROTON and later PERODUA. PROTON is a joint venture with Mitsubishi while PERODUA is with Daihatsu.

There are two types of AP:

1. Franchise AP - that are given out for free to franchise holders of car brands registered with MITI.
2. Open AP – that are sold to parallel importers of cars for resale in the Malaysian market

The total annual number of APs issued is usually capped at ten percent of the number of locally assembled cars of the previous year. The allocations of these APs are usually in the ratio of

- 60 percent to Bumiputera for Open AP holders
- 40 percent to franchise holders

However, the end of the APs in 2010 were repealed based on objections from stakeholders of vested parties and these were extended to

1. 31st December 2015 for Open APs for used vehicles (commercial, passengers and motorcycles)
2. 31st December 2020 for Franchise APs

There was a commitment by the Government of Malaysia under the ASEAN and WTO obligation, to remove and/or reduce import duties for automotive products. These import duties are being progressively being revised and reduce in line with the eventual liberalization of the market.

Another impediment for US made vehicles is the left-hand drive mechanism. Malaysia is a right-hand drive following the British standards.

Local/Regional Content Requirements:

Currently, local content requirements are 30% - 45% for non-national cars and about 80% for national cars, and the local content requirements for non-PROTON assemblers include 30 mandatory items.

Membership in Trade & Economic Agreements:

Cars imported from the ASEAN member countries such as Thailand and Indonesia are subject to the least import duties, whereas those from other regions such as Europe and America are paying higher.

- ASEAN Free Trade Agreement (AFTA)
- World Trade Organization (WTO)
- Free Trade Agreement (FTA)

PHILIPPINES - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	828,600	852,300	868,148
Commercial Use Vehicles	2,396,400	2,494,500	2,531,078

Source: Ward's Motor Vehicle Data

Below is the latest information on motor vehicle import requirements for the Philippines. This information is from the Philippine Board of Investments (BOI) and several other industry sources.

Tariff:
Table 2 illustrates CBU tariff on under specific ASEAN Harmonized Tariff Nomenclature (AHTN) codes.

Note: The AHTN is an 8-digit commodity nomenclature adopted by the ten ASEAN member countries on January 1, 2002. It is based on the Harmonized System (HS) and involves the alignment of the national tariff nomenclature of each member country with the AHTN.

Table 2: CBU Tariff

AHTN heading	Tariff	Description	Tariff Based On
87.02	15% to 20%	Motor vehicles for the transport of ten or more persons	Passenger capacity and gross vehicle weight (GVW)
87.03	30%	Cars and other motor vehicles principally designed for the transport of persons	Engine displacement
87.04	20% to 30%	Motor vehicles designed for the transport of goods	Gross vehicle weight (GVW)
87.11	30%	Motorcycles	Engine displacement

Source: Board of Investments (BOI), Department of Trade and Industry (DTI)

The tariff rate for the assembly of motor vehicles falling under AHTN heading nos. 87.02, 87.03, 87.04 and 87.11 is from 0% to 1%. It is dependent on the type of engine used. Table 3 illustrates the difference on tariff for the assembly of alternative fuel vehicles (0%) and the conventional vehicles (i.e., gasoline/diesel engines) with 1%.

Table 3: CKD/ KD Tariff

AHTN heading	Description	Tariff
87.02, 87.03, 87.04 and 87.11	Components, parts and/or accessories imported from one or more countries for assembly of vehicles by participants in the Motor Vehicle Development Program (MVDP) with certificate from the Philippine Board of Investments (BOI) for the assembly of hybrid (electric and gasoline/diesel), electric, flex-fuel (bio-ethanol and bio-diesel) and compressed natural gas (CNG) vehicles.	0%
87.02, 87.03, 87.04 and 87.11	Components, parts and/or accessories imported from one or more countries for assembly of vehicles by participants in the MVDP with a certificate from the BOI.	1%

Source: Board of Investments (BOI), Department of Trade and Industry (DTI)

Taxes:

- A 12 percent VAT is assessed on the domestic sale of all goods, including motor vehicles and automotive parts and components.
- Excise taxes on motor vehicles are assessed and levied based on the net manufacturer/importer's selling price. Table 4 shows the corresponding excise tax levied on motor vehicles.
- Commercial vehicles, except for pick-up trucks, 4X4 vans and Asian Utility Vehicles

(AUVs), are not subject to the excise tax.

Table 4: Excise Tax Rates

Net Manufacturer's Price / Importer's Selling Price	Excise Tax
Up to Philippine Peso (PhP) 600 Thousand (approx US$14,285)	2%
Over PhP600 Thousand to PhP1.1 Million (approx US$14,285 to US$26,190)	PhP12,000 (approx US$285) + 20% of value in excess of PhP600 Thousand
Over PhP1.1 Million to PhP2.1 Million (approx US$26,190 to US$50,000)	PhP112,000 (approx US$2,267) + 40% of value in excess of PhP1.1 Million
Over PhP2.1 Million	PhP512,000 (approx US$12,190) + 60% of value excess of PhP2.1 Million

Notes: Exchange Rate used: US$1 = PhP42.00 / Source: Republic ACT (RA) 9224

Import Restrictions:
Section 3 of Executive Order 156 indicates that:

The importation into the country of all types of used motor vehicles is prohibited, except for the following:

- A vehicle that is owned and for the personal use of a returning resident or immigrant and covered by an authority to import issued under the No-Dollar Importation Program. Such vehicles cannot be resold for at least three (3) years;
- A vehicle for the use of an official of the Diplomatic Corps and authorized to be imported by the Department of Foreign Affairs;
- Trucks, excluding pick-up trucks:
    1. With GVW of 2.5 – 6.0 tons covered by an authority to import issued by the Department of Trade and Industry (DTI).
    2. With GVW above 6.0 tons.
- Buses:
    1. With GVW of 6-12 tons covered by an authority to import issued by DTI.
    2. With GVW above 12 tons.
- Special purpose vehicles, namely; fire trucks, ambulances, funeral hearses/coaches, crane lorries, tractor heads or truck tractors, boom trucks, tanker trucks, tank lorries with high pressure spray gun, reefers or refrigerated trucks, mobile drilling derricks, transit/concrete mixers, mobile radiological units, wreckers or tow trucks, concrete pump trucks, aerial/bucker flat-form trucks, street sweepers, vacuum trucks, garbage compactors, self loader trucks, man lift trucks, lighting trucks, trucks mounted with special purpose equipment, all other types of vehicles designed for a specific use.

Other Measures:

The importation of used trucks, buses, and special purpose vehicles is regulated and monitored by the DTI. It requires an import license from the Bureau of Import Services (BIS), DTI.

Membership in Trade and Economic Agreements:

- Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA)
- Japan-Philippines Economic Partnership Agreement (JPEPA)
- Trade and Investment Framework Agreement (TIFA) with the U.S.

SINGAPORE - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	592,361	605,149	607,292
Commercial Use Vehicles	203,865	205,789	205,548

Source: Ward's Motor Vehicle Data

Tariffs:

- Singapore does not apply any tariffs to vehicles or components.

Taxes:

- The excise tax on all vehicles is 20% of Open Market Value (OMV)
- Registration fee (RF): S$140 (Sing dollars)
  Additional Registration Fee (ARF) is based on Open Market Value (OMV). For example:

The ARF payable for a car with an OMV of S$75,000 will be calculated as follows:

Vehicle OMV (S$75,000)	**ARF Rate**	**ARF Payable**
First S$20,000	100%	100% x S$20,000 = **S$20,000**
Next S$30,000	140%	140% x S$30,000 = **S$42,000**
Above S$50,000	180%	180% x S$25,000 = **S$45,000**

Total ARF payable is (S$20,000 + S$42,000 + S$45,000) = **S$107,000**

- Road Tax – Singapore levies a road tax on vehicles, which is based on engine displacement. There are five categories for this tax: less than or equal to 600cc, 601-1000cc, 1001-1600cc, 1601-3000cc and above 3000cc. Tax is determined by a graduated formula, with larger engine sizes charged a higher tax rate (for additional details, see the Singapore Land Transport Authority's web page at http://www.lta.gov.sg/content/ltaweb/en/roads-and-motoring/owning-a-vehicle/costs-of-owning-a-vehicle/tax-structure-for-cars.html

- Special Tax – A petrol duty is imposed to encourage fuel conservation and discourage excessive use of vehicles that may contribute to congestion and pollution. However, there is currently no equivalent duty imposed on diesel. Hence, a Special Tax is levied on diesel vehicles to make up for the absence of a fuel duty. The Special Tax is payable in addition to the Road Tax of the vehicle.

  The quantum of the Special Tax for diesel cars takes into account the higher particulate matter (PM) emissions of diesel vehicles. The Special Tax for a non-Euro IV compliant diesel car is 6 times its Road Tax. In recognition of improved emission standards of Euro-IV diesel cars, the Special Tax rate for these diesel cars was reduced from four times the road tax to $1.25 per cc with effect from 1 July 2008. The Special Tax structure seeks to narrow the difference in the cost of fuel consumption (including petrol duty) between a Euro-IV diesel car and a petrol car.

Import Restrictions:

All imported motor vehicles into Singapore must be registered with LTA (Land Transport Authority) before they can be driven on the public roads.

Brand New Vehicles:

Vehicle will be classified as brand new at registration if:

- it was imported into Singapore directly from the vehicle manufacturer; or
- it was registered as a new vehicle in a foreign country which adopts a higher or equivalent safety and emission standard as Singapore such as the European Community (EC) countries. The vehicle must be de-registered within 14 days of its registration in the foreign country for export to Singapore, and must arrive in Singapore within 3 months of its de-registration overseas.

Imported Used Vehicles:

Only imported used vehicles that are less than 3 years of age can be registered in Singapore.

A surcharge of S$10,000 is payable on top of the Quota Premium (for a Certificate of Entitlement) and registration taxes and fees at registration.

The age of a used vehicle is determined by the date the vehicle was first registered in a foreign country.

If the first registration date of the vehicle cannot be ascertained, then the age of the vehicle will be determined by the first day of its manufacture.

Right-hand Drive
Only right-hand drive cars are allowed to be registered for use in Singapore.*Examples include

Procedures on importation and registration of a car in Singapore are available at: **http://www.onemotoring.com.sg/publish/onemotoring/en/lta_information_guidelines/buy_a_new_vehicle/self_importation_.MainPar.22837.File.tmp/Car.pdf**

Local/Regional Content Requirements:

- There are no local content requirements in Singapore.

Other Measures:

Fuel Economy Labeling Scheme (FELS)

The LTA will continue to:

- Subject only imported new/used cars and Light Goods Vehicles (LGVs) to FELS requirements. [LGVs refers to vehicles with a maximum laden weight not exceeding 3,500 kg]

- Accept test reports from LTA/NEA (National Environment Agency) recognized test laboratories that comply with test cycle specified in the United Nations Economic Commission for Europe (UNECE) Regulation 101 as well as fuel consumption and CO2 emissions data contained in the vehicle Certificate of Conformity (COC); and

- Exempt cars and LGVs imported by Parallel Importers from the 3,000km vehicle run-in requirement for testing at the VICOM Emission Test Laboratory (VETL).

The revised requirements are as follows:

- **Vehicle Testing Laboratories' Requirements**
  Approved independent test laboratories[1] must be accredited by their national accreditation body to conduct emission tests in accordance with the United Nations Economic Commission for Europe (UNECE) Regulation 101. The national accreditation bodies must be signatories to either the International Laboratory Accreditation Cooperation (ILAC) or Asia Pacific Laboratory Accreditation Cooperation (APLAC).

  Vehicle manufacturers' in-house test laboratories must be supervised by a qualified Technical Service (e.g. approval authority, TUV, Vehicle Certification Agency, etc.) to ensure that the tests facilities and measurement devices comply with the

requirements of ISO 170252 (Competence of testing and calibration laboratories) and the tests are carried out in accordance with the UNECE Regulation 101.

- **Imported Used Cars/Light Goods Vehicles (LGVs)**
  Every imported used car/LGVs must be tested at any LTA/NEA-recognized vehicle testing laboratory to capture the FELS data based on their current conditions and mileages at import.

- **Verification Checks**
  LTA may request any imported cars/LGVs to undergo a verification test at VICOM Emission Test Laboratory (VETL) to ensure accuracy of the CO2 emission data even if test reports from LTA/ NEA-recognized vehicle testing laboratories or Conformity of Certificate (COC) are submitted. Cost of the verification test will be borne by LTA. In addition, LTA will conduct regular audit checks on the accuracy and proper display of FELS label at car showrooms.

[1]Independent test laboratories do not manufacture vehicles and the nature of their business is to provide test services on vehicle inspections and other vehicle related accessories, parts or products for wide base customers

[2]ISO 17025 is the quality management system used by laboratories for improving their ability to consistently produce valid results. It is also the basis for accreditation from a national accreditation body.

Membership in Trade & Economic Agreements:

Since the signing of its first FTA under the ASEAN Free Trade Area (AFTA) in 1993, Singapore's network of FTAs has expanded to cover 20 regional and bilateral FTAs with 31 trading partners. Among them are:

- US-Singapore Free Trade Agreement
- ASEAN Free Trade Area
- ASEAN-Australia-New Zealand FTA (AANZFTA)
- ASEAN-Japan (AJCEP)
- ASEAN-Korea (AKFTA)
- Singapore-China (SCRFTA)
- Singapore-GCC (GSFTA)

The full list of Singapore FTA partners is available at http://www.fta.gov.sg/sg_fta.asp

THAILAND - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	5,404,763	6,273,983	7,109,000
Commercial Use Vehicles	6,237,480	6,591,061	6,813,000

Source: Ward’s Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 80 percent.
- The tariff applied to trucks is 40 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 30 percent.

Taxes:

- Value Added Tax is 7 percent
- Municipal Tax is 10 percent
- Excise Tax based on carbon dioxide emission, range from 10 percent to 50 percent, starting January 1, 2016

Import Restrictions:

- Imports of used automobiles are not allowed under any circumstances
- Imports of buses with 30 seats or more are not allowed

Other Measures:

- Every automobile must come with a technical report verifying it complies with applicable environmental standards.

Membership in Trade & Economic Agreements:

- AFTA – ASEAN Free Trade Agreement
- ACFTA – ASEAN-China Free Trade Agreement
- JTEPA – Japan-Thailand Economic Partnership Agreement
- TAFTA – Trans-Atlantic Free Trade Agreement
- TIFTA – Thai-India Free Trade Agreement
- WTO – World Trade Organization

VIETNAM - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	169,000	178,000	188,900
Commercial Use Vehicles	186,000	192,000	199,800

Source: Ward's Motor Vehicle Data

Taxes:

- The Special Consumption Tax (SCT) for vehicles is 50% percent for vehicles with five seats or less, 30% for those with 6 to 15 seats, and 15 % for those with 16 to less than 24 seats.
- The SCT for both Completely Knocked-down vehicles (CKD) and Completely Build-up vehicles (CBU) are harmonized (effective January 1, 2004).
- The provision on SCT reduction for local auto assembler has been eliminated.
- The Value Added Tax (VAT) is 5% for all vehicles

Tariffs:

- CBU MFN rate is 70 percent for all vehicles

- CKD ASEAN Free Trade Area (AFTA) Common Effective Preferential Tariff (CEPT) rates are 0 or 5%, going to 0% by 2012 for all vehicles.
- CBU passenger cars are still on the GE list. The latest proposal of CEPT Roadmap to reduce AFTA rates for CBU passenger cars which is approved by the Prime Minister is:
    - CBU vehicles with 10 to 30 seats: 20% (2007) and 5% (2009)
    - CBU vehicles under 10 seats 20% (2008) and 5% (2010).
- CKD MFN rates, scheduled to increase 5 to 10 points per year, appear to be holding at 25 percent and rising for passenger cars and PPV and 15 percent and rising for minivans/bus, pickups, and trucks equal or less than 5 tons
- MFN rate for all used autos and trucks not exceeding 5 tons is 150%

Prohibitions:

- Beginning in 1998, Vietnam has a prohibition on the importation of used passenger vehicles. The ban should be phased out by April 2006.

OCEANIA

AUSTRALIA- Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	12,474,044	12,714,235	13,000,021
Commercial Use Vehicles	3,164,896	3,265,521	3,381,742

Source: Ward's Motor Vehicle Data

Motor vehicle trade between the United States and Australia is bound by the terms of the U.S./Australia Free Trade Agreement, which went into effect on January 1, 2005. The agreement can be found on the web at:
http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Section_Index.html

The automotive terms are outlined below. The terms for goods not qualifying under the agreement are also described in a following section.

Tariffs under the FTA:

For those motor vehicles that meet the necessary rule of origin to qualify for preferential treatment under the FTA, the following tariff rates apply:

- Australian tariffs on U.S. vehicles in the light truck passenger segment – including four-wheel drive, SUVs, minivans, and pickup trucks – were eliminated immediately on implementation. This includes the vast majority of U.S. vehicle exports to Australia.

- Australian tariffs on imported U.S.-built passenger cars were reduced from 15% to 8% on implementation, and were phased down on a linear basis to 0% in 2010.

Rule of Origin under the FTA:

Details of the Rules of Origin can be found at the Australian Customs Website:
http://www.customs.gov.au/webdata/resources/notices/ACN04039.pdf

- The agreement uses the "net cost" method of calculating origin, which does not include most post-production costs, such as sales promotion, marketing, after sales service costs, royalties, shipping and packing costs, and non-allowable interest costs. The Agreement sets a minimum "net cost" regional value content of 50% for automotive products, (sourced from the United States and Australia) in order to enjoy duty-free treatment.

Used cars under the FTA:

- To ensure that the agreement is not used to allow third-party used cars to be transshipped through either party, in addition to meeting the automotive rule of origin, passenger vehicles will be required to pass a 'change in tariff classification' test – which ensures that the vehicle underwent manufacturing processes one of the two parties.

- All used vehicles must also obtain quarantine clearance from the Department of Agriculture and Water Resources after the vehicle has arrived at the port of entry. This is to prevent the entry of diseases, noxious weeds and insect pests into Australia. Quarantine authorities inspect all vehicles on arrival and may require them to be properly cleaned. This is usually done by steam cleaning. All exporters should remove all soil and any other matter from the vehicle (including the underside) prior to exportation to Australia. For more information go to:

  http://www.agriculture.gov.au/import/vehicles-machinery/motor-vehicles

For vehicles not meeting the rule of origin under the FTA, the following terms apply:

The Australian government maintains web pages regarding motor vehicle import procedures and requirements. The main link can be found at:
https://infrastructure.gov.au/vehicles/imports/

The following summarizes significant aspects of Australia's regulations and requirements.

Tariffs/Taxes:

- New and used passenger motor vehicles, campervans/mobile homes, and their components are presently subject to a five percent customs duty. A GST of 10 percent applies.
- Used passenger vehicles more than 30 years old are exempt from customs duties but GST of 10 percent is levied.
- There is a five percent duty and 10 percent GST on 4X4 offroad and commercial vehicles
- There is a five percent duty and 10 percent GST on vehicles up to 30 years old.

- Import duty is collected on the vehicle's "customs" value as determined by Australian Customs Service (ACS). Generally, ACS includes all arms-length expenditures to acquire ownership/title to the vehicle in a foreign country. However, international shipping and related insurance costs are not included. Alternative valuation methods may be employed at the discretion of ACS.

Taxes:

- A 10 percent federal goods and service tax (GST) is levied on the assessed value of all imported new and used vehicles, inclusive both of applicable customs duties and international freight and insurance charges.
- A luxury car tax is levied at a rate of 33% on all vehicles, except motorbikes, and some commercial vehicles with a current GST inclusive value in excess of AU$63,184. LCT is payable on the amount in excess of a GST inclusive figure. The LCT threshold for fuel efficient vehicles is AU$75,375.
- Note: Australian-assembled vehicles are also subject to the GST and LCT, but have no Customs duty included in their taxable basis.

Other Measures:

Prior Approval:

- Importers must submit a formal request for "Import Approval" to the Department of Transport's Vehicle Safety Standards Branch prior to a vehicle's entry into Australian territory. Payment of $50 Australian fee must accompany each application, which may include multiple vehicles of the same model.

https://infrastructure.gov.au/vehicles/imports/online_form.aspx

Duty Wavier:

- Until 2005, local vehicle assemblers could claim an import duty credit equal to 25 percent of the value of their production of motor vehicles, engines and engine components, multiplied by the relevant tariff rate, plus 10 percent of the value of new investment in plant and equipment. Local component producers could claim a credit equal to 25 percent of the value of their investment in plant and equipment and of 45 percent of the value of investment in R&D. The total value any firm may claim in any year was limited to 5 percent of its total local sales. The credits could be applied by the firm--or traded to other importers--as payment of customs duty on vehicles or components they import. This program is to be reduced beginning in 2006 and terminated in 2015.

Vehicle Safety and Emissions Requirements:

- All imported vehicles must be modified to comply with Australian Design Rules (ADRs) regarding safety, emissions and anti-theft measures. Details can be found at: http://www.infrastructure.gov.au/roads/motor/design/adr_online.aspx.
  If import volume exceeds 100 new vehicles per year, destructive testing (e.g., crash test) may be required.

- The ADRs require that with only a few exceptions, left-hand drive vehicles, regardless of the scheme under which imported, must be converted to right-hand drive prior to licensing for road use. Vehicles manufactured before 1 January 1989 are exempt and can be driven in left-hand drive configuration.
- Beginning May 3, 2003, up to 100 examples of specific vehicle models listed on the "Specialist and Enthusiast Vehicles Scheme" see: https://infrastructure.gov.au/roads/motor/sevs/ http://www.infrastructure.gov.au/roads/motor/sevs/index.aspx) may be imported by Registered Automotive Workshops (RAWs) without being subject to the full requirements of the ADR. Australian residents must contract with a RAW, or become one in order to import registry-listed vehicles.
- Vehicles produced prior to July 1989 may be subject to earlier versions of ADRs, subject to state enforcement. To be licensed for use on public roads, the vehicle must meet the safety regulations of the state or territory in which it will be registered.
- A "Personal Import" program allows one vehicle per year to be imported by an individual of legal driving age without proof that it meets the ADR, provided that the vehicle has been owned and used abroad by the import applicant for a continuous period of at least 12 months. The applicant must be either an Australian citizen or permanent resident, or must have applied for either status.

NEW ZEALAND - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,607,266	2,633,301	2,700,192
Commercial Use Vehicles	501,205	510,364	534,060

Source: Ward's Motor Vehicle Data

New Zealand's vehicle fleet comprises of mainly imported vehicles. The light fleet (passenger and light commercial vehicles) makes up over 90 percent of New Zealand's total vehicle fleet. The light fleet is made up of cars, vans, utilities, four wheel drives, sports utility vehicles (SUVs), buses and motor caravans.

In 2013, New Zealand's light vehicle registrations were at an all-time record levelfor the first time since the financial crisis. The high number of light vehicle registrations was accompanied by the lowest level of scrappage of light vehicles in over a decade. As a result the light fleet grew significantly.

Tariffs:

- The tariff applied to cars (HTS 8703) ranges from free to 10% depending on engine size
- The tariff applied to trucks (HTS 8704) is free
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from free to 5%

Taxes:

- A Goods and Services (GST) of 15% is levied on all sales transactions in New Zealand. The tax is based on the landed value of the motor vehicle and is collected by New Zealand Customs.

Import Restrictions:

- New Zealanders drive on the left-hand side of the road (steering wheel on the right.) Left Hand Drive vehicles can be imported into New Zealand but restrictions are enforced for road use. A light vehicle less than 20 years old cannot generally be registered unless it has been issued with a permit issued by the NZ Transport Agency (NZTA). Website: www.nzta.govt.nz/resources/factsheets/12a/category-a.html

Local/Regional Content Requirements: none required

Other Measures:

- All vehicles must comply with New Zealand's safety standards before they can be registered for use on New Zealand roads. The approved standards are listed in this New Zealand Transport Agency link: www.nzta.govt.nz/vehicle/classes-standards/list.html

Used vehicle imports from the United States must meet a range of approved standards before they can be registered for use on New Zealand roads:

- proof of ownership – deregistration or change of ownership papers or a USA certificate of origin plus an invoice, bill of sale or receipt, etc
- emissions standards – an Environmental Protection Agency (EPA) label or a statement of compliance that includes an approved emission standard
- frontal impact standards – it appears on our list of compliant vehicles, an FMVSS (US Federal Motor Vehicle Safety Standards) plate or a statement of compliance
- fuel consumption – fuel consumption certificate
- heavy-vehicle brake standards
- overall standards – an FMVSS plate or a statement of compliance.

Similar to petrol and diesel vehicles, hybrid or plug-in electric hybrid vehicles must comply with New Zealand's emissions and safety standards. Fuel consumption is required for a light vehicle, other than a motorcycle. A battery electric (powered wholly by electricity) vehicle must meet the appropriate safety standards, but not the emissions or fuel consumption requirements.

New Zealand's Membership in Trade & Economic Agreements:

ASEAN: Free Trade Agreement (FTA): http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Asean/index.php

Australia: Closer Economic Relationship: http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Australia/index.php

China: FTA: http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/China/index.php

Gulf Cooperation Council (GCC): http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Gulf-Cooperation-Council/index.php

Hong Kong: Closer Economic Partnership (CEP): http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Hong-Kong/index.php

Korea FTA: https://korea.fta.govt.nz/

Malaysia: FTA: http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Malaysia/index.php

Singapore: CEP: http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Singapore/index.php

Thailand: CEP: http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Thailand/index.php

New Zealand is also currently negotiating separate FTAs with India and Indonesia, as well as a block trade agreement with Russia, Belarus, and Kazakhstan.

New Zealand is one of 12 countries currently negotiating the Trans-Pacific Partnership (TPP), a regional Asia-Pacific trade agreement. The TPP members are: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. The TPP agreement once signed (anticipated in 2016) will create a potential platform for economic integration across the Asia-Pacific region, and a means to advance U.S. economic interests with the fastest-growing economies in the world.

AFRICAN COUNTRIES SURVEYED:

EGYPT - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	3,074,862	3,231,513	3,380,104
Commercial Use Vehicles	1,089,244	1,136,388	1,164,153

Source: Ward's Motor Vehicle Data

Tariffs:
Import duties on passenger vehicles range from 40-160 percent, based on engine displacement:

- 40 percent: cylinder capacity less than or equal to 1.6 liter.
- 135 percent: cylinder capacity between 1.6-2.0 liters.
- 160 percent: cylinder capacity over or equal to 2.0 liters.

Taxes:
A sales tax is also levied on motor vehicles that ranges from 15-45 percent, based on engine displacement:

- 15 percent: cylinder capacity up to 1.6 liters.
- 30 percent: cylinder capacity between 1.6-2.0 liters.
- 45 percent: cylinder capacity over 2.0 liters.
- A transfer tax is applicable on all auto sales.

Import Restrictions:

- Imports of new automobiles are permitted within the year of manufacturing
- Vehicles designed for special uses can be imported up to five years from the year of manufacturing.
- Egypt adopts European-based emissions and safety standards exclusively which affect U.S. auto parts exports in the sectors of health, safety and the environment, such as brakes, lights and tires.
- Importation of used automobiles for commercial purposes is prohibited. They may be imported for personal use upon verification of ownership.
- Imports of refurbished and right-hand drive vehicles are prohibited.

Local/Regional Content Requirements:

- Local automobile manufacturers are required to locally source 55 percent of auto parts in order to benefit from savings on custom duty tariffs.

Other Measures:

- Trip ticket system allows free import for maximum period of 6 months, provided submitting trip ticket documentation and plates. Once the period of 6 months is over, the vehicle should be exported for at least 6 months before shipping back to Egypt again.

- Only diplomats and expatriates working under the Egyptian government umbrella are allowed to import a motor vehicle duty-free. Re-exportation must be guaranteed.
- The Egypt-EU Association Agreement, which entered into force in 2004, will bring all auto tariffs faced by EU carmakers to zero by 2019, with certain vehicle classes duty-free by 2016.

Membership in Trade & Economic Agreements:

Greater Arab Free Trade Area (GAFTA)
Agadir Agreement – Morocco, Tunisia and Jordan FTA
EU Partnership Agreement
COMESA FTA
UEMOA Framework Agreement
MERCOSUR Framework Agreement
Turkey FTA

NIGERIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	791,000	825,000	863,800
Commercial Use Vehicles	487,000	496,700	508,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to Fully Built Up (FBU) cars is 35 percent
- The tariff applied to Completely Knocked Down (CKD) parts for assembling is 0 percent and that of Semi-Knocked Down (SKD) parts is 5-10 percent.
- The tariff applied to commercial vehicles is 35 percent
- The tariff applied to trucks is 35 percent
- The tariff for auto parts is 10-20 percent

Taxes:

- Value Added Tax is 5 percent
- Special Levy on Fully Built Up (FBU) cars is 35 Percent

Import Restrictions:

- Used Motor Vehicles above 15 years from the year of manufacture – H.S. Codes 8703.10.0000 – 8703.90.0000
- Imports of refurbished and right-hand drive vehicles
- Rethreaded and used Pneumatic tires but excluding used trucks tires for rethreading of sized 11.00 x 20 and above 4012.2010.00.

Other Measures:

- As an incentive measure, local manufacturing operations are allowed to import FBU cars without levy and commercial vehicles at 20% in proportion to their local production. Tariff on these inputs will increase as well once local manufacturing

capacity strengthens. The objective of this policy is to establish vehicle assembly plants that source much of their local content locally. For example, an assembly plant may start operations with SKD2 assembly and move to SKD1, CKD and finally assembly operations or skip some of the phases.

Membership in Trade & Economic Agreements:

- Economic Community of West African States (ECOWAS)
- Trade and Investments Framework Agreement (TIFA)

SOUTH AFRICA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	5,832,000	6,110,660	6,376,733
Commercial Use Vehicles	2,741,000	2,832,000	2,922,634

Source: Ward's Motor Vehicle Data

Tariffs:

- 32 percent on light vehicles (passenger cars and light trucks) and heavy duty trucks
- 20 percent on most automotive parts

Taxes:

- AD VALORUM duty on all vehicles (approximately 2 percent – depending on value)
- 14 percent value added tax (VAT)
- Imported used car values reflect their depreciated value, up to a limit of 45 percent (If purchased brand new and up until 4 years old = 60 percent)

Import Restrictions:

- Strict control measures ensure that only a limited number of legal import permits are issued to allow used vehicles into SA. In terms of current legislation, used vehicles qualifying for an import permit include those for returning residents and immigrants, vintage cars, racing cars, donated vehicles for welfare organizations and adapted vehicles for persons with physical disabilities. Without a legal import permit, imported used vehicles cannot be registered on the National Information Transport System (NaTIS) while the system also combats stolen and non-complying vehicle registrations. All vehicle-manufacturing plants have also been linked on line to the system to facilitate the collation of data of vehicles produced. Government and industry are engaged in various actions and initiatives to effectively combat the illegal import of used vehicles into SA. The focus of the task teams has been extended to also include imported new vehicles not complying with the SA Bureau of Standards compulsory vehicle specifications as well as illegal registrations on the NaTIS. In this regard, the SABS Letter of Authority (LOA) was introduced in 2000 as a means of certification of compliance with SABS standards. The LOA has been instrumental in combating the increasing levels of imports of non-complying vehicles that tend to have sub-standard

safety features to the detriment of road safety. In addition, SABS homologation is the procedure to ensure that all new vehicle models comply with the relevant SA legislation, standards and specifications, as well as codes of practice, for motor vehicles intended for use by the public on public roads. The process for homologation must be carried out before any motor vehicle model is introduced into the SA market. This prevents the need to withdraw a motor vehicle model before it enters the market and reduces the possibility of resultant legal action against the supplier. A process of homologation is also required in respect of motor vehicle tires.

Local/Regional Content Requirements:

- South Africa's Phase VI local content program for the automotive manufacturing sector sets a value-based minimum local content level of 55 percent for South African built vehicles. The value of exported parts or vehicles can count for 5 percent of the local content requirement. In addition, the Phase VI local content program allows vehicle manufacturers to import original equipment free from the excise duty. (Previously, the program required all manufacturers to attain 66 percent local content measured by weight.) The Phase VI program induces companies to reach a local content value of 75 percent.

Other Measures:

- The major hindrance to investment is probably the uncertainty as to whether government auto policy will call for integration of the existing assemblers into a smaller, more efficient industry.

EUROPEAN UNION (EU):

The EU Motor Vehicle Framework Directive 2007/46/EC (MVFD) covers a broad range of vehicles, including trailers, buses and special purpose vehicles. The approval process involves interaction with different bodies prior to bringing cars on the EU market. Typically, a national (member state) approval authority conducts assessments for EU-wide 'type approvals' whereas designated technical services are in charge of testing and certification. The process affects entire vehicles as well as components such as rearview windows, steering wheels and axles among others. The latter are covered in separate legislation.

For mass-produced vehicles, the process is referred to as 'whole-vehicle type-approval'. Manufacturers of vehicles seeking 'whole-vehicle type-approval' design a prototype, apply for type approval and upon receipt of approval, produce the vehicle in series, using approved components where required.

Limited-import vehicles need to obtain individual approval. For example, someone wishing to import a car bought in the United States into the EU would need to obtain approval for that single vehicle. The process for individual approval is very similar to that for type-approval with a few exceptions (e.g. no destructive testing).

EU type approval will be recognized throughout the EU. One approval authority typically exists per country, and a manufacturer may work with any of them. Typically the approval authority is the Ministry of Transportation or Mobility. A body called a 'technical service' performs or supervises the tests called for in the relevant regulations. Certificates of conformity accompany type-approved vehicles, and an affixed marking designates approved components.

Some automotive parts/components are covered by separate EU automotive legislation. For example, a catalytic converter is covered by EU legislation numbers 1998/77 and 2002/80 as well as UN ECE R103. Such products have to be type approved prior to bringing them on the EU market. Type approval testing/certification for the EU market can be done in the United States, using the services of, among others, TUV Rheinland (German) or VCA (British). Their websites are:
http://www.tuv.com/en/usa/services_usa/transportation_us/automotive/automotive.html and http://www.vcana.com/

Weblink: http://ec.europa.eu/growth/sectors/automotive/legislation/index_en.htm

Aftermarket products such as lubricants, electronic accessories or tuning parts are not covered by EU automotive legislation. Depending on the type of product, other EU legislation is relevant:

- Lubricants: Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH)
- Electronic accessories: Low Voltage Directive (LVD), Electromagnetic Compatibility Directive (EMC), Restriction on the use of Hazardous Substances Directive (RoHS) and Waste of Electrical and Electronic Equipment Directive s (WEEE)

Others, such as bicycle racks or rescue kits: the General Product Safety Directive applies. Questions? Please contactLouis Fredricks , U.S. Mission to the European Union, Brussels, Belgium (louis.fredricks@trade.gov)

AUSTRIA - New Motor Vehicle Sales (in units)

	2011	2012	2013
Personal Use Vehicles	4,513,421	4,584,202	4,641,308
Commercial Use Vehicles	417,054	426,081	434,331

Source: Ward's Motor Vehicle Data

Tariffs:

- The European Union tariffs are in force in Austria.

Taxes:

- Value Added Tax is 20 percent; vehicles for commercial use are exempted
- Fuel consumption tax (NoVA)
  - Paid once on purchase
  - Maximum tax is 32% of purchase price
  - Autos for the handicapped are exempted
  - Electric vehicles and diesel vehicles pay a reduced rate
  - There is a key for the calculation of this tax, which takes emissions into consideration. Info available in English here: http://www.fahrzeugindustrie.at/fileadmin/content/Zahlen___Fakten/Steuern/Austria_2014_TAX_Guide_Austria01March2014_update.pdf
- Annual vehicle tax is calculated based on motor capacity/weight. The calculation key is available in English here: http://www.fahrzeugindustrie.at/fileadmin/content/Zahlen___Fakten/Steuern/Austria_2014_TAX_Guide_Austria01March2014_update.pdf

Import Restrictions: none

Local/Regional Content Requirements: none

Membership in Trade & Economic Agreements:

- European Union
- WTO
- EFTA

BELGIUM - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	5,359,014	5,392,908	5,439,295
Commercial Use Vehicles	831,836	846,083	858,762

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Belgium. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- 21 % VAT (assessed on the effective invoice price at the time of sale of the vehicle)
- Registration Tax (applied to new cars, minibuses and motorcycles, not commercial vehicles), based on age and fiscal horsepower/engine size, and assessed on invoice price. (This tax increases steeply for cars with larger engines, and diesel engines pay more.) On second-hand vehicles, the registration tax is generally 25 percent (only when non taxable vendor).
- Total acquisition tax for 2,000cc and over car: 25%
- Ownership tax
    - Passenger cars (based on cylinder capacity)
    - Commercial Vehicles (based on weight and axles)
- Road tax (based on engine size)
- Annual liability premium
- Energy tax which affects the price of gasoline

Luxembourg:

- The European Union tariffs are in force in Luxembourg. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- 15% VAT
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 15%
- Ownership tax
    - Passenger cars (based on CO2 emissions)
    - Commercial vehicles (based on weight and axles)

The Luxembourg agency responsible for establishing and enforcing safety and road-worthiness requirements for autos, tucks and motorcycles is the Societe National de Controle Technique (SNCT). This agency is responsible for both national and EU type approval. SNCT's registration department allows new vehicles to enter into service if they are covered by a EU whole vehicle type approval and accompanied by a valid certificate of conformity as specified in Annex IX of EU Directive 92/53.

BULGARIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,696,000	2,799,000	2,896,800
Commercial Use Vehicles	370,000	383,000	393,100

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Belgium. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 20%

- Registration tax: None
- Total acquisition tax for 2,000cc and over car: 20%
- Ownership Taxes:
    - Passenger cars: based on kilowatt
    - Commercial vehicles: based on weight and axles

CROATIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,518,278	1,445,220	1,402,200
Commercial Use Vehicles	159,725	146,222	137,000

Source: Ward's Motor Vehicle Data

Tariffs:
The European Union tariffs are in force in Croatia.

- The tariffs applied to cars, depending on the model, are 5-12 percent.
- The tariffs applied to trucks, depending on the model, are 5-10 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 5-14 percent.

Taxes:
Special vehicle's tax is a sum consisted of:

- Sales price tax, ranging from 1% for sales price up to $16,00, to 14% for sales price over $83,000;
- CO^2 emission tax, ranging from 1.5% for CO^2 emission up to 100 grams per kilometer, to 31% for emissions over 301 grams per kilometer for diesel vehicles or up to 29% for emissions over 301 grams per kilometer for gas vehicles.

Value Added Tax for vehicles falls into the highest category and amounts 25%. VAT basis includes sales price, transportation costs and custom duties.

Import Restrictions: None

Local/Regional Content Requirements:
New and used vehicles that are not EU tested and approved can be approved on an individual basis by the importer or buyer in Croatia. The car must be brought to an approved testing facility along with title, sales contract, proof of customs payment, and complete technical data (including exact exhaust values). The vehicle will then be approved or modified to conform to EU and Croatian regulations.

Other Measures:

- Import license is required for importers of vehicles and some auto parts. Different licenses are in place for used and new vehicles.
- Every automobile must come with a technical report verifying it complies with applicable environmental standards.

Membership in Trade & Economic Agreements:

- European Union
- WTO
- EFTA

CYPRUS - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	530,258	531,797	5445,200
Commercial Use Vehicles	147,550	143,736	141,400

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Cyprus. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 15%
- Registration tax: based on cylinder capacity and CO2 (2,000 cc=CYP 4,000)
- Total acquisition tax for 2,000cc and over car: 35%
- Ownership tax
  - Passenger cars (based on cylinder capacity and CO2)
  - Commercial vehicles (based on weight and axles)

CZECH REPUBLIC - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	4,508,903	4,638,372	4,787,849
Commercial Use Vehicles	702,499	707,784	705,537

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in the Czech Republic. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21 percent
- Imported vehicle registration:
  - Registration Fee CZK 800 ($49)
  - Mandatory Technical Check-up CZK1500 ($214)
- Ecological Tax
  - *Current*: For cars manufactured before 2000 - emission-based fees are to be paid (emissions stated by car's logbook).
  - *Future:* The same will be applied for cars manufactured before 2006 as of 2013:
  - Emissions limit / Fee:

Not complying	CZK 10,000 ($588)
Comply with EURO 1	CZK 5,000 ($294)
Comply with EURO 2	CZK 3,000 ($176)

Comply with EURO 3 CZK 0 ($0)

- Ownership tax
  - Passenger cars (none)
  - Commercial vehicles (based on weight and axles)
  -

DENMARK - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,197,831	2,237,122	2,278,121
Commercial Use Vehicles	483,262	473,042	457,695

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Denmark. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 25%
- Vehicle registration tax (based on price)

The tax is based on the landed cost plus VAT. For the first 79,000 Danish Kroner (DK), the tax is 105 percent and for the remaining landed value, 180 percent.

- Ownership tax
  - Passenger cars (based on fuel consumption and weight)
  - Commercial vehicles (based on weight)

The Danish government body responsible for establishing and enforcing national and EU auto, truck and motorcycle requirements, and type approval is the Traffic Safety Division within the Danish Ministry of Justice in Copenhagen.

FINLAND - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,958,568	3,036,618	3,105,834
Commercial Use Vehicles	498,357	518,024	536,551

Source: Ward's Motor Vehicle Data

Tariffs:

The European Union tariffs are in force in Finland

- The tariff applied to cars is 10 percent.
- The tariff applied to trucks is 10-22 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 4.5 percent.

Taxes:

Three different taxes are levied on vehicles used in road traffic.

- Car tax; based on carbon dioxide emissions. Its share of an average passenger car is 25 percent. The tax basis for car tax after first registration was revised as of 1 January 2015. The new provisions apply to all changes in ownership, structure or use of a vehicle made on or after 1 January 2015.
- Vehicle tax; it comprises a base tax and a tax on driving power. The tax on driving power is imposed on vehicles that are powered by some other force or fuel than motor petrol.
- Fuel tax; the energy tax reform introduced at the beginning of 2011 favors fuels that contain biological components. Energy taxation on transport fuels is based on energy content and CO_2 emissions. In addition, the tax rate is affected by near emissions, and for light fuel oil, sulphur content.
- No tax exceptions for electric vehicles.
- VAT 24 percent

Import Restrictions:

Only passenger cars with catalytic converters are allowed to be imported into Finland. An imported car or motorcycle needs to be inspected and registered prior to use. A tax decision from the customs is required for the registration. Customs' authorization is also required before the vehicle can be moved within Finland.

For additional information on import tariffs, taxes and regulations please contact the Finnish Customs Information Service
http://www.tulli.fi/en/contact_us/index.jsp

Local/Regional Content Requirements:

- No local content requirement exists for a given country.

Other Measures:

- Finland's current road traffic legislation already permits automated vehicle trials – no amendments will be required. More info http://www.trafi.fi/en/road/automated_vehicle_trials

Membership in Trade & Economic Agreements:

- Member of the EU

FRANCE - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	31,425,000	31,600,000	31,650,000
Commercial Use Vehicles	6,516,000	6,538,000	6,550,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is between 5 and 10 percent.

- The tariff applied to trucks is 22 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 2.70 percent.

Taxes:

- Value Added Tax is 20 percent
- Special tax depending on CO^2 emissions and well as engine power. 0 Euros under 130g/km to (8,000 Euros above 200g/km. + 160 Euros per year).
- Taxes on company fleet vehicles depending on CO^2 emission and power engine: between 750 Euros and 4,500 Euros.

Import Restrictions:
No restriction of imported vehicles in general but mandatory modifications/changes required in accordance with the French road vehicle regulation. Mandatory documents: Certificate of conformity for new cars; registration certificate for cars already registered; insurance; ownership; VAT payment; roadworthiness; vehicle road tax.

Local/Regional Content Requirements:
- No local content requirement exists for France.

Other Measures:
- Super bonus for the acquisition of a clean vehicle from 150 Euros to 6,300 Euros depending on CO^2/Km and type of EU entry certifications.

Membership in Trade & Economic Agreements:
In progress: TTIP

<u>GERMANY – Vehicles in Operation (in units)</u>

	2011	2012	2013
Cars	42,927,647	43,431,124	43,851,230
Commercial Vehicles	3,055,708	3,107,000	3,163,469

Source: Ward's Motor Vehicle Data

Tariffs:
- Germany is part of the EU's tariff union. Import duties for motor vehicles depend on vehicle type and range from 5.3 to 22 percent (passenger cars: 10 %; trucks: 11-22 %).

Taxes:
- When importing a vehicle from a non-EU member state, an additional 19% import turnover tax is applied on the total amount of: (i) value of vehicle + (ii) shipping costs + (iii) customs duty. In the later distribution stages, this import-turnover tax is passed on to the consumer as a VAT (value-added tax).
- Electric vehicles (EVs) are exempt from vehicle tax for 10/5 years, depending on the registration date (before/after Jan 1, 2016). The tax exempt does not apply for hybrid-electric vehicles.
- Vehicle tax in Germany depends on vehicle type

- Passenger cars (based on cylinder capacity and emissions)
- Commercial vehicles (based on weight, pollution and noise)

Import Restrictions:

- No import restrictions.
- Imported vehicles must comply with EU and German technical, safety and environmental requirements to be registered in Germany.
- Specific requirements/ customs exist for vintage cars, trucks, replicas, specific trucks and non-registers vehicles.

Other Measures:

- Incentives exist for EVs, e.g. vehicle tax exemptions, reserved parking space etc. Several other supportive measures and incentives were announced (and partially implemented) under the federal electric mobility bill ("Elektromobilitaetsgesetz", EmoG) that was passed in 2014.

Membership in Trade & Economic Agreements:

- EU member state
-

<u>GREECE - Vehicles in Operation (in units)</u>

	2011	2012	2013
Personal Use Vehicles	5,203,591	5,167,557	5,124,208
Commercial Use Vehicles	1,348,417	1,345,880	1,342,619

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Greece. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 23%
- Vehicle registration tax (based on engine size and emissions: 5-50%)
- Luxury tax: 0-40%
- Total acquisition tax for 2,000cc and over car: 59%
- Ownership tax
  - Passenger cars (based on cylinder capacity and horsepower)
  - Commercial vehicles (based on payload)

Greece also applies a high and complex special consumption tax (SCT) to motor vehicles. The SCT effectively raises the retail price of a small car to 250 percent of C.I.F. value and of a large car to 600 percent.

Due to the formation of the EU's single internal market, the Government of Greece is being pressured to reduce its high taxes.

The Greek agency responsible for both national and EU type approval for all vehicles is the Directorate of Vehicle Technology within the Ministry of Transport and Communications in Athens.

HUNGARY - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,967,808	2,986,028	3,040,732
Commercial Use Vehicles	432,790	431,706	436,600

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff HS 8702 applied to both new and used cars is 10 percent.
- The tariff applied to heavy-duty trucks for HS 8703 and 8704 ranges between 16-22 percent.
- The tariff for special purpose vehicles under HS 8705 is 3.7 percent.
- The tariff applied to automotive parts and components HS 8707 and 8708 ranges between 3 and 4.5 percent.

Taxes:

- Value Added Tax is 25 percent
- Vehicle registration tax, based on age, engine size and emissions is imposed on imported cars. For a typical car – for example, one that has an engine size between 1,100 –1,400 cm3, with EURO 4 ranking – the registration tax is HUF 722,000 ($ 3,820). If the vehicle is of EURO 8 ranking the registration tax is only HUF 361,000 ($ 1,910).
- Ownership Taxes: Passenger cars: based on weight and horsepower
  Commercial vehicles: based on weight and pollution
- Special "Weight Tax" levied by local authorities annually ranges between HUF 20,000 and HUF 38,000 ($ 105 - $ 180)
- Total acquisition tax for 2,000cc and over car: 20 percent
- Annual liability premium

Other:

- Average age of cars: 11.3 years (2010)

Import Restrictions:

- Import of used passenger vehicles older than 4 years and commercial vehicles older than 6 years is prohibited. However, specialized older vehicles may still be imported after passing a special technical test.

IRELAND - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,886,421	1,896,184	1,909,600
Commercial Use Vehicles	399,935	393,792	390,100

Source: Ward's Motor Vehicle Data

Tariffs:

- As a member state of the European Union (EU), Ireland implements EU common tariffs/duties on imports of motor vehicles coming from non-EU countries such as the United States.
- The tariff applied to cars is 10 percent.
- The tariff applied to trucks is 22 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) range between 2.7 and 4.5 percent.

Taxes:

- Value Added Tax is 23 percent
- Vehicle Registration Tax (VRT) is chargeable on the registration of a motor vehicle in Ireland. All motor vehicles in Ireland, other than those brought in temporarily by visitors, must be registered with the Irish Revenue Commissioners before it can be licensed for road tax purposes.
- Since July 2008, VRT is calculated by reference to the Co2/km emissions of a vehicle. There are eleven Co2 emissions bands with VRT rates ranging from 14-36 percent.
- There are VRT reliefs for electric vehicles (up to €5,000), plug-in hybrid electric vehicles (up to €2,500), and hybrid and flexible fuel vehicles (up to €1,500).
- The rate of VRT applicable to light commercial (Category B) vehicles, subject to a minimum VRT of €125, is 13.3% of the Open Market Selling Price (OMSP).
- The VRT rate applicable to heavy commercial (Category C) vehicles is a flat rate of €200.

Import Restrictions:

- There are no restrictions on the importation of used automobiles, however all imported used vehicles must undergo a National Car Test to ensure they comply with Irish road safety and environmental standards.

Local/Regional Content Requirements:

- None

Other Measures:

- All new vehicles (passenger cars and commercial vehicles) are required to have type approval such as ECWVTA (European Community Whole Vehicle Type Approval), NSSTA (National Small Series Type Approval) or IVA (Individual Vehicle Approval) in order to be registered in Ireland.

- Every automobile and commercial vehicle must come with a technical report verifying it complies with applicable safety and environmental standards. An automobile becomes eligible for the National Car Test (NCT) when it is four years old and then must be re-tested every two years. Vehicles over ten years old must be tested annually. The NCT is a preventative road safety measure that ensures vehicles, particularly older ones, using Irish roads are in sound working order.

- All commercial vehicles must undergo an annual Commercial Vehicle Roadworthiness Test (CVRT) after they are over one year old. The purpose of the test is to ensure that the vehicle is in good condition throughout its entire life. There are separate tests for Light Commercial Vehicles (LCVs) and Heavy Commercial Vehicles (HCVs).

- Imports of used vehicles from non-EU countries require documentary evidence confirming the level of Co2 emissions. This evidence can include (a) evidence supplied on previous registration documents, (b) manufacturer's documentation stating the level of Co2 emissions at the time of manufacture, and (c) Certificate of Conformity. The vehicle must also be submitted for an NCT to determine its VRT category.

Membership in Trade & Economic Agreements:

- EU
- WTO

ITALY - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	37,113,300	37,078,274	36,963,000
Commercial Use Vehicles	4,953,778	4,921,712	4,867,000

Source: Ward's Motor Vehicle Data

Tariffs: The European Union tariffs are in force in Italy

Taxes:

- Value Added Tax is 22 percent
- Luxury tax Over 185Kw ; the tax is euro 20 for each additional Kw
- A registration tax is applicable on all vehicles sales (and concerns both new registrations and used-vehicles): it depends upon the Kw; different local administration may charge different amounts.

Import Restrictions:

- NO

Local/Regional Content Requirements:

- NO

Other Measures:

- NO

Membership in Trade & Economic Agreements:
EU, WTO

LATVIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	612,321	618,274	634,603
Commercial Use Vehicles	77,808	81,347	84,888

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Latvia. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21%
- Registration tax (based on CO2 emission)
- Tax on cars and motorcycles. Tax shall be paid when the car or motorcycle is registered in Latvia for the first time. Tax rate shall depend on age and engine capacity of the car or motorcycle. Tax rate for cars with engine capacity starting from 3001 cubic centimeters and more is significantly higher.
- Ownership tax
    - Passenger cars (based on weight)
    - Commercial vehicles (based on weight and axles)

LITHUANIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,713,277	1,753,407	1,808,982
Commercial Use Vehicles	141,280	151,584	155,644

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Lithuania. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21%
- No vehicle registration tax
- Ownership tax
    - Passenger cars (none)
    - Commercial vehicles (not available)

MALTA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	239,987	249,612	256,096
Commercial Use Vehicles	49,785	47,390	48,205

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Malta. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 18%
- Vehicle registration tax based on price, CO2 emissions, and vehicle length
- Total acquisition tax for 2,000cc and over car: 93%
- Ownership tax
    - Passenger cars (based on cylinder capacity)
    - Commercial vehicles (not available)

NETHERLANDS - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	8,135,102	8,142,387	8,153,897
Commercial Use Vehicles	1,099,802	1,071,783	1,052,698

Source: Ward's Motor Vehicle Data

Tariffs:
Import duties/tariffs (applies when a car is imported from a non-European Union country).
- The tariff applied to cars is 10 percent.
- The tariff applied to trucks is 22 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 4.5 percent.
- Vehicles older than 30 years are exempt from import duties and pay only 6% value added tax.

Taxes:
- Value Added Tax is 21 percent
- Luxury tax, also known to the Dutch as "BPM" is based on vehicle emissions.
- Vehicle ownership tax varies because it is based on vehicle weight, fuel, residence (provinces can levy a separate tax)

Import Restrictions:
There are no import restrictions, but vehicles imported from outside of the European Union need to conform to the same safety and environmental standards as vehicles manufactured within the EU.

Local/Regional Content Requirements:

None

Other Measures:
None

Membership in Trade & Economic Agreements:
The Netherlands is a member of the European Union

POLAND - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	18,125,000	18,744,000	19,389,000
Commercial Use Vehicles	3,231,000	3,278,000	3,345,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 10 percent.
- The tariff applied to trucks is 22 percent.
- The tariff for auto parts is 3 to 4.5 percent.

Taxes:

- Excise tax, depending on engine size; for engines not exceeding 2000 cm3 the excise tax is 3.1% of the value of an imported vehicle (i.e. is calculated after the 10% tariff has been levied). Engines larger than 2000 cm3 => excise tax is 18.6%
- Value Added Tax is 23 percent (applies to vehicles imported directly from the United States)
-

Import Restrictions:

- Poland has not introduced restrictions on imports of used vehicles following the EU accession in 2004. As a result, the period between 2005 and 2010 was characterized by a sharp rise in the number of registrations of both new and used (imported) vehicles. Excise tax—combination of net worth of a vehicle and its engine size—serves as an incentive to import cars from Germany, Belgium, the Netherlands, or Italy. If a vehicle is older than six months, the buyer can request a VAT waiver. Indeed, since 2004, Poles imported 7.5 million passenger cars, half of which was at least 10 years old. Another, fairly recent trend has to do with decreasing interest in diesel engines (fuel prices and associated engine size). A public debate about introducing limitation with respect to imports of used cars reappears every six to eight months.
- Imports from outside the EU (including the United States) are deemed attractive with respect to vehicles characterized by a high price differential compared with European sources.

Local/Regional Content Requirements:

- Vehicles imported from the United States need to be adjusted to comply with Polish technical and safety standards. Necessary modifications include lighting and turn signals, as well as exhaust system. Speedometer needs to be rescaled (kph instead of mph). All adjustments can be carried out once the vehicle had been imported to Poland.

Membership in Trade & Economic Agreements:
European Union

PORTUGAL - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	4,522,000	4,497,000	4,480,000
Commercial Use Vehicles	1,351,000	1,310,000	1,273,000

Source: Ward's Motor Vehicle Data

Tariffs:
• The European Union tariffs are in force in Portugal. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
Taxes:
• Value Added Tax (VAT) is 23 percent
• Vehicle Registration Tax (ISV) based on cylinder capacity and CO2 emissions
• Ownership tax (Annual Circulation Tax - IUC)

- Passenger cars registered between 1981 – July 2007 based on cylinder capacity and CO2 emissions and age
- Passenger cars registered since July 2007 based on cylinder capacity and CO2 emissions
- Diesel moved cars have an extra tax according to the cylinder capacity
- Commercial vehicles based on weight, axles and type of suspension

Portugal, like other European countries, also maintains a progressive tax, based on engine size and CO2 emissions. Vehicles Registration Tax is also subject to VAT (i.e.: car's base price + ISV + VAT). A reduced rate of 10 to 75% may be applied depending on a range of aspects such as weight, usage of LPG fueled vehicles, hybrid vehicles and motor homes. Imported used vehicles must pay ISV, however when imported from a European Union country a reduced rate ranging between 20% and 52% may be applied based on age. The reduced rate is applied to the total amount of tax to be paid. Electric vehicles are exempted from ISV and IUC.
The Portuguese National State Budget for 2015 established the "Green taxes". It is a set of new rules that intents to have a positive impact in the environment. The changes are:

- The discount on the ISV charged to non-plug-in hybrid cars is now 40%.
- The discount on the ISV charged to cars exclusively moved natural gas or liquefied petroleum gas is now 60%
- The discount on the ISV charged to plug-in passenger cars with a minimal autonomy of 25 km is now 75%.

- The incentives to the disposal of end-of-life vehicles were reestablished. The amount of the subsidy given to the purchase of a new car depends on the characteristics of the new vehicle. For example, if the new car is an electric vehicle, the incentive is higher than if the new car is moved by gas. The disposed car must have more than 10 years and it has to have been in owner's property for more than 6 months.
- The buyers of electric or hybrid cars used for tourism are now able to deduct the VAT paid.
- The ISV increased according to the CO2 emissions of the vehicle. Also, the Government created a new C02 tax that is applied in the fuel sales.

The Institute for Mobility and Transportation (IMT) is the government agency responsible for supervising and regulating the automotive sector in Portugal. The Portuguese Automotive Association (ACAP) is a public non-profit utility association representing the automotive industry covering a wide range of activities such as import, trade and after-sale services of automotive vehicles, agricultural and industrial machinery, tires, spare parts and accessories, camping and caravanning trailers, motorcycles and other sectors connected to the transportation trade activity.

ROMANIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	4,335,000	4,487,000	4,696,000
Commercial Use Vehicles	737,000	762,000	805,000

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Romania. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 24 percent
- Registration tax (Environmental stamp): based on CO2 emissions, Polution norm and cc (2,000cc 160g/km CO2 = $307 - Euro5, $1490- Euro4)
-
- Total acquisition tax for 2,000cc and over for a new car: 2 percent
- Ownership tax
  - Passenger cars (based on cylinder capacity). No tax for Electric vehicles & 95% reduced for Hybrid cars
  - Commercial vehicles (based on weight and axles)

SLOVENIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,066,495	1,066,028	1,071,922
Commercial Use Vehicles	85,544	85,445	77,765

Source: Ward's Motor Vehicle Data

- The European Union tariffs are in force in Slovenia. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 20%
- Vehicle registration tax based on price and CO2 emissions
- Total acquisition tax for 2,000cc and over car: 29%
- Ownership tax
    - Passenger cars (none)
    - Commercial vehicles (not available)

SPAIN - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	22,277,244	22,247,528	22,024,538
Commercial Use Vehicles	5,319,109	5,232,813	5,130,000

Source: Ward's Motor Vehicle Data

Taxes:

Customs Duties	Rate	The current rate according to the Common Customs Tariff
	Place of Payment	Customs Administration Office
Value Added Tax	Rate of Taxation	16%
	Place of Payment	Customs Administration Office
Tax on Certain Means of Transport	**Rates of Taxation**	
	Automobiles with a cylinder capacity of less than 1600 HP and gasoline engine	7%
	Automobiles with a cylinder capacity of less than 2000 HP and diesel engine	7%
	Other means of transport	12%
	Place of Payment	Tax Agency Bureau for the fiscal domicile of the person concerned
	Declaration Specimen Form	565

Spain allows the importation of used vehicles. Also there are no restrictions on the age of the tractors, trailers and passenger cars. Your potential clients don't need any import licenses, as long as, the import procedures (explained below) are in order.

In order to import any product to Spain, your client will need:

Formulation: A written declaration must be obtained of the official form called "Documento Único Administrativo" (DUA). It can be filled out by Resolution 04-12-00 (B.O.E 306 of 22-12-00) in the Customs and Special Taxes Department. And it can be purchased in any Spanish Customs Office, along with the Value Declaration (D.V.I) and C-10.

The **following documents** will need to be presented with the declaration:

1. The commercial invoice in which the custom's value of the merchandise is declared.
2. When necessary, a declaration of the customs value of the merchandise.
3. The necessary documents for the application of a preferential tariff regimen or other regimen if different from the common one and applicable to the declared merchandise.
4. The documents related to transportation including the ones corresponding to the previous custom regimen.
5. The documents justifying the commercial regimen of the merchandise, when necessary.
6. And in general, all documents that prove to be necessary for the liquidation of any tax or charge demanded for importation or to justify the right of exemption.

The products imported from the United States must be accompanied by the following documents:

1. One copy of Bill of Lading.
2. One copy of the Commercial Invoice.
3. Three copies of the Certificate of Origin.

In Spain, the agency responsible for national and EU motor vehicle type approval is the Direccion General de Tecnologia y Seguridad Industrial within the Ministerio de Industria y Energia (Ministry of Industry and Energy) in Madrid.

SWEDEN - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	4,408,749	4,457,145	4,502,320
Commercial Use Vehicles	563,178	572,416	580,134

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars is 10% percent.
- The tariff applied to trucks is 22% percent.
- The tariff for auto parts (HTS 8407-08 and 8708) ranges mainly between 2,7%-4,5%.

Taxes:

- Value Added Tax is 25% percent
- Ownership taxes depend on CO2 emissions, value and weight
- Vehicle registration (fee for origin check: SEK 700. Technical inspection (vehicle identity check): from SEK 890 (class M1) to SEK 1 920 (class M3)

Import Restrictions:

- No local content regulations or import restrictions

Other Measures:

During the period from 1 December to 31 March there are special requirements in Sweden on which type of tire a certain vehicle is to have when there are wintry conditions on the road. These requirements apply to both light and heavy vehicles, as well as for vehicles registered in Sweden and abroad.

Winter tires are produced specifically for winter driving and are labelled M+S (M.S, M-S, M&S or Mud and Snow). Winter tires can be studded or non-studded. Studded tires may be used from 1 October to 15 April.

Membership in Trade & Economic Agreements:

- EU
- WTO

UNITED KINGDOM - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	31,362,716	31,481,823	31,917,885
Commercial Use Vehicles	4,269,641	4,279,078	4,364,718

Source: Ward's Motor Vehicle Data

Tariffs:

The 'Common Customs Tariff' (CCT) applies to the import of goods across the external borders of the EU. You must pay VAT and duty through customs when you import a vehicle.

- The tariff applied to cars is based on cylinder capacity (As an example, the tariff on a cylinder capacity not exceeding 1000 cm^3 is 10%)
- The tariff applied to trucks is based on cylinder capacity and weight (As an example, the tariff on vehicle weight exceeding 5 tonnes but not exceeding 20 tonnes is 22%).
- The tariff for auto parts varies and is between approximately 3% and 5%.
- Specific details on import duties can be found by visiting https://www.gov.uk/trade-tariff/sections.

Taxes:

- Value Added Tax is 20%.
- The cost of yearly vehicle tax for new cars is split into 13 bands depending on CO_2 emissions. It ranges from $0 for vehicles up to 100 CO_2 emissions (g/km), to

approximately $1700 for vehicles over 255 CO_2 emissions (g/km). Motorcycles are taxed by cylinder size, and light goods vehicles are taxed by weight.

- Vehicle tax rates for buses, general haulage and recovery vehicles, and private heavy goods vehicles vary and are based on seating capacity and pollution class. Detailed information regarding tax rates can be obtained by visiting https://www.gov.uk/vehicle-tax-rate-tables/print

Import Restrictions:

- Vehicles imported from the U.S. must be registered and taxed with the UK's Driver and Vehicle Licensing Agency (DVLA) and must pass European Type Approval tests.

Local/Regional Content Requirements:

Vehicle Certification Authority (VCA) is an Executive Agency of the United Kingdom Department for Transport and the United Kingdom's national approval authority for new road vehicles, agricultural tractors and off-road vehicles.

End-of-Life-Vehicles (ELV): The ELV directive aims to reduce the amount of waste from vehicles (cars and light goods vehicles) when they are finally scrapped. Waste sites must follow special regulations to limit the environmental impact of handling, taking apart and disposing of vehicles. These are in addition to waste duty of care and hazardous waste rules all businesses must follow.

New car CO2 regulation: The Climate Change Act (2008) set a long-term legally binding framework for greenhouse gas reduction in the UK. The Act requires the UK Government to reduce greenhouse gas emissions by at least 34% by 2020 and 80% by 2050 from 1990 levels in the UK. In 2009, European regulation setting binding targets to reduce the CO_2 emissions of new cars (EC Regulation No. 443/2009) entered into force. The target is for an overall European fleet average of 130g/km of CO_2 emissions by 2015. There is a further target for improvement for 2020, set at 95g CO_2/km. In June 2011, Regulation EC/510/2011 entered into force. It follows a similar format to the cars regulation, but applies to light-duty vans (that is N1 vehicles under the definitions used in European legislation). It sets a near term European fleet average target of 175g CO_2/km to be achieved by 2017 (phase-in from 2014). A longer term target of 147g CO_2/km has been set for 2020.

WEEE (Waste Electrical and Electronic Equipment Directive). You have certain responsibilities if you sell electrical and electronic equipment. You must provide a way for your customers to dispose of their old household electrical and electronic equipment when you sell them a new version of the same item. The WEEE regulations apply regardless of how you sell the products whether direct, by internet, mail order or telephone.
You must either provide a free take back service to your customers or you must join the Distributor Takeback Scheme.

Membership in Trade & Economic Agreements:

- European Union
- WTO

EUROPEAN FREE TRADE ASSOCIATION:

NORWAY - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	2,376,426	2,433,244	2,487,353
Commercial Use Vehicles	553,301	570,847	578,531

Source: Ward's Motor Vehicle Data

- Taxes for imported vehicles include the following components:
  - A one-off sales tax "engangsavgift", currently a factor of weight of the vehicle, maximum engine capacity (kW), CO2 emissions and NOX emission levels. The tax is revised annually and emphasis has been shifting from kW and weight towards emissions (CO2 initially, and now increasingly NOX) over the last few years. A full revision is expected in 2016, and will likely further put emphasis on the emission-side of the equation. The one-off sales tax is heavily progressive and could exceed CIF value for vehicles with large engines.
  - 25% VAT on customs value. Customs value = purchase price + freight costs + insurance costs.
  - Recycling fee: NOK 2400 (USD 292)
  - Please see the Norwegian Customs tax calculator
- Electric cars are not subject to any tax at all, can drive in commuting lanes, park and charge batteries for free and drive through toll stations and use ferries without paying. Incentives are scheduled to be changed gradually from 2019. Limitations to some commuting lanes have already been implemented.
- Hybrid vehicles receive a flat deduction in one-off sales tax, which often brings this tax category down to a relatively low amount. VAT still needs to be paid.
- The contrast between progressive taxes on combustion engines and full exemption for electric vehicles create a high demand for electric vehicles. Electric vehicles are expected to gain close to 20% market share in 2015 (of new cars), whereas hybrids had 12.5% market share in September 2015.
- FMVSS-vehicles in "original state" are fully accepted through a clause in the Norwegian Vehicles Directive. However, since CO2 emission tests follow a different cycle in the U.S., a different methodology is used to calculate the one-off sales tax ("engangsavgift"), involving engine displacement (CCM).
- Use-deductions of second hand cars apply, both to FMVSS and EU type approved vehicles.

CENTRAL AND EASTERN EUROPE/ ASIA MINOR:

ALBANIA:

- There are no local content, export requirements or import restrictions.

- Until January 1991, private ownership of automobiles was prohibited in Albania. Since the restriction was lifted, used cars have been imported from Yugoslavia, Greece and other West European countries to meet Albanian consumer demand.

- Financing remains a substantial obstacle to auto sales.

SERBIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	1,677,510	1,726,190	1,774,600
Commercial Use Vehicles	180,703	166,041	155,900

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to cars manufactured in the EU is 0%.
- The tariff applied to cars manufactured in Non-EU countries is 12.5%.
- The tariff applied to trucks manufactured in the EU is 0%.
- The tariff applied to trucks manufactured in Non-EU countries is 12-20%.
- The tariff for auto parts (HTS 8407-08 and 8708) is 10%.

Taxes:

- Value Added Tax (VAT) is 20%.
- Corporate Tax is 15%.
- The import tax ranges anywhere between 1% and 32%, depending on the HTS number.

Import Restrictions:

- According to the Serbian law, any car imported to Serbia must pass a technical inspection, along with other requirements. The law requires that the technical inspection of the vehicle must verify that the vehicle complies with Euro 3 standards. In general, compliance is verified by providing the inspector with original, manufacturer's documentation stating that the vehicle is Euro 3 compliant. Because most US manufactured automobiles are not Euro 3 certified by the manufacturer, it is generally very difficult to register them in Serbia (the registration requires a very difficult and expensive homologation procedure).
- Import of new vehicles is allowed only if that company does not have a representative in Serbia.
- The Government of the Republic of Serbia is preparing a new law that will probably be adopted in 2016. By that law it will be allowed to import new vehicles that complie with Euro 6 standards and used vehicles that are in accordance with Euro 4 standards.

Membership in Trade & Economic Agreements:

- Free Trade Agreement with European Union
- Generalized System of Preferences with USA
- Free Trade Agreement with Russia, Belorussia & Kazakhstan
- Free Trade Agreement with CEFTA
- Free Trade Agreement with EFTA
- Free Trade Agreement with Turkey

TURKEY - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	8,113,111	8,648,875	9,283,923
Commercial Use Vehicles	3,948,903	4,178,324	4,330,733

Source: Ward's Motor Vehicle Data

Tariffs & Taxes:

- Passenger cars –10 percent
- Trucks and buses – 10-22 percent
- Special Consumption Tax: 45-145 percent for passenger cars; 1-9 percent for buses; 0-75 percent for trucks.
- VAT: 18 percent
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from 4.5 and 19 percent.

Import Restrictions:

- The Turkish import regime prohibits importation of remanufactured/rebuilt/used/reconditioned vehicles. Only the current year or the following year models are allowed to be imported. On that case, the first registry date of production is taken as the basis for the import of remanufactured/rebuilt/used/reconditioned vehicles.
- The same rule applies for parts, too. The Turkish import regime also prohibits importation of remanufactured/rebuilt/used/reconditioned parts. They can only be imported to be used as iron scrap in the iron and steel production.

Local/Regional Content Requirements:

- There are no restrictions for local content levels. One may even go up to 100 percent imports and just do the assembling.

Other Measures:

- The current regulation asks for 20 after-sale service network in seven different geographic regions in Turkey for vehicles imports. Distributor needs to prove this network with a document at the customs during importation. Ministry of Industry and Trade provides such a document.

Membership in Trade & Economic Agreements:

GATT
WTO
UNECE
SECI
ECO
D-8
IMF
BSEC
COMCEC
KEI
EFTA
FTA
OECD
CCT
IDA
WEF

COMMONWEALTH OF INDEPENDENT STATES:

RUSSIA - Vehicles in Operation (in units)

	2011	2012	2013
Personal Use Vehicles	36,415,100	38,482,000	39,320,000
Commercial Use Vehicles	6,446,678	6,901,000	7,900,000

Source: Ward's Motor Vehicle Data

Tariffs:

- The tariff applied to new cars is 25 percent, combined with a specific rate of 1–2.35 Euro per every 1 cc of engine volume.
- The tariff applied to trucks is 10-15 percent.
- The tariff applied to special purpose trucks is 5-15 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is 5-10 percent.

Taxes:

- Value Added Tax is 18 percent. It is paid along with the import duty for imported vehicles.
- Excise tax depends on the engine capacity and varies from RUR 41* for one horsepower for engines with capacity below 150 hp and RUR 402* for one horsepower for engines with capacity over 150 hp. It is paid along with the import duty for imported vehicles.
- Recycling fee:
  - For vehicles imported by individuals: RUR 2,000* for new cars and RUR 3,000* for cars older than 3 years imported by individuals;
  - For vehicles imported by legal entities:
    - Cars – varies between RUR 17,200* and RUR 700,200* depending on the age and the engine capacity;
    - Trucks – varies between RUR 75,000* and RUR 1,770,000* depending on the age and size of the truck.

  Recycling feet is paid along with the import duty for imported vehicles.
- Customs processing fee depends on the cost of the vehicle and varies between RUR 5,500* and RUR 100,000*
- Transportation tax is imposed by regional governments, and must be paid annually. It depends on the engine capacity and may vary. For example, in St. Petersburg in 2015 it varies from RUR 24* to RUR 150* per one horsepower of engine capacity of cars and from RUR 25* to RUR 85* for trucks; in Moscow it varies from RUR 12* to RUR 150* per one horsepower of engine capacity of cars and from RUR 15* to RUR 75* for trucks.

- Luxury tax is a multiplying ratio applied on the top of transportation tax. The luxury tax is imposed on vehicles that cost over RUR 3 million* and varies depending on the age and the cost of the vehicle. Transportation and luxury tax payments are controlled by regional tax inspection units.

Import Restrictions:

- For imported vehicles import tax, VAT, excise tax, recycling fee and customs processing fee payments must be paid in advance to Customs.
- Import duty for vehicles older than 7 years is set so high that it is virtually prohibitive for all kinds of vehicles
- Imports of remanufactured, rebuilt, and/or used motor vehicle parts are not restricted.

Local/Regional Content Requirements:

- No local content requirement exists for Russia.
- Russian legislation offers investors in the automotive industry import tax incentives for localization of content.

Other Measures:

- All new motor vehicles imported to Russia are subject to compulsory certification, but used vehicles can be imported without such certification. Any vehicle that was owned after manufacturing and has a title of ownership is considered used by Customs.
- All vehicles used in Russia are required be compliant with the *Technical Regulation for Motor Vehicles*. The Russian Technical Regulation was developed on the basis of European vehicle standards. Normally, used vehicles imported to Russia are not checked by Customs for the compliance with the *Technical Regulation*.
- Imports of right-hand drive vehicles are prohibited.
- Imported parts are subject to compulsory certification.

Membership in Trade & Economic Agreements:

- Russia is a member of the Eurasian Economic Commission and Customs Union of Russia, Belorussia, Kazakhstan and Armenia.
- Russia is a WTO member country.

*Note: Russian Ruble (RUR) rate as on 9/18/2015 is RUR 65.36 for 1 USD.