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Import Duties and Taxes in Pakistan: How the Tariff Works and What Changed in 2026-27

How customs duty, additional customs duty, regulatory duty, sales tax and advance tax apply to imports, what changed in 2026-27, and how to plan the landed cost.

Pakistan Market Guide

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Importing into Pakistan means dealing with a tariff that is being reformed year by year, and with a set of charges that sit outside the tariff. For a foreign company shipping goods in, or an investor importing machinery for a local plant, the practical questions are what applies to the product, who is liable, what has to be registered, and how much cash is needed before the goods leave the port.

This guide is the broad map. It explains the charges, the 2026-27 changes, importer registration, the Pakistan Single Window and WeBOC, the Import Policy Order, the main concessions and trade preferences, and the compliance points that follow clearance. For the technical work of classification, customs value and a line-by-line landed cost, use our Pakistan customs tariff 2026-27 guide. This is an orientation, not legal or customs advice.

1. What applies to an import

An ordinary commercial import can attract seven statutory charges, plus trade-remedy duties in specific cases. Each has a different legal source and base.

Charge	What it is	Base
Customs duty (CD)	The main duty, set by tariff line in the Customs Tariff	Customs value under section 25 or 25A
Additional customs duty (ACD)	A supplementary duty, set by S.R.O. 1063(I)/2026	Customs value
Regulatory duty (RD)	A protective duty, set by S.R.O. 1064(I)/2026, capped at 20% in 2026-27	Customs value
Special excise duty (SED)	Vehicle-specific duty under the Finance Act 2026 and S.R.O. 1072(I)/2026	As specified
Sales tax	18% on imported goods, unless exempt or reduced	Customs value plus customs duties plus federal excise duty
Value addition tax	3% at import under the Twelfth Schedule, with exclusions	Import value as specified
Advance income tax	Collected under section 148 of the Income Tax Ordinance	Import value plus customs duty, sales tax and federal excise duty
Trade remedy duty	Anti-dumping, countervailing or safeguard duty imposed by the National Tariff Commission	As specified in the measure

Do not add the headline percentages. Sales tax is charged on a base that includes customs duty and ACD; advance income tax is charged on a base that includes sales tax. The cash at the port is therefore higher than the sum of the rates, and it must be arranged before the out-of-charge.

2. What changed in 2026-27

The 2026-27 budget continued the National Tariff Policy 2025-30. The FBR's salient features describe reductions across industrial inputs, additional customs duty, regulatory duty and exemptions (FBR, Salient Features of Budget 2026-27). The main changes are:

- **Customs duty:** existing duty of 20% was cut to 15% and 10%, existing 15% and 10% to 10% and 5%, and existing 5% to 0%, for input goods of different industrial sectors on 92 tariff lines.
- **Additional customs duty:** cut from 6% to 4% on 449 tariff lines, from 4% to 2% on 2,107 lines, and eliminated from 2% to 0% on 569 lines. The 2026 SRO also restructured ACD into a 2% / 4% / 10%

framework, with 6% and 2% exceptions; the line counts and the framework describe the same transition from different angles.

- **Regulatory duty:** rates above 20% were capped at 20% for 359 lines, rates between 2.5% and 20% were cut by 20% across 1,347 lines, and rates of 2.5%, 2% and 1% were cut or eliminated on 208 lines. The policy intends to phase RD out by 2030.
- **Exemptions:** Fifth Schedule entries were deleted where the concession equalled or exceeded the general tariff; customs duty on specified cancer-related active pharmaceutical ingredients was exempted; customs duty, ACD and RD on agricultural machinery were exempted; and duty on specialised construction vehicles was cut from 20% to 10%.
- **Electric vehicles:** the sales tax exemption on imports of completely knocked down kits for electric vehicles was extended to 30 June 2027.
- **Special excise duty:** the Finance Act 2026 imposed SED on specified imported vehicles, collected under S.R.O. 1072(I)/2026.
- **Process:** 15 new tariff codes were created, legal cover was given to non-intrusive cargo scanning, faceless adjudication was introduced, and the FBR was authorised to rationalise penalties for delayed goods declarations and port clearance.

Two consequences for an importer. First, the direction is toward lower and simpler duties, but the transition creates winners and losers by tariff line; do not assume a general reduction. Second, the ACD and RD notifications are reissued every 30 June. Last year's rate is not a safe planning assumption.

3. Who pays, and in what capacity

The same goods can carry different tax treatment depending on the importer's registration and use. A commercial importer, a manufacturer importing inputs, and a manufacturer importing plant for its own production are not in the same position.

Importer	Typical treatment	What to watch
Commercial importer	Pays CD, ACD, RD, sales tax, value addition tax and the commercial rate of advance income tax	Sales tax may be input tax if registered; advance tax is adjustable but cash-heavy
Manufacturer, inputs	Pays duties and taxes; sales tax generally recoverable as input tax; advance tax adjustable	Input-output records and the manufacturer's registration
Manufacturer, plant and machinery	May qualify for the ACD plant exclusion, Fifth Schedule concession and sales tax/value addition exclusions	Own production, installation evidence and end-use conditions
Exporter under DTRE or EFS	Duty and tax remission or facilitation for inputs	Registration, input-output ratios, export obligation and reconciliation
SEZ enterprise	Zone-specific fiscal and procedural package	Zone and enterprise conditions; confirm current regime

Registration matters before the first shipment. The FBR registers traders by category, including commercial importers, exporters, manufacturers and customs agents, and its checklists ask for items such as a National Tax Number and sales tax registration (FBR, customs registration). A foreign company without a local entity may use a licensed customs agent, but the importer of record and the tax treatment still need to be structured correctly.

4. Filing through the Pakistan Single Window and WeBOC

Customs declarations are filed electronically. WeBOC remains the core Customs management system, integrated with the Pakistan Single Window (PSW). Where regulatory requirements apply to the goods, submission through the PSW's Single Declaration is mandatory. Where none apply, the trader may choose either interface (Pakistan Single Window, WeBOC to PSW).

The sequence is usually: register the importer; appoint a licensed agent; file the goods declaration with the invoice, packing list, bill of lading or airway bill, insurance, certificate of origin and any permit; respond to assessment queries; pay the assessed duty and taxes; allow examination if required; obtain out-of-charge; and arrange delivery. The declaration, assessment, payment receipts and out-of-charge are the file for any refund, audit or dispute.

5. The Import Policy Order and forced labour rules

The Customs Tariff tells you the rate; the Import Policy Order tells you whether the goods may be imported at all, and on what conditions. It lists restricted and prohibited goods, licensing requirements and country-specific restrictions. A tariff line with a low duty can still be prohibited or require a permit.

In 2026 the government amended the Import Policy Order, 2022, to restrict imports of goods produced wholly or partly through forced or compulsory labour. The Economic Coordination Committee approved a definition based on Article 2(1) of ILO Convention No. 29, expanding an earlier provision that referred only to forced labour (Profit, 15 July 2026). Importers should map their supply chain, obtain supplier declarations and keep evidence of labour conditions for higher-risk goods and origins. The rule is new and enforcement practice is developing; take advice before relying on a supplier assurance alone.

6. Concessions and special schemes

A concession is not automatic. The main routes are the Fifth Schedule to the Customs Act, 1969; the plant and machinery exclusion from ACD; special economic zones; the Duty and Tax Remission for Exports (DTRE) scheme and the Export Facilitation Scheme (EFS); temporary importation; and baggage or charitable goods. Each has its own conditions, evidence and post-clearance obligations.

A customs duty concession does not automatically remove ACD, RD, sales tax or advance income tax. Build an exemption map notification by notification, and keep the documents that prove the conditions after clearance. For exporters, DTRE and EFS can be more valuable than a one-off exemption, but they require input-output discipline and timely reconciliation.

7. Trade agreements and preferences

Pakistan has preferential arrangements, including the China-Pakistan Free Trade Agreement, the EU GSP+ scheme and the South Asian Free Trade Area. Each can reduce customs duty for qualifying goods, subject to product coverage, rules of origin, certificate and direct-consignment rules. A certificate of origin is not a discount voucher; the goods must meet the origin rule.

Preferential treatment generally affects customs duty, not sales tax or advance income tax. Confirm the current preference and origin rule for the specific PCT code before relying on it in a costing. The benefit can be lost if the certificate is defective or the consignment does not meet the direct-transport rule.

8. Landed cost and cash flow

Landed cost is not the invoice price plus customs duty. It includes CD, ACD, RD, SED where applicable, sales tax, value addition tax, advance income tax, port and terminal charges, agent fees, transport, demurrage and financing. Some taxes are recoverable; the cash still has to be funded.

The customs guide's worked example shows how far apart the manufacturer and trader cases can be for the same motor. Before committing to a purchase order, build a line-by-line model with the correct PCT code, the 2026-27 rates, the importer category and the expected payment date. Then stress-test it for a one-month clearance delay and a 10% exchange-rate movement.

9. Compliance after clearance

Clearance is not the end of the file. Customs can audit the declaration, question the classification or valuation, and recover short-paid duty. Sales tax input claims and advance income tax adjustments are checked in the tax return. Concessions with post-import conditions can be reviewed. Keep the invoice, contract, bill of lading, payment records, permits, certificates of origin and installation evidence for the limitation period.

If Customs raises a show-cause notice, respond with documents rather than assertions. The Customs Act provides for review and appeal; a voluntary correction before clearance is usually cheaper than a dispute after it. Anti-dumping, countervailing and safeguard duties are separate trade-remedy measures and should be checked with the National Tariff Commission.

10. A practical sequence

1. Identify the PCT code and check whether the goods are restricted or prohibited.
2. Check the 2026-27 customs duty, ACD and RD, plus SED if applicable.
3. Decide the importer of record and whether the entity is registered as a commercial importer, manufacturer or exporter.
4. Map sales tax, value addition tax and advance income tax treatment.
5. Check the Fifth Schedule, SEZ, DTRE, EFS, temporary import or trade preference.
6. Confirm the PSW or WeBOC filing route and any regulator permit.
7. Build a landed-cost and cash-flow model before the purchase order.
8. Keep the complete shipment and compliance file.

11. How PIVRA can help

PIVRA can review the product and route, map the duties and taxes, identify registration and permit requirements, and build a landed-cost model for the actual shipment. We work with your customs agent, tax adviser and legal counsel. Request a quote or see our tax and customs support.

Sources

All sources accessed 24 October 2026. Rates and policy are as at that date and change by notification.

Federal Board of Revenue, Salient Features of Budget 2026-27.

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National Tariff Commission, anti-dumping, countervailing and safeguard measures.

Questions and answers

What duties apply to imports into Pakistan?

Imports can attract customs duty, additional customs duty, regulatory duty, special excise duty on specified vehicles, sales tax, value addition tax and advance income tax. Anti-dumping, countervailing or safeguard duties can apply in specific cases. The rates depend on the PCT code.

What changed in import duties for 2026-27?

Customs duty was cut on 92 industrial input lines. Additional customs duty moved to a 2% / 4% / 10% structure with 6% and 2% exceptions. Regulatory duty is capped at 20% and reduced, with a phase-down to 2030. Special excise duty was imposed on specified imported vehicles.

Who pays the duties and taxes?

The importer of record is liable. A commercial importer, a manufacturer importing inputs and a manufacturer importing plant for its own production can have different sales tax, value addition tax and advance tax treatment. Registration and end use matter.

Do I need to register with Customs before importing?

Yes, the importing entity must be registered with the FBR in the relevant category, or a licensed customs agent must handle the clearance. The FBR checklists ask for a National Tax Number and sales tax registration, among other documents.

Do I file through WeBOC or the Pakistan Single Window?

WeBOC remains the core Customs system and is integrated with the Pakistan Single Window. Where regulatory requirements apply, the PSW Single Declaration is mandatory; where none apply, the trader may choose either interface.

What is the standard sales tax rate on imported goods?

The standard rate is 18%, charged on customs value plus customs duties plus federal excise duty, unless the goods are exempt or taxed at a reduced rate. A 3% value addition tax can also apply.

What is advance income tax on imports?

Customs collects advance income tax under section 148 of the Income Tax Ordinance, 2001. The rate depends on the part of the Twelfth Schedule: 1% for Part I, 2% for Part II (3.5% commercial) and 5.5% for Part III (6% commercial). It is adjustable against final tax liability.

What is the Import Policy Order, and what changed in 2026?

The Import Policy Order lists restricted and prohibited goods and conditions. In 2026 it was amended to restrict imports of goods made wholly or partly with forced or compulsory labour, using the ILO Convention No. 29 definition. Check the current order before shipping.

Can I claim a concession or exemption?

Only if the goods, importer and use meet the Fifth Schedule, plant and machinery, SEZ, DTRE, EFS or temporary-import conditions. A customs duty concession does not automatically remove ACD, RD, sales tax or advance tax.

Do trade agreements reduce all taxes?

Preferential agreements generally reduce customs duty for qualifying goods, subject to rules of origin and certificates. They do not automatically remove sales tax or advance income tax. Confirm the current preference for the PCT code.

How do I calculate the landed cost?

Start with the PCT code and the 2026-27 customs duty, add ACD and RD, then sales tax, value addition tax and advance tax on the correct bases, and add port, agent, transport and financing costs. Our customs tariff guide has a worked example.

Can a foreign company import without a local entity?

A foreign company can use a licensed customs agent and an importer of record, but the structure affects registration, tax treatment and liability. Take advice on whether a local subsidiary, branch or another arrangement is appropriate before the first shipment.