

Low-Value Import Rules by Country for Selling Direct From Overseas

SourcingFrom

Updated 28 Sept 2026 13 min read

How Australia, New Zealand, the UK, the EU, the US and the UAE tax a small parcel sold direct to a consumer, as of 28 September 2026. It explains who collects the tax, when parcels beat a consolidated lot, and why shipping on an Indian supplier's courier account hands the customs entry to the courier.

The Short Version

- The low-value line is drawn on the consignment, not the item, so splitting an order does not dodge it.
- Australia, New Zealand, the UK and the EU collect tax at your checkout up to A\$1,000, NZ\$1,000, £135 and €150.
- The US de minimis is suspended for every country, so every parcel of Indian goods pays the normal rate plus 10%.
- From 1 July 2026 to 1 July 2028 EU consignments up to €150 pay a flat €3 duty per item.
- On a supplier's courier account the courier is importer of record, so refunds go to it and it picks your codes.

In February 2026 a UK leather-goods importer described how he brings in his orders from India. He was "used to shipping multiple large boxes (say 4–8) on individual basis avoiding any custom related hassle" ([r/smallbusinessuk, Feb 2026](#)). Plenty of small brands do the same thing, and it feels sensible. Smaller parcels, smaller bills, fewer forms.



We'll come back to him, because the habit rests on a misreading of where the line sits, and it quietly costs more than it saves. This guide walks through what "low-value" means, how Australia, New Zealand, the UK, the EU, the US and the UAE each tax a small parcel, when parcels beat a pallet, and how to keep the customs entry in your own name. One honest caveat - the rules below are dated 28 September 2026, and three of them change on known dates in the next two years, so we update this page in place.

1. What "Low-Value" Actually Means

Every market draws a line under which a parcel skips the normal import process. Below it, the country either gives up the tax or moves collection to your checkout. Above it, the parcel is an ordinary import with duty, tax and usually a broker.

The line is drawn on the consignment, not the item. The UK applies its £135 to "the total consignment that is imported, not the separate value of individual items" ([GOV.UK](#)). The EU's €150 is the intrinsic value of the goods without shipping ([European Commission](#)), and New Zealand's NZ\$1,000 excludes GST ([Inland Revenue](#)). Splitting one order into two parcels to slip under a line is the oldest trick there is, and customs services know it well. So before our leather importer counts eight small imports, he should ask whether the UK would count one consignment.

The rules also look at whoever sold the goods to the consumer, not whoever posted them. If you run an Australian brand and your supplier in Tiruppur posts the orders then you're the seller, and the Australian rules land on you. Sell through a marketplace and the marketplace is usually treated as the seller instead. So one product sold on two channels can carry two different sets of obligations, which is worth knowing before you set prices.

2. The Rules, Market by Market

Here's where each of the six markets stood on 28 September 2026. What happens to a parcel above the line, the full duty sum, is in [working out the real import duty](#).

Market	Low-value line	How tax is handled below it
Australia	A\$1,000	10% GST at checkout, registration from A\$75,000 a year
New Zealand	NZ\$1,000	15% GST at checkout, registration from NZ\$60,000, a levy per declaration
United Kingdom	£135	No duty, 20% VAT charged at the point of sale
European Union	€150	VAT through IOSS, plus €3 duty per item to 1 July 2028
United States	None, de minimis suspended	Normal rate plus 10% on every parcel
UAE	AED 1,000 (reported)	Above it, 5% duty on CIF value and 5% VAT

Australia

Since 1 July 2018 the seller, the platform or the redeliverer charges 10% GST at the checkout on goods worth A\$1,000 or less sold to Australian consumers (the 2017 Act, business.gov.au). You have to register once your sales connected with Australia reach A\$75,000 a year. Those parcels then clear without duty or GST at the border, though we couldn't read that on a Border Force page because the ABF site blocked our reader, so treat that part as reported. Above A\$1,000 it's a normal import, with duty at 0% on Indian goods that carry an ECTA certificate of origin.

New Zealand

New Zealand has run the same checkout model since 1 December 2019, with GST at 15% on goods up to NZ\$1,000 and registration once supplies to NZ consumers reach NZ\$60,000 in 12 months (Inland Revenue). Sales to GST-registered NZ businesses don't count towards that. The twist is the goods levy. From 1 April 2026 every low-value declaration pays its own levy, and a

consignment over NZ\$1,000 pays a much bigger one ([NZ Customs levies guide](#)). NZ importers and logistics people spotted what that does to small parcels within days of the announcement (NZ importers on LinkedIn, March 2026). We come back to it in section 4.

United Kingdom

At or under £135 there's no customs duty, and you charge UK VAT at 20% at the point of sale, or the marketplace does if it made the sale ([GOV.UK](#)). That means UK VAT registration to sell these consignments direct. Sales to UK VAT-registered businesses sit outside the rule, and the buyer accounts for the VAT. Over £135 it's a normal import, and VAT is charged on the goods plus postage plus duty ([GOV.UK](#)), so price the jump over the line and not only the line. Indian goods pay 0% duty with proof of origin under the UK-India agreement.

European Union

The EU abolished its old €22 VAT exemption in July 2021. Up to €150, you charge VAT at the buyer's member-state rate through the Import One Stop Shop, and a seller outside the EU must appoint an EU-established intermediary who is liable alongside you ([European Commission, OSS](#)). The newer change is duty. From 1 July 2026 until 1 July 2028 those consignments pay a flat customs duty of €3 per item, whatever the VAT scheme ([European Commission guidance, June 2026](#), [Access2Markets](#)). Per item, not per parcel.

United States

The US no longer has a low-value line at all. The US\$800 de minimis is suspended for every country, for courier and cargo shipments ([91 FR 37789](#)) and for post from 24 July 2026 ([91 FR 37801](#)), and the statute repealing it takes effect on 1 July 2027. Every parcel of Indian goods pays the normal

rate plus the 10% Section 301 duty on Indian goods in force since 24 July 2026 ([91 FR 47318](#)). Postal parcels carrying chapter 99 duties get a grace window for the new informal mail entry until 22 October 2026.

There's also a quiet line inside the US rules. Informal entry covers goods up to US\$2,500, except that goods carrying chapter 99 subchapter III or IV duties need formal entry above US\$250 ([19 CFR 143.21](#)). Indian goods carry one of those headings. None of the practitioners we read had noticed, so keep parcel values under US\$250 or set up an importer bond.

UAE

Courier parcels of Indian goods over AED 1,000 pay 5% duty on the CIF value and 5% VAT ([UAE Government portal, duty, VAT](#)), plus courier processing fees. The AED 1,000 line itself comes from Dubai buyers comparing bills (buyers on [r/dubai](#), September 2025), and we haven't found it on an official page, so treat it as reported. A foreign business making taxable supplies in the UAE must register for VAT whatever its sales, where nobody else accounts for the tax ([Federal Tax Authority](#)). And courier parcels rarely carry a CEPA certificate, so in practice they pay the full 5% duty that a proper cargo shipment with a DGFT certificate could avoid.

3. Who Collects the Tax, and Why It Matters to Your Customer

Read those six sections again and you'll see only three models. Pick the one you're in before you write a product page, because it decides what your customer sees at the door.

In Australia, New Zealand, the UK and the EU, you collect the tax at checkout. The customer sees one price and the parcel clears quietly. The cost is a registration, and a return cycle in a country where you may have no office at

all. In the EU the intermediary adds a cost of its own, because it carries your liability.

Everywhere else, and above every line, the courier pays the border and bills your customer before it delivers, with a handling fee on top. UK buyers report courier admin fees of "20–30 quid" on small Indian parcels, and a Dubai buyer found that almost 200 dirhams of one bill was admin and inspection fees (r/smallbusinessuk, 2023, and r/dubai, 2025). Check the current fees with the courier yourself. What you want to avoid is the surprise bill, because a customer who wasn't expecting one refuses the parcel, and you pay for the return.

The third model is delivered duty paid, where you clear the goods and the customer sees nothing. It's the nicest experience for the buyer and the most paperwork for you, and it's exactly where the courier trap in section 5 bites. The term itself is explained on DDP.

4. Parcels or a Pallet

Direct from India works when the goods are light, the orders are few and the tax is collected at your checkout. Bulk into a local warehouse wins as soon as the fixed cost per parcel starts to bite. So how do you tell which side you're on?

Count the fixed cost per parcel, not the rate. New Zealand's levy is charged per declaration, so ten parcels pay ten levies and one consignment pays one. The EU's €3 is per item, so a parcel of four T-shirts pays €12 before VAT, which on cheap cotton tees can be more than normal duty on the same four shirts in a carton. Courier handling fees and US brokerage per entry behave the same way. They're small once and large a thousand times.



Then look at where the VAT goes. A registered business importing in bulk can account for import VAT on its return. VAT billed on a courier invoice is a different story, and UK importers registered for postponed VAT accounting report couriers charging it at the door anyway (r/smallbusinessuk, 2024 and 2025). One reply in that thread put it plainly - VAT on a courier invoice "can rarely be recovered as import VAT". If your margin depends on getting the VAT back then you want bulk.

Weight decides the mode. For small air shipments a courier usually beats a forwarder below a few hundred kilograms, because forwarders' minimum charges "will kill you" (r/logistics, 2025). UK importers use 200 kg as the rough point where air and sea cost about the same, and sea takes six to eight weeks (r/smallbusinessuk, 2024 and 2026). Small sea loads from India carry around ten fixed charges each (exporters on r/exportersindia, 2026), so for a small brand the honest middle ground is a consolidated air lot to a local 3PL. Not sea, and not one parcel at a time. Why a four-week sea quote turns into six is on sea freight routes.

Product rules don't care how you ship. The EU's General Product Safety Regulation needs an EU-established responsible person for the product whether it comes in a parcel or a container, and EU warehouses generally won't take that role (r/logistics, 2026). Australia's biosecurity rules apply to a posted sample as much as a pallet, and undeclared food samples get confiscated (Australian buyers on forums, 2024). Compliance is a fixed cost either way, so it argues for whichever route sells more.

Put your own numbers into the [landed cost calculator](#) twice, once as a parcel and once as a pallet, with the fixed charges in. Our rule of thumb - if the US is your main market then plan on a US warehouse from day one, and everywhere else register for checkout tax as soon as you sell any real volume.

04 / Decide here

- 1 Which model you're in for each market: checkout tax, customer pays at the door, or duty paid by you.
- 2 Whether you'll pass a registration threshold (A\$75,000 in Australia, NZ\$60,000 in New Zealand, any direct sales in the UK or EU).
- 3 Parcel or consolidated lot, after costing both with the per-parcel charges in.
- 4 Whose name goes on the customs entry, before the first parcel leaves India.

5. The Courier-as-Importer Trap

A US seller found this out in May 2026. Their Indian suppliers shipped on their own FedEx and UPS accounts at rates "double or triple" cheaper than the seller's own, and it worked for months ([r/ecommerce, May 2026](#)). The full refund side of that story is on [duty refunds](#). Indian suppliers get better

courier rates thanks to their volume, and UK buyers are told the same thing - "ask your supplier in India for a freight forwarder" (r/smallbusinessuk, 2024). The cheap rate is the bait.

Here's what they gave up without knowing it. On a supplier's courier account, the courier files the entry as importer of record, in its own name. When refunds opened, US Customs said plainly that "only the IOR or the licensed customs broker who filed the entries can file" a claim (CBP, IEEPA refunds). So the refund on duty the seller had effectively paid went to FedEx and UPS, and getting it back is now a negotiation with a courier rather than a claim with Customs. Who can claim a refund and when is on duty refunds.

It isn't only refunds. The same seller wrote that the couriers' "HTS codes and duties are often incorrect", and a US distributor buying from Europe and India said they'd "caught a number of incorrectly assessed tariffs that are starting to add up" (r/smallbusiness, November 2025). A wrong code on a US parcel now stacks the wrong chapter 99 duty on top. And when a supplier picks the forwarder and the Indian agent falls out with the US agent over money, your goods sit at the port until they settle. One Amazon seller's shipment was held because "the agent in India still has not paid the amount to the agents in the U.S." (r/AmazonSeller, 2024). You're a stranger to both of them.

The fix isn't hard, it's just less convenient. Ship on your own courier account or through your own forwarder, with your own broker at destination. Write the importer of record into the purchase order. If you sell duty paid then make sure the entry is in your name or your broker's, not the carrier's. And send the courier your tax registration and instructions before the first parcel, not after the first bill.

On the Indian side, India Post suspended bookings to the US on 25 August 2025, and the cheap letter-class options went with it (India Post notice as reported on LinkedIn, and sellers on r/Etsy and r/ecommerce, September

2025). How goods leave India, and why the exporter of record matters, is on exporting from India.

Ready to act

Need hands-on help?

Opening your own courier account and a broker at destination, the checkout tax registrations, and an Indian exporter of record for your parcels are execution work.

Talk to SourcingSync ↗

6. One Parcel, Six Borders

Take four Indian cotton T-shirts worth US\$100, sold on your site and posted from India by express. In Australia, New Zealand and the UK the parcel clears with no duty, and the GST or VAT is yours to collect at checkout, with a small levy on top in New Zealand. In the EU it pays €12 in flat duty and VAT through IOSS. In the UAE it's under the AED 1,000 line (reported), so it passes.

In the US it pays 16.5% for cotton T-shirts under HTS 6109.10.00 (USITC) plus the 10% on Indian goods, so US\$26.50 before the carrier's fee, on every single order. A thousand shirts in one bulk entry pay the same rate once, with one brokerage bill. That's why Indian direct-to-consumer sellers have moved to duty-paid express or bulk into US warehouses since de minimis ended (sellers on r/Etsy and r/ecommerce, 2025 and 2026).

Read that as a shape, not a quote. In four markets the small parcel is cheap and the tax is your job. In the EU the duty is small but never goes away, and it punishes multi-item orders. In the US every parcel is a full import.

SourcingFrom Intelligence

powered by Kirnova – the intelligence company

- 01 When a supplier ships on its own courier account, the courier is the US importer of record, so IEEPA refunds go to the courier and not to the seller. ([r/ecommerce](#), [May 2026](#), [CBP, IEEPA refunds](#), read 28 September 2026.)
-
- 02 Indian goods carry a chapter 99 duty heading, so a US parcel of them over US\$250 needs formal entry, not informal. None of the practitioners we read had noticed. ([19 CFR 143.21](#), [91 FR 47318](#), our reading.)
-
- 03 UK buyers on postponed VAT accounting still get import VAT on courier invoices for Indian parcels, and that VAT is hard to recover. ([r/smallbusinessuk](#), 2024, 2025.)
-
- 04 Since April 2026, many small NZ parcels pay more in combined levies than one consolidated consignment would. ([NZ Customs levies guide](#), [NZ importers on LinkedIn](#), March 2026.)
-

What we don't know yet

- Where the UAE's AED 1,000 courier line is published officially. We have it only from buyers' bills.
- Whether couriers are passing IEEPA refunds back to the sellers whose goods they cleared.

FAQ

Does the US still have an US\$800 duty-free allowance? ^

No. It's suspended for every country, post included, and the law repealing it takes effect on 1 July 2027. Every parcel of Indian goods pays the normal rate plus 10%.

Do I need to register for GST in Australia to ship parcels there? v

Is the EU's €150 line still duty-free? v

My supplier's courier rate is a third of mine. Why not use it?



7. Next Steps

So what should our leather importer do with his eight boxes? Ship them as the one consignment they are, on his own account, with the entry in his own name, and cost that against one consolidated lot to a UK 3PL. He'll pay fewer handling fees, get VAT he can actually reclaim, and sleep better if HMRC ever asks. Splitting doesn't dodge the rules, it just multiplies the fixed costs.

- Cost parcel against pallet in the [landed cost calculator](#).
- The full duty sum above any line: [working out the real import duty](#).
- Your market's rules for Indian goods: [Australia](#), [New Zealand](#), [US](#), [UK](#), [EU](#), [UAE](#).
- The trade terms: [DDP](#) and [DAP](#).
- Related guides: [importer of record](#), [Amazon FBA from India](#), [duty refunds](#), [sea freight routes](#), [certificate of origin](#).