

## Value Added Tax

- Almost every country has a system of “Value Added Tax”.
- Also known as “Goods and Service Tax” (GST) and very similar to “sales tax” which is a term used in many countries.



- When you import your goods into a country that has a “Value Added Tax”, you will have to pay it to the government customs authorities.
- VAT is typically between 10-20% but varies by goods and by country.
- You pay VAT on the value of the “delivered” goods, which includes the cost of the shipping, the cost of the insurance and on the customs duty.

- Some products are exempt from VAT (depending on the country)



- When you sell the goods in the destination country, you will again have to pay VAT on the sale price but then you can claim back your import VAT and VAT on your other business purchases.