



# [SNAPSHOT OF NEPAL BUDGET 2078-79]



Compiled & Prepared By:-

**APM & Associates**  
(Formerly G.K.Agrawal & Co.)  
(Chartered Accountants)  
4<sup>th</sup> floor Radha Bhawan,  
P.O.Box. No. 858  
Tripureshwor, Kathmandu  
Ph:-+977-1-4245408  
Email: info@apmnepal.com

The Thirteenth Budget of the Federal Democratic Republic of Nepal was presented by Honorable Finance Minister Mr. Bishnu Poudel by way of Finance Bill on Jestha 15, 2078 (May 29, 2021) for the F/Y 2078/79 i.e. 2021/22.

The Direct Tax provisions contained in the Finance Bill shall generally apply to F/Y ending Ashadh 31, 2078 (July 15, 2021) unless specifically stated otherwise. Further, other provisions shall be applicable w.e.f. from Jestha 15, 2078 or Shrawan 01, 2078 as the case may be.



*This document is intended for private circulation for the use of our clients only to provide general outline on the topics covered.*



*Professional Advice to be sought before acting on any information contained herein.*



*Sincere Efforts have been made to avoid mistake or error or omission; however, APM & Associates does not assume any responsibility for errors or omissions, if any.*

**Remarks: Major Amendments for F/Y 2078/79 have been shown in *Red*.**

**A. KEY BUDGET STATISTICS****Statement of Budgeted Income & Expenses***(Amount in NPR. Billion)*

Particulars	F/Y 2078/79	
	Amount	%
<b>Revenue &amp; Grants:</b>		
Revenue	1024.90	62.2%
Foreign Grants	63.37	3.85%
Foreign Loan	309.29	18.77%
Internal Loan	250.00	15.17%
<b>TOTAL Revenue &amp; Grants</b>	<b>1647.57</b>	<b>100%</b>

<b>Expenses:</b>	Amount	%
Recurrent Expenditure	678.61	41.2%
Capital Expenditure	374.26	22.7%
Financing Provision	207.97	12.6%
Lower Level Grant	386.71	23.5%
<b>TOTAL Expenses</b>	<b>1647.57</b>	<b>100%</b>

Expected Economic Growth Rate for F/Y 2078/79: 6.50%

Inflation Rate Growth Rate for F/Y 2078/79: 6.50%

Head wise budget allocation has been done for the programs & projects controlled by the Central Government, though the under construction projects covered under the state government and local authority shall be completed by Centre and will be handed over to the concerned authority.

**GENERAL TAXATION:**

**A. Health Risk Tax (No Change)**

- Cigarette/Cigar : Rs 0.5/Piece
- Bidi: Rs 0.25/Piece
- Tobacco/Gutka/Pan Masala: Rs 40/Kg

**B. Education Service Charge for study at Foreign (No Change)**

- 2% on foreign exchange amount
- Banks & other Financial Institutions shall have to submit the detail and make payment within 25<sup>th</sup> of next month; failure to do so will attract interest @ 15% pa.

**C. Infrastructure Tax (No Change)**

- Rs 10/Ltr in Import of Petrol/Diesel/Aero Fuel at custom point.

**D. Road Construction & Improvement Fee (No Change)**

- Rs 4/Ltr in Petrol
- Rs 2/Ltr on diesel

**E. Pollution Control Fee (No Change)**

- Rs 1.5 /Ltr of Petrol & Diesel
- Amount to be deposited within 25<sup>th</sup> of next month by Importer
- Interest @ 15%, if not deposited on time

**F. Telephone Ownership Charge (No Change)**

- Rs 500 per connection
- In Case of Prepaid: 2% of sim card & recharge amount.

**G. Telecommunication Charge (No Change)**

- 13% to be charged from customer
- But not in case of Inter Connection Charge

**H. Casino Royalty**

- Rs 4 Crores annually.
- In case gaming by advanced machines & equipment: Rs 1 crore
- Amount to be paid within 6 months from the commencement of the Fiscal Year to Culture, Tourism & Civil Aviation Ministry.
- Fine @ 15% p.a. shall be charged in case of non-deposit of Royalty upto 3 months from due date and additional 30% if unpaid for a further period.
- In case person pays due royalty upto FY 2076/77, fine on such royalty and 50% of additional fine on such royalty, royalty of 2076/77 and its fine by Chaitra 2078, then balance additional fine upto 2076/77 shall be waived off.

**I. Provision Relating Social Security Tax (Section 17 of Finance Act, 2078):**

- 1% tax to be deducted as social security tax from natural persons having income from employment upto Rs. 4,00,000.00 in case of individual and upto Rs. 4,50,000.00 in case of couple.
- The amount as per above point is to be collected as T.D.S.
- Such TDS amount is to be deposited at prescribed revenue head.
- Notwithstanding anything mentioned in point no. 1, SST will not be deducted from natural person participating in contributory pension scheme or having pension income.

**J. Relief in Fine, Penalty and Interest for cases pending against Income tax Department on Administrative review or Revenue Tribunal or Hon'ble Court (Section 20 of Finance Act, 2078):**

1. This section applies to assessee who is not satisfied with the assessment upto Ashad 2077 as per Income Tax Act, 2058, VAT Act, 2052 and Excise Act, 2058 and has filed for review application to Administrative review or Revenue Tribunal or Hon'ble Court against such assessment.
2. If an assessee withdraws his application from the respective department and pays the tax as assessed by the IRD and 50% interest upto the date of application before Mangshir 2078; then remaining interest, penalty and fine shall be waived off.
3. However, this scheme/relief program is not for the cases pertaining to false or forged bill.

**K. Special Provision for Due Amount (Bakyauta) (Section 21 of Finance Act, 2078):**

- Relief in Charges, Penalty, interest, fine and balance tax amount when paid by assessee upto Poush 2078 on due excise or tax amount pertaining to Excise Act, 2015, Income Tax Act, 2031 or Hotel Tax, Entertainment tax, Contract or Sales Tax as replaced by VAT Act, 2062.
- If an assessee pays due amount and its interest resulting from assessment upto 2076 Ashad End as per Excise Act, 2058, Income Tax Act, 2058 or VAT Act, 2058 except for cases relating to False or Forged Bills by 2078 Poush; then penalty and fine on such assessment shall be waived off.
- Any Not for Profit Community Hospital or Person providing Vehicle Service through electronic medium who applies for waiving off their due amount as per VAT Act, 2052 or Income Tax Act, 2058 on assessment before Jestha 15, 2078 by Poush end, 2078; can get their due amount waived off. However, such person assessment should not be sub-judiced before any authority.

**L. Special Relief for Organization Issuing Certificate of Origin (Sec 22 of Finance Act, 2078):**

Organisation issuing Certificate of Origin for Export need not need to deposit their due value added tax upto Jestha 15 or need not need to deposit value added tax amount, interest or fine

as assessed by department upto such date.

**M. Special relief for Trekking or Tour Business (Section 23 of Finance Act, 2078):**

1. Any person engaged in Travel or trekking agency business, who has declared his trekking and tour package business as non-vatable business and not filed vat amount on such business can get relief from interest, fine and penalty by self declaring on the business upto Jestha 15, 2078 and depositing the vat amount by Poush end, 2078.
2. Person paying his due amount by Poush end 2078 on assessment done by IRD for business as mentioned in sub-section 1 shall get relief from additional interest, fine and penalty.
3. If person withdraws his application for review against assessment done by IRD as per sub-section 2; and pays the tax as per the assessment by Poush end, 2078; then there is no need to pay additional fine, interest or penalty.

**N. Special Provision on Charges, Interest for Health Service Providers (Section 24 of Finance Act, 2078):**

Utilization of Payable Balance of VAT output on sale of Vatable goods or services after adjustment of VAT input on purchase of vatable goods or services by provider of Health Service and the amount is utilized for health services, the said payable balance if paid off within Asadh 2079, interest and penalty will be waived off.

**O. Special Provision on Expense Claim on Rent for Transport Service Vehicle (Section 25 of Finance Act, 2078):**

Person engaged in Transportation service can claim rent on transport vehicle as an expense for FY 2076.77 even if the vehicle owner does not have PAN and does not fulfill the requirement of Section 21 (1) (घर). However, the person has to deposit required TDS as per Section 88(1)(8) to claim rent on such vehicle as an expense.

**P. Special Provision on Excise License Renewal (Section 26 of Finance Act, 2078):**

1. Person who has not renewed his excise license on stipulated time can get their excise license renewed by paying renewal charges for every pending year by Shrawan 2078.
2. Person failing to do such will get their excise license cancelled automatically.

**Q. Special Provisions on tax relief for COVID-19 affected business (Section 28 of Finance Act, 2078):**Note: Only applicable on Taxable Income for FY 2077-78

- a. 90% rebate on applicable tax for person submitting return as per Section 4(4) of IT Act, 2058 (D-01 return) having annual turnover upto Nrs. 20lac and income upto Nrs. 2 lac.
- b. 75% rebate on applicable tax for person submitting return as per Section 4(4A) of IT Act, 2058 (D-02 return) having annual turnover more than Nrs. 20lac and upto Nrs. 50 lac.
- c. 50% rebate on applicable tax for person having turnover upto Nrs. 1 cr.
- d. 1% tax on taxable income for person engaged in business of Hotel, Travel, Trekking, Film Business (Production, distribution and Release), Party Palace, Media House,

Public Road Transportation or airways having turnover more than Nrs. 1 cr.

- e. Additional 3 years of carry forward of loss in addition to period mentioned in section 20(1) of Income tax act, 2058 shall be available for person engaged in business mentioned in subsection 4 if there is loss in Income Year 2076.77 and 2077.78.

**R. Special Provision on Contribution to COVID Fund established by Central Govt., Provincial Govt., or Local Bodies (Section 29 of Finance Act, 2078):**

Any Person contributing to above mentioned Fund in FY 2077-78 shall get deduction on contribution amount as taxable expense in such year.

**S. Special Provision on Tax relief on Health equipments required for treatment and management of patients suffering from COVID-19 (Section 30 of Finance Act, 2078):**

Relief on Customs, Excise and VAT upto Poush End 2078 on the following items which is required for treatment and management of COVID-19 patients:

HS Code	Particulars
2804.40.10	Medical Grade Oxygen (Liquid and Gasis Oxygen)
9019.20.19	Helmets for non invasive ventilators
7311.00.10	Oxygen cylinder, liquid oxygen container, liquid oxygen tank, Oxygen canister, ISO Containers for shipping oxygen and crogenic road transport tank for oxygen
8421.39.10	V.P.S.A., P.S.A., Oxygen plants and A.S.U.
8481.80.20	Oxygen cylinder valve
9018.31.00	Syringe Pump, Infusion Pump
9018.39.00	High Flow Nasal Cannula
9018.19.20	I.C.U. Monitor
9018.20.10	Oxygen Concentrator
9019.20.20	Ventury Mask, Reservoir Mask and Non invasive ventilator mask
9019.20.90	Ventilator Circuit, Humidifiers and viral filters for ventilators etc
8422.30.00	Oxygen filling system
8405.10.00	Oxygen generator compressor
9026.80.10	Oxygen flowmeters and regulators
9402.90.10	ICU Bed
9027.80.10	Blood Gas Analyser
3004.90.90	Remdesivir

**T. Special Provision on CSR Expenses on Health Sector (Section 31 of Finance Act 2078):**  
Any person required to create provision for CSR can claim expense if such CSR is utilized in contribution for construction of Hospital as designated by Health Ministry or contribution in equipment related for treatment of COVID 19.

**U. Special Provision regarding transfer of amount to Social Security Fund (Section 32 of Finance Act, 2078):**  
TDS as deductible under Sec 88 of Income Tax Act, 2058 on Retirement Benefit shall not be deducted if anyone transfers the amount from existing Retirement fund to Social Security Fund as created by SSF Act, 2074 within Chaitra 2078.

**V. Special Provision regarding rebate on renewal charges on Companies and private firm (Section 33 of Finance Act, 2078):**  
Any companies registered with Companies Act, 2063 who have not submitted their annual return upto 2075/76 or private firm registered as private firm registration act, 2014 who have not renewed their registration can get relief from fine and interest if they pay applicable charges and 10% of interest and penalty amount within Ashoj 2078.

**W. Interim Administration regarding Registration Charges of Land and Buildings (Section 32 of Finance Act, 2077):**  
Central Government, on behalf of Local bodies shall collect land and building registration charges and deposit it into fund as prescribed by Inter-government finance management act, 2074 until the local infrastructure to collect such charges is ready.



**B: DIRECT TAXATION:****Rate of Taxation:**➤ **Tax Rate for Natural Persons:**

Particulars	Tax Rate
<b>Resident - Remuneration Income:</b>	
<b>-Couple (including Widow &amp; Widower having Dependents):</b>	
Up to Rs. 450,000 (in form of Social Security Tax)	1%
On Next Rs. 100,000	10%
On Next Rs. 200,000	20%
On Balance up to Rs. 2,000,000	30%
Above Rs. 2,000,000 (Including surcharge of 20% on tax rate of 30%)	36%
<b>-Individual:</b>	
Up to Rs. 400,000 (in form of Social Security Tax)	1%
On Next Rs. 100,000	10%
On Next Rs. 200,000	20%
On Balance up to Rs. 2,000,000	30%
Above Rs. 2,000,000 (Including surcharge of 20% on tax rate of 30%)	36%
Resident Individual Woman, having only Remuneration Income, shall be entitled to a Rebate of 10% on Total Tax calculated as above.	

Particulars	Tax Rate
<b>Resident - Proprietorship Firm:</b>	
<b>-Couple (including Widow &amp; Widower having Dependents):</b>	
Up to Rs. 450,000	Nil
On Next Rs. 100,000	10%
On Next Rs. 200,000	20%
On Balance up to Rs. 2,000,000	30%
Above Rs. 2,000,000 (Including surcharge of 20% on tax rate of 30%)	36%
<b>-Individual:</b>	
Up to Rs. 400,000	Nil
On Next Rs. 100,000	10%
On Next Rs. 200,000	20%
On Balance up to Rs. 2,000,000	30%
Above Rs. 2,000,000 (Including surcharge of 20% on tax rate of 30%)	36%

Particulars	Tax Rate
<b>Resident Individuals-Presumptive Tax:</b>	
<b>Natural Person having only Business Income with Annual Turnover up to Rs. 30 Lakhs (earlier it was 20 lakhs) and Annual Income up to Rs. 3 Lakhs (earlier it was 2 lakhs) {removed: section 4(4(π)) &amp; (π) i.e now whether the natural person is registered in VAT or not and whether the natural person has opted or not }, may choose has to pay</b> Tax as below (However, such person cannot claim medical tax credit or advance tax for TDS deposited):	
- In the Metropolitan or Sub Metropolitan Cities	Rs. 7,500
- In the Municipalities	Rs. 4,000
- In the rest of Nepal	Rs. 2,500
<b>90% rebate on applicable tax for FY 2077-78</b>	
<b>Natural Person having only Business Income with Annual Turnover from 30 Lakhs (earlier it was 20 lakhs) up to 1 Crore (earlier it was 50 lakhs) and Annual Income up to Rs. 10 Lakhs (earlier it was not mentioned) {removed: section 4(4(κ(π)) i.e now whether the natural person is registered in VAT or not }, may choose has to pay</b> Tax as below (However, such person cannot claim medical tax credit or advance tax for TDS deposited):	
<ul style="list-style-type: none"> <li>• Person selling Cigarette, Gas etc., by adding commission or profit upto 3% (Turnover 30-50 lakhs)</li> </ul>	<b>0.25% of the turnover or Rs. 7,500 whichever is higher</b>
<ul style="list-style-type: none"> <li>• Person selling Cigarette, Gas etc., by adding commission or profit upto 3% (Turnover 50-100 lakhs)</li> </ul>	<b>0.3% of the turnover</b>
<ul style="list-style-type: none"> <li>• Person engaged on transaction other than above (Turnover 30-50 Lakhs)</li> </ul>	<b>1 % of the turnover (earlier it was 0.75%)</b>
<ul style="list-style-type: none"> <li>• Person engaged on transaction other than above (Turnover 50-100 Lakhs)</li> </ul>	<b>0.8% of the turnover</b>
<ul style="list-style-type: none"> <li>• Person engaged in Service Sector business</li> </ul>	<b>2% of Turnover</b>
<b>75% rebate on applicable tax for FY 2077-78 for turnover upto 50 lakhs</b>	
<b>50% rebate on applicable tax for FY 2077-78 for turnover upto 1 crore</b>	
Tax as above should be paid in 2 installments 1 <sup>st</sup> : Within Poush 20 2 <sup>nd</sup> & Final: Within Ashad 20 based on actual transaction.	
Not applicable for Doctor, Engineer, Auditor, Legal Consultant, Player, Artist, Consultant including other Expert Service Income.	
<b>Owner of Public Vehicles (Per Vehicle Per Annum):</b>	

A. Car / Jeep / Van / Micro Bus	
A.1 Upto 1300CC	Rs. 4,000
A.2 1301 to 2000CC	Rs. 4,500
A.3 2001 to 2900CC	Rs. 5,000
A.4 2901 to 4000CC	Rs. 6,000
A.5 4001CC and above	Rs. 7,000
B. Mini Truck, Mini Bus, Water Tanker	Rs. 6,000
C. Mini Tipper	Rs. 7,000
D. Truck, Bus	Rs. 8,000
E. Dozer, Excavator, Loader, Roller, Crane and other like machinery equipment	Rs. 12,000
F. Oil Tanker, Gas Bullet, Tipper	Rs. 12,000
G. Tractor	Rs. 2,000
H. Power Triller	Rs. 1,500
3 Wheeler / Auto Rickshaw / Tempo	Rs. 2,000
<b>Gain from Disposal of Non Business Chargeable Assets:</b>	
[After taking into consideration exemption limit (i.e. Rs. 400,000 for individual and Rs. 450,000 for couples):	
- From Disposal of Land & Building on any amount (owned for 5 Years or more)	2.50 %
- From Disposal of Land & Building on any amount, (owned for less than 5 Years)	5 %
- From Disposal of Listed Securities (Gain to be calculated Weighted Average basis	5 %
- From Disposal of Other Non-Business Chargeable Assets (including Non Listed Securities)	10 %
<b>Non Resident Individuals: on any Amount</b>	25 %

**Note:**

- Husband and Wife, having separate income source, are given option either to get assessed separately as individual or jointly as couple.
- Couple making an election under Section 50 of IT Act, 2058 need not pay tax @ 1% in form of Social Security Tax for FY 2075-76.

**Changes in Definition Section(2):**

- Subsection(२(2)) Clarification: Non Business Chargeable Assets in case of Natural Person: earlier clarification of " building and land covered by building" has been replaced by "building, land covered by building and **additional land area equivalent to the land covered by building**"
- Subsection (कम): **Commission** word has been removed from the definition of Service Fee.

**Further Deductions / Facilities for Resident Natural Persons:**

- Resident Disabled/Incapacitated person shall get an additional 50% of Exemption Limit (i.e. 50% of Rs. 450,000 in case of Couple & 50% of Rs. 400,000 in case of Individual).
- Individual having Life Insurance Policy shall get an additional exemption from the Taxable Income to the extent of Rs. 25,000 or Premium Amount, whichever is lower.
- Individual having Health Insurance Policy shall get an additional exemption from the Taxable Income to the extent of Rs. 20,000 or Premium Amount, whichever is lower.
- Annual Remote Area Allowance up to Rs. 50,000 (depending upon Remote Area Category) is exempted from tax.
- Employees working in Nepalese Diplomatic Mission abroad are allowed 75% exemption on Foreign Allowances.
- Contribution in Approved Retirement Fund is deductible to the limit of 1/3<sup>rd</sup> of Assessable Income or Rs. 300,000 whichever is lower.
- Individual having Pension Income, contributing on contribution based pension fund and social security fund shall not be liable to pay 1% SST.
- Compensation received in respect of death of natural person is not taxable [Sec 31 (2)].
- In case any person contributes any amount to Prime Minister Relief Fund or National Reconstruction Fund established by Government of Nepal during any Income Year, the amount can be deducted while calculating taxable income of the person during the Income Year.
- Insurance premium of self owned house by a resident natural person shall be allowed as expense upto premium amount or Rs 5000, whichever is less.**
- Individuals having pension income shall be allowed to deduct 25% of first slab as defined for Natural Person.**

**Tax Credit for Resident Natural Persons:**

- In case of Approved Medical Expenses, Medical Tax Credit for Rs.750 or 15% of Approved Medical Expenses or Actual Approved Medical Expenses incurred whichever is lower is available to resident natural persons as deduction from tax liabilities. Unutilized Expenses, if any, can be carried forward to Next Financial Year.

Where Foreign Income is included in Taxable Income of a Resident Natural Person, Foreign Tax paid in Foreign Country can be (at the option of the Tax Payer): i. Deducted as Expense or ii. Tax Liability in Nepal be reduced by such tax paid up to the Average Rate of Tax applicable in Nepal.

➤ **Tax Rates for Entities:**

Particulars	Tax Rate
Bank, Finance Company, General Insurance Company, Telecom and Internet Service Providers, Money Transfer agent, Capital Market organizations, Stock Exchange, Stock and Commodity Brokers, Merchant banking company, Commodity Future Market, Petroleum Entities, Cigarette, Tobacco, Beer and Alcohol Company	30%
Co-operative Institution registered under Co-operative Act, 2074 (other than co-operatives dealing in Exempted Transaction) except as mentioned below:	
➤ Co-Operative running in Municipality area	5%
➤ Co-Operative running in Sub-Metropolitan area	7%
➤ Co-Operative running in Metropolitan area	10%
Private Ltd. Co. / Limited Co. / Partnership Firm not specifically mentioned above	25%
Non-resident person Providing Shipping, Air Transport or Telecommunications Services in Nepal	5%
Repatriation of income of a Foreign Permanent Establishment of a Non-Resident situated in Nepal.	5%
Non Resident Airline Services having office in and business in Nepal but not operating flights to and within Nepal	2%
Agriculture Income other than those derived by any firm, partnership or company.	Nil

**Note:** Trust of Dead or Incapacitated Person shall be taxed as natural Person.

## ➤ Tax Concessions &amp; Rebate (Sec 11):

Particulars	Tax Rate
Agriculture Income other than from firm, company, partnership or institution and other than as mentioned in Sec 12 (घ & ङ) of Land Related Act, 2021 (Sec 11(1))	100% Exempt
<b>Agriculture Income from firm, company, partnership or institution (Sec 11(1))</b>	<ul style="list-style-type: none"> <li>• 50% Exempt</li> </ul>
Income of Specified operation of Co-operative Society established in Remote Area under Co-operative Act, 2074 (Sec 11(2))	<ul style="list-style-type: none"> <li>• 100% Exempt</li> <li>• Dividend Tax Also Exempt</li> </ul>
Annual interest up to Rs. 25,000 in the amount deposited to the Micro Credit Institutions, Rural Development Banks, Postal Saving Bank, and Co-operatives as mentioned in Sec 11(2) in the rural area (Sec 11 (2 क))	100% Exempt
Profit on Income from Special Industry - For Natural Person (Sec 11(2 ख(क))	20% where Tax Rate is 30%
Profit on Income from Special Industry - For Entities (Sec 11(2ख(ख))	20% Rebate on Applicable Tax
<i>Any additional benefit if available can also be availed by the person enjoying exemptions u/s 11(2 ख(क)) and 11(2 ख(ख))</i>	
Special Industries & I.T. Industries providing direct employment to 100 or more Nepalese Nationals throughout the year (Sec 11(3)( क))	90% of Applicable Tax
Special Industries & I.T. Industries providing direct employment to more than 300 and upto 500 Nepalese Nationals throughout the year (Sec 11(3)( क))	80% of Applicable Tax
Special Industries & I.T. Industries providing direct employment to more than 500 and upto 1000 Nepalese Nationals throughout the year (Sec 11(3)( क))	75% of Applicable Tax
Special Industries & I.T. Industries providing direct employment to more than 1000 Nepalese Nationals throughout the year (Sec 11(3)( क))	70% of Applicable Tax
Special Industries & I.T. Industries providing direct employment to 100 Nepalese nationals of which, 33% are women, dalits (the downtrodden) or the handicapped, throughout the year (Sec 11(3)( क))	10% additional discount on the applicable tax including above mentioned benefit
Special Industries operating in Highly Undeveloped Area. (Sec 11(3)(ख))	10% of Applicable Tax for 10 Yrs from the year of operation or production
Special Industries operating in Undeveloped Area (Sec 11(3)(ख))	20% of Applicable Tax for 10 Yrs from the year of operation or production
Special Industries operating in Under-Developed Area (Sec 11(3)(ख))	30% of Applicable Tax for 10 Yrs from the year of operation or production

Special Industries and Tourism Industries (except Casino) established with a capital investment of Rs. 200 crores or more and providing direct employment to 300 or more persons throughout the year (Sec 11(3)(ग))	A Rebate of 100% for first 5 Years & 50 % for next 3 Years on Applicable Tax
Special Industries, already in operation, which enhances 25% of its installed capacity and increases its capital investment to Rs. 100 crores or more and providing direct employment to 500 or more persons throughout the year (Sec 11(3)(ग))	A Rebate of 100% for first 5 Years & 50 % for next 3 Years on Applicable Tax on income from such enhanced capacity
Industries established in Special Economic Zone (SEZ) of Himalayan Districts and other prescribed Hilly District (Sec 11(3 क)(क))	A Rebate of 100% for 10 Years & 50 % thereafter on Applicable Tax
Industries established in Special Economic Zone (SEZ) of Other Areas (Sec 11(3 क)(ख))	A Rebate of 100% for 5 Years & 50 % thereafter on Applicable Tax
Dividend distributed by Industries established in Special Economic Zone (SEZ) (Sec 11(3 क)(ग))	A Rebate of 100% for first 5 Years & 50% for next 3 Years on Dividend Tax
Income from Foreign Technology, Management Fee and Royalty earned by Foreign Investors from industries established in Special Economic Zone (SEZ) (Sec 11(3 क)(घ))	A Rebate of 50% on Applicable Tax
Person engaged in Mining Research & Extraction of Petroleum Products, Energy and Natural Gas, if commercially starts the transaction within Chaitra End 2080 (Sec 11(3 ख))	A Rebate of 100% for first 7 Years & 50 % for next 3 Years on Applicable Tax
Industry related to Software Development, Data Processing, Cyber Cafe, Digital Mapping established at prescribed Information Technology park , and Technological Park related to Zoology, Geology and Biotech (Sec 11(3 ग))	A Rebate of 50% on Applicable Tax
Entity licensed to generate, transmit and distribute electricity, if commercially starts generation, generation & distribution, distribution of hydropower by end of Chaitra 2080 The facility is available also for Solar, Bio-gas and Wind Energy [However, entities already having started commercial production of electricity prior to introduction of the above provision shall be eligible for facility as prevalent at the time of obtaining license.] (Sec 11(3घ))	A Rebate of 100% for first 10 Years & 50 % for next 5 Years on Applicable Tax
Profit on Export Income - For Natural Person (Sec 11 (3 ड)(क))	15% where Tax Rate is 20/30%
Profit on Export Income - For Entities (Sec 11 (3 ड)(ख))	20% Rebate on Applicable Tax
Profit on Export Income from Manufacturing Industry- For Natural Person (Sec 11 (3 ड)(ग))	Additional <b>35%</b> Rebate (earlier it was 25%)
Profit on Export Income from Manufacturing Industry- For Entity (Sec 11 (3 ड)(ग))	Additional <b>35%</b> Rebate (earlier it was 25%)
Entity Operating Tram or Trolley Bus (Sec 11 (3 च)(क))	40% Rebate on Applicable Tax

Entity engaged in Construction and Operation of Ropeway, Cable Car, Sky Bridge (Sec 11 (3 च)(ख))	40% Rebate on Applicable Tax
Entity engaged in Construction and Operation of Road, Bridge, Tunnel, Under Pass, Railways, Airports (Sec 11 (3 च)(ग))	50% Rebate on Applicable Tax
Listed entity engaged in Manufacturing, Tourism, Hydropower generation, distribution & transmission and specified Industry established in special economic Zone u/s 11 (3 ख)	15% Rebate on Applicable Tax
Industries manufacturing Brandy, Wine, Cider from fruits in Very Undeveloped Area and Undeveloped Area (Sec 11 (3ज))	40% and 25% Rebate on Applicable Tax for 10 Years from Operation Date
Royalty Income from the Export of Intellectual Property (Sec 11 (3क))	25% Rebate on Applicable Tax
Income from Sale of Intellectual Property (Sec 11 (3ख))	50% Rebate on Applicable Tax
Tourism Related Industry or Airline Company operating International Flights with capital investment of Rs. 200 Crore or more (Sec 11 (3 ट))	A Rebate of 100% for first 5 Years & 50 % for next 3 Years on Applicable Tax on income from such enhanced capacity
Capitalization of Reserve and Surplus by a Special Industry, Agro Based Industry, or Industry related to Tourism by issuing Bonus Shares (Sec 11 (3ड))	100% Tax exemption on Dividend Distribution Tax
Conversion of existing pvt ltd. Company with minimum paid up capital of Rs. 50 crore into public company [However, companies mentioned in Sec 12 of Companies Act, 2063 are not eligible for this benefit] (Sec 11 (3ढ))	Tax Rebate of 10% on applicable tax for 3 yrs from the date of such conversion
Domestic Tea Production and Processing industry, dairy industry engaged in milk products and garment industry (Sec 11 (3ण))	Tax rebate of 50% on applicable tax rate
Health Center Run by Community Centers (Sec 11 (3त))	20% Tax Rebate on applicate tax rate
For Micro Scale Industries (As defined in Industrial Enterprises Act, 2073, Section 15 (1)(Ka)) (Sec 11 (3 ढ))	<ul style="list-style-type: none"> <li>• 100% tax rebate for 7 years from the date of start of business</li> <li>• Additional 3 years tax rebate of 100% incase run by female</li> </ul>
Entity wholly engaged in the (BOOT) projects conducted so as to build public infrastructure, own, operate and transfer it to the Nepal Government & in power generation, transmission, or distribution (Sec 11 (3 ध))	20% Rebate on Applicable Tax
<b>Special Industries established in Industrial Corridors (Sec 11 (3 ढ))</b>	<ul style="list-style-type: none"> <li>• <b>50% rebate on applicable tax for 3 years from start of production</b></li> <li>• <b>25% rebate on applicable tax for next 5 years</b></li> </ul> <p>(Earlier it was 25% rebate on applicable tax for 5 years from the date</p>



	of production.)
<b>Income from sale of locally manufactured raw materials and/or auxiliary materials to Special industries Section 11(3 ञ)</b>	<ul style="list-style-type: none"> <li>• 20% rebate on applicable tax</li> </ul>
<b>Startups as listed by the department having turnover upto 1 Crore section 11(3 ण)</b>	<ul style="list-style-type: none"> <li>• 100% exemption for 5 years from the start of business</li> </ul>
<b>Special Industry operating in Kathmandu valley if shifted out of Kathmandu Valley Section 11(3 ण)</b>	<ul style="list-style-type: none"> <li>• 100 % exemption for first 3 years</li> <li>• 50% rebate on applicable tax for next 2 years</li> </ul>
<b>Industries using only used objects a having direct impact on environment as raw materials production of new items</b>	<ul style="list-style-type: none"> <li>• 50% rebate on applicable tax for 3 years from start of production</li> <li>• 25% rebate on applicable tax for next 2 years</li> </ul>

**Note:**

- Section 12(ॣ): Seed capital provided to maximum of 5 startups upto Rs 1 Lakh per startup can be claimed as allowable expense.
- In case a person is eligible for above tax concession / rebate under more than one category; it shall have the option to choose only one type of tax concession / rebate except as per Sec 11 (2 ण).
- Rs 1 Million or 10 % of Assessable Income shall be allowed as expenses if incurred for preservation of national religious and cultural heritage sites in Nepal and development of sports infrastructure, with prior approval from the Inland Revenue Department.
- Income Tax on Drinking water, sanitation and cleanliness department/organization registered under Water Resource Act, 2049 (Jalshrot) on the income upto the extent of its objectives.
- Taxes paid to provincial government and local bodies can be claimed as expenses.
- Payment of Salary & Wages to employees/workers not registered in Pan will be treated as inadmissible expenses w.e.f. FY: 2076-77 (Sec 21(1)(31) except for daily casual workers upto Rs. 3000.00 (not to permanent staffs).
- Expenses booked based on invoices of Non-Pan registered parties and purchases of agriculture goods, forest goods, husbandry related goods or other household related goods from Natural Person upto Nrs. 2,000.00 will be treated as admissible expenses w.e.f. FY: 2076-77. (Sec 21(1)(32)
- Compulsory Bio-metric registration for all registered person in concerned offices within stipulated time. (Sec 78)
- Liability of payment of all kind of taxes shall be of the actual beneficiary if the business is not registered in the name of beneficiary. (Sec 110 ण)

**TDS (Tax Deduction at Source):**

- **Payments that attract TDS:** TDS on following payments needs to be deducted at below given rates:

Particulars	TDS Rate
<b>Remuneration (Sec.87)</b>	<b>Normal Rate of Individual(deductible on Equal Monthly Basis)</b>
<b>Investment Returns &amp; Service Fees (Sec.88):</b>	
-Natural Resource Payment	15%
-Rent to Individuals	10% *
-Rent to VAT registered Vehicle Service provider	1.50%
-Rent to Others	10%
-Royalty	15%
-Gain from Investment (Life) Insurance	5% *
-Gains from Unapproved Retirement Fund	5% *
<b>Service Fees:</b>	
- Paid to Service Oriented Resident registered under VAT	1.50%
- <b><i>Paid to Resident Entity doing VAT Exempted Transaction.</i></b>	<b>1.50%</b>
- Paid to Others	15%
-Meeting Allowances (More than Rs. 20,000 shall treated as AIT)	15% *
-Commission	15%
-Commission paid by Resident Companies to Non Residents	5%
-Bonus on Sales	15%
-Aircraft Lease Payment	10%
-Lump Sum Retirement Payment from Approved Fund & Nepal Government under Sec 65(1 ञ) <i>[in excess of 50% of payment to an individual or Rs.500,000 whichever is higher)</i>	5% * 15% *
Teaching on Period Basis	
<b>Dividends:</b>	
-Distributed by Resident Companies	5% *
-Distributed by Partnership Firms	5% *
-Distributed by Resident Entity (other than Companies & Partnership Firms)	-
-Gain Payment by Mutual Fund to Individuals	5%*
-Distributed to Mutual Fund	-
<b>Interest:</b>	
-On Deposits / Debentures from Resident Bank, Finance Companies or listed companies and on Govt. Bonds to Individuals not related to business.	5% *

-To Mutual Fund	-
-To Others (not stated above)	15%
-From Bank to Banks	Nil
Contract # Payments above Rs. 50,000	1.50%
<b>Contract # Payments to Non- Residents:</b>	
<del>-Contracts related to Air-Craft Repair*</del>	<del>5%</del>
- Contracts or agreements	5%
-General Insurance Premium paid to Non-Resident Co.*	1.50%
-General Insurance Premium paid to Resident Co.	-
-Payment to non-resident person under a contract*	15%*
<b>Others</b>	
Wind Fall Gain (Prizes, lotteries, or any other casual income either in cash or in kind). <i>[However, there shall be no Windfall Gain Tax or amount up to Rs. 5 Lacs prize received on National or International Level on account of contribution to Literature, Art, Games, Journalism, Science, Technology and Public Administration)</i>	25%
Gain from Commodities Future Market Transactions	10%
<b>Gain from Disposal of Listed Securities (to be deducted by Nepal Stock Exchange)</b>	
<del>-To Resident Individuals (Long Term Holding: more than 365 days)</del>	<del>5%</del>
<del>-To Resident Individuals (Short Term Holding: Less than 365 days)</del>	<del>7.5%</del>
-To Other Resident entities except natural persons (not applicable to Resident entity established under prevalent laws for dealing in purchase/sale of securities)	10%
-To Others	25%
Gain from Disposal of Non- Listed Securities (to be deducted by respective companies) <i>[Other than Gain on Disposal by Mutual Fund] (Approval of such disposal will be allowed by OCR only if the proof of payment of such tax is shown to the office)</i>	
-To Resident Individuals	10%

-To Others (not applicable to Resident entity established under prevalent laws for dealing in purchase/sale of securities)	15%
-To Others	25%
<b>Capital Gain from Disposal of Land and Building in case of Natural Persons: (to be deducted by respective Malpot Office at the time of Registration)</b>	
- Owned for a period below 5 Years. ( <i>Value more than or equal to Rs 10 Lacs</i> )	5%
- Owned for 5 Years or more. ( <i>Value more than or equal to Rs 10 Lacs</i> )	2.5%
<b>- Other Cases: Disposal of Land &amp; Building (to be deducted by respective Malpot Office at the time of Registration on Transaction value)</b>	<b>1.50%</b>
Payment against use of Satellite, Bandwidth, Optical Fiber, Telecom related equipment or electric transmission line	10%
Payment of Transportation Charges to transport service providers ( <i>Final Tax for payment to Natural Persons</i> )*	2.5%
Payment of <b>Rent for Vehicle of Goods Transportation</b> or Goods Transportation service by Natural Person Excluding Sole Proprietorship Firm	2.5 %*
Payment of Rent for Passenger Vehicle by Natural Person Excluding Sole Proprietorship Firm	10%*
<del>Payment of Transportation Charges to transport service providers (In case registered in VAT)-REMOVED</del>	<del>1.5%</del>
On Payment of more than 50 Lacs to consumer committee (Upabhokta Samiti) for any work	1.5%
On Import of goods/ Items mentioned in Part 1 such as Buffalo, Goat, Sheep etc; Part 3 such as Fishery items; Part 6 such as Fresh Flowers; Part 7 such as Fresh Vegetables, Potato, Onions and Part 8 such as Fresh Fruits of customs tariff	5% of declared rate at respective custom point
On Import of goods/ Items mentioned in Part 2 such as Meat, etc; Part 4 such as Milk Products, Egg, Honey; Part 10 such as Kodo, Phapar, Junelo, Rice, Kanika; Part 11 such as Maida, Wheat Flour; Part 12 such as Herbs (Jadibuti), Sugarcane; and Part 14 such as Vegetable Products of customs tariff	2.5% of declared rate at respective custom point
On Interest Payment on Loan taken by resident banks or <b>other financial institutions</b> for investment in areas notified by NRB	10%
Exchange rate facilities on examination fees of students by banks & financial institutions	15%
<b>Payment to Foreign School or University</b>	<b>5% of payment amount</b>

<b>Interest on deposits of Life Insurance company paid by Resident Bank and Financial Institutions</b>	<b>5%</b>
<b>Receipt of Foreign Currency for Sale of Software or other electronic service at Bank or Money Transfer Institutions</b>	<b>1%</b>

\* Denotes Final Tax Payment.

# Notes:

- Rs. 50,000 referred to in Sec. 89 shall be determined by aggregating a payment under a contract with any other payment made by the person or an associate of the person during the previous 10 days under the same contract to the same payee or an associate of the payee.
- Contract has been defined as agreement entered into for supply of goods or labour or construction/erection/establishment of tangible assets or structure or any work prescribed as contract by the Inland Revenue Department.
- Payment for Services to VAT Registered Party shall attract TDS @ 1.50 % for VAT Registered Party & 15% for Non VAT Registered Party.

**Payments that do not attract TDS:**

- Payment of remuneration to the writer of the articles published in Newspaper & Magazines.
- Payment of remuneration for preparation of question paper or checking of answer sheet.
- Interregional interchange charges paid to a bank issuing Credit Cards.
- Payment by individual other than payment in course of business.
- Payment of Interest / Dividend to Mutual Fund.
- Payment of interest to a resident bank or other resident financial institution.
- Payments to Tax-exempted entities.
- General Insurance Premium paid to Resident Companies.
- Payment of Dividend by entities other than Company and Partnership Firm.
- Payment of Annual interest up to **Rs. 25,000** in the amount deposited to the Micro Credit Institutions, Rural Development Banks, Postal Saving Bank, and Co-operatives in the rural area.
- On payment for purchase of goods and services through card, e-money (wallet), mobile banking

**TDS Deposit & TDS Return Submission:**

- TDS amount should be deposited within 25 Days from the Nepalese Month End in which such TDS is deducted. For non-deposit of TDS amount, Interest @ 15% of TDS amount per annum shall be levied.
- TDS Return should be submitted within 25 Days from the Nepalese Month End in which such TDS is deducted. *For non-submission of TDS Return, Fee @ 2.50% of TDS amount per annum shall be levied. (Sec 117(3))*

**Advance Income Tax:**

- Income Tax for F/Y should be paid in 3 installments as follows:

Instalment	Time Period	Amount
First	Up to Mid-January (Poush end)	40%
Second	Up to Mid- April (Chaitra end)	70%
Third	Up to Mid-July (Ashadh end)	100%

- Where an instalment of tax paid by a person is less than 90% of Tax Payable, interest shall be levied @ 15% for each month and part of month from the date of first installment on the amount of installment payable.
- The presumptive tax-payers need not require paying any advance tax as above.
- Further if the Tax Amount for the F/Y is less than Rs. 7,500.00, installment is not required to be paid.
- For failure to pay Tax; Interest at 15% per annum shall be levied for the period of failure to pay tax, considering part of a month as a complete month.

**Filing Annual Income Tax Returns**

- Annual Income Tax Return should be filed within 3 months from the end of an Income Year i.e. Ashwin end (i.e. Mid October). However, a taxpayer may have the due date extended [Maximum Allowed extension: a period of 3 months i.e. up to Poush end (Mid-January)] upon filing an application with the respective IRO with bona-fide reasons for such extension. The decision for extension (whether or not to grant extension & period for which to grant extension) rests exclusively with the IRO.
- Individual assessee having income more than Rs. 40 Lakhs in a income year is liable to file Income Tax Return as per Sec 96. (Sec 97(2))
- Revised return can be filed within 30 days from the date of filing of original return as per procedure specified by IRD. (Sec 96(6))

**Deposit: Section 116**

- Addition of Section 116 (5) – For cases to be filed as per this law at Revenue Tribunal, deposit or Bank Guarantee of 50% of disputed amount (including fine) and cash/bank payment receipt of 100% of non-disputed amount to be submitted.
- Addition of Section 116 (6) – For calculation of deposit amount (Cash or Bank Guarantee) as per Section 33(1), 25% amount as submitted during filing case at Administrative Review shall also be included.

**General Rate of Interest levied by IRD:**

- General Rate of Interest levied by the IRD to the assessee continues to be 15%.

**Deduction for General Insurance Business:**

- Following Expenses continues to be allowable as deductible expenses for General Insurance Business:
  - i. 50 % of Net Insurance Premium provided for Unexpired Risk &
  - ii. 115 % of outstanding claim at year end as per Insurance Act/Rules.
- However, amount deducted as expenses above in a year should be included in the Income of next year for calculating such business income or loss for next year.

**Set Off /Carry Forward of Loss:**

- Loss from Business of a person in a year can be set off against any other Business Income & Investment Income of that year.
- Loss from Business can be carried forward up to 7 years for set off against Business Income and Investment Income.
- Loss from Investment of a person in a year can be set off against any other Investment Income of that year.
- Loss from Investment Income can be carried forward up to 7 years for set off against Investment Income.
- Carry Forward of Loss can be made up to 12 years in case of Projects building, operating & transferring public infrastructure to the Nepal Government, Projects building Electricity Production House, generating & transmitting electricity and entities dealing in petroleum products under Nepal Petroleum Act, 2040.
- Loss incurred in business or investment where assesses enjoys full tax exemption cannot be carried forward.

**Penalty for Non-Filing of Income Tax Return on Time:**

- Non-Filing of Estimated Income Tax Return Income u/s 95 within due date shall attract penalty of Rs. 5,000.00 or 0.01% of the Taxable Income whichever is higher per Return. (Sec 117)
- Non-Filing of Income Tax Return Income u/s 96 within due date shall attract penalty of @ 0.10% of Annual Turnover (including all incomes) or Rs. 100 per month whichever is higher. (Sec 117)

**Administrative Review**

- Provision has been to file an application in the department for the administrative review in the cases related to Income Tax/VAT by depositing 1/4<sup>th</sup> of disputed tax amount and 100% of undisputed tax amount (Sec 115(6))
- Applicant can apply to Revenue Tribunal if IRD doesn't give information of the decision within 60 days
- Applicant has to submit the copy of application to Revenue Tribunal to IRD within 15 days of filing such application

**Sundries:**

- Sec 127 - If a person knowingly Helps, Advice or Influences for Abetment/ Crime under this act or certifies false financial statements or false tax audit report or provide false consultancy, such person is liable for half of the punishment which would be provided to default assessee under this Act.  
However, if such person is government employee, then he shall be liable for equal punishment given to the assessee.
- Unless otherwise specified in this act, a person is liable to pay fine and penalty from Rs 5,000 to Rs 25,000 for failing to adhere provisions under this act or rules under this act as per Section 119 Ka.
- Compensation received by a resident natural person on account of physical injuries due to personal accident shall not be included in his income; likewise, Medical Expenses incurred in the treatment for such accident cannot be claimed for Tax Adjustment.
- Section 97 (1) (e): No need to file Income Tax Return to natural persons having income only from sale of non-business chargeable assets subject to sec 97(2) or unless specified by IRD.
- Section 110Kha: Person engaged in JV shall be jointly and severally liable to pay Income Tax.

**Payments above Rs. 50,000:**

- Payment above Rs. 50,000 through Account Payee Cheque (instead of Bearer Cheque) has been made mandatory for eligibility of deduction of expenses
- **Further elaboration in this regard:**  
A person having annual turnover for an income-year shall not be allowed a deduction for a Cash Payment in excess of Rs 50,000 incurred *other than in the following conditions* by the person during the year:

- Payment is made to Nepal Government, a constitutional body, a corporation owned by Nepal Government, or a bank or financial institution;
- Payment is made to a farmer or a producer producing primary agricultural products even in the case where the product is primarily processed by the farmer himself;
- Payment is a retirement contribution or retirement payment;
- Payment is made in an area where banking services are not available;
- Payment is must necessarily be made in cash or on a day when banking services are closed; or
- Payment is made into a bank account of the payee.

**Cash Payment** means a payment other than made through a bank or financial institution by way of letter of credit, Account Payee Cheque, Draft, Money Order, Telegraphic Transfer, Money Transfer (Hundi), and any other form of transfer made between two banks or financial institutions.



**Tax Payment in Installment:**

- Before an assessee is sued on account of non-payment of income tax; if the assessee requests in writing for payment in installment; the tax officer may permit payment in installment over a reasonable period of time.
- In case of non-payment of income tax within extended time as stipulated above; additional interest @ 5% per annum shall be levied on the remainder tax amount.

**Special Provisions related to Merger of Banks & Financial Institutions and between Insurance Companies (Sec. 47 s)**

- Change in Control Provision of Sec. 57 shall not apply.
- Loss till the date of Merger can be carried forward and set off in pro-rata basis in next 7 years post-merger (However, in case of demerger later on, Tax on such Set Off amount has to be repaid).
- 50% Reduction in applicable tax rate to employees for lump sum payment (other than Retirement Fund Payments & Payments mentioned in the Employees' Service Contract in case of group retirement of employees due to merger.
- No Capital Gain Tax shall be levied on disposal of shares by shareholders of merged entity till 2 years from the date of merger.
- No tax on dividend till two years which is paid to shareholders of the time of merger.
- Notification to IRD should be given within *Ashadh end, 2079* and merger should be done within *Ashadh end, 2080* for the purpose of this section.
- *Entities who have been merged as per this provision, after effectuation of this provision, but not utilized facilities under this provision, shall be able to utilize as per this provision.*

**Loan Loss Provision**

- 5% of Realizable Loan kept aside in Risk Bearing Fund and 5% of the provisions made for Non Banking Assets, as per the Guidelines of Nepal Rastra Bank, shall be allowed as deduction for Income Tax purpose for person carrying on Banking Business.
- Loan Loss Provision up to 5% of Realizable Loan kept aside in Risk Bearing Fund, shall be allowed as deduction for Income Tax purpose for Co-operative Entities.

**Additional Deductions**

- Manufacturing Industries may deduct 50% of capital amount for Power Generating Assets in the year of acquisition as Additional Depreciation. (Sch-2, Sec. 3(3))
- Capital Expenditure incurred for purchasing Fiscal Printer and Cash Machine can be claimed as depreciation in the year of purchase.

### C. Value Added Tax

#### (VAT): Rate of VAT:

- Rate of VAT continues to be 13%.

#### Threshold for Mandatory VAT Registration:

- Compulsory VAT registration for a person importing taxable items exceeding the value of Rs 10,000 at a time for commercial purpose.
- Turnover in excess of **50 Lacs** (dealing in goods) during preceding last 12 months.
- Turnover in excess of **20 Lacs** (dealing in Services) during preceding last 12 months.

#### Threshold for Mandatory VAT De-Registration:

- Section 11 (1) 6: In case taxable transaction of person is less than Rs. 50 lakhs of trading and less than Rs.20 lakhs in trading and service or service business, tax officer has to de-register the VAT of such persons.
- Section 11 (2): Notwithstanding anything mentioned in subsection (1) (5), a person registered as per section 9 and desirous to remain registered can apply as per specified format along with transaction details of last 12 months.
- Section 11 (6): Any other procedure relating to de-registration not mentioned in this section will be as per specified.

#### ~~Mandatory VAT Registration for Operation of Stipulated Business / Stipulated Goods at Stipulated Area~~

- ~~➤ Bricks Manufacturer, Liquor, Wine, Health Club, Discotheque, Massage Therapy, Motor Parts, Electronic Software, Clearing Agent, Toy Business, Trekking, Rafting, Ultra-Light Flight, Paragliding, Tourism Transportation, Crusher, Slate and Stone Industries has to get registered under VAT. (Sec 10 s)~~
- ~~➤ Hardware, Sanitary Fittings, Furniture, Fixtures, Furnishing, Automobiles, Electronics, Marbles, Educational Accounting & Auditing Services, Catering Service, Party Palace Business, Parking Service, Mechanically operated Dry Cleaning Service and Restaurant with Bar, Color Lab, Boutique,, Ice cream Industry and Supply of Uniforms to Educational Institute/Health Institute/Other entity operating in Metropolitan, Sub-metropolitan Areas and other areas specified by Inland Revenue Department has to get registered within under VAT. (Sec 10 v)~~
- Compulsory Bio-metric registration for all registered person in concerned offices ~~within end of Asadh 2077~~. (Sec 10 u read with Rule 7 v)

#### VAT Register:

- Section 16 (3) - Any registered or un-registered person doing business of goods or services shall keep a **self-attested** Sales & Purchase Register for each fiscal year. Such register can be checked by Tax Officer at any time.
- **Section 16 (3) - Removed**

**Adjustment of VAT paid in items bearing loss: Section 16 ब**

VAT paid in items damaged or lost due to fire, theft, accident, breakage, destructive activity or expired goods can be taken as credit as per prescribed rule.

**Tax Assessment by Tax Officer:**

**Addition of Section 20 (4ब):** Tax Officer cannot do Revised Tax Assessment in any Decision of amendment or reduction of tax from Revenue tribunal or any other rightful court for any assessment. But if such court gives decision to re-assess the assessment, then it shall not be considered as creating Obstruction in tax assessment.

**Tax Collection:**

**Addition of Section 21 (1क):** Publication of Tax payer's name in newspaper, Television or website in-case of non-payment of tax within stipulated time.

**VAT Refund:**

**Section 25(1(क1))** VAT Refund in case of goods & services purchased by United Nations , Member Organizations of UN or Diplomatic Agencies for their objectives.

**Section 25(ग1): Refund & Set Off of VAT for Contractors/Suppliers**

1. Amount deposited by Government Bodies or wholly/partially owned government organizations on behalf of Contractors/suppliers against goods or services provided by the Contractors/suppliers as per Public Procurement while making payment to them, can be set off by the contractors/suppliers from the payable tax amount.
2. Excess amount deposited even after set off as per subsection 1 for continuous 4 months can be claimed for refund by giving an application to the concerned tax office.
3. Amount claimed for refund as per subsection 2 shall be refunded within 60 days.
4. Amount claimed for refund as per subsection 2 shall not be allowed to be set off in the next month.

**Section 25(ग2): VAT Refund on Purchases of Medicine Industry**

1. Refund on purchases of raw materials, auxiliary materials and packing materials from local manufactures can be claimed on quarterly basis.
2. Amount claimed for refund as per subsection 1 shall be refunded within 60 days.

**Penalty: Section 29**

- ~~Section 29 (1(ब1)) - Removed. Fine of Rs. 1000.00 each time for Violation of Section 16 (3क)~~

**Public Circular: Section 32ब**

- Section 32ब (2) - Any circular issued as per section 32ब (1) can be issued by publishing in national level newspaper or other electronic medium.

**Deposit: Section 33** (Old section replaced with new)

- Section 33 (1) – For cases to be filed as per this law at Revenue Tribunal, deposit or Bank Guarantee of 50% of disputed amount (including fine) and cash/bank payment receipt of 100% of non-disputed amount to be submitted.
- Section 33 (2) – For calculation of deposit amount (Cash or Bank Guarantee) as per Section 33(1), 25% amount as submitted during filing case at Administrative Review shall also be included.

**Special Provisions (Continued)**

- 10% Vat Refund shall be transferred to the persons' bank a/c on making payments electronically through process as specified by department.
- VAT payment made above Rs. 10 Lakhs should be done compulsorily through Cheque, draft or electronically.
- A registered person may submit application of refund of VAT amount remaining excess after adjusting for continuous period of 4 months (Previously 6 months).
- Invoice raised without delivering goods and rendering services shall attract penalty of 50% of the invoice value or imprisonment upto 6 months or both.

**New Removal from Exemption:**

- HS Code: 0305.50.00 - Others

**List of VAT Exemption Goods/Services – Few Instances:**

- Rent of Transportation Vehicle, Transportation Service (Other than for Import) or Cargo Service. ~~Cargo Service for the purpose of Export~~
- Financial Services, Life Insurance, Reinsurance Service, Health & Accidental Insurance, Agriculture Insurance, Micro Insurance, Clearing House Service, Capital Market Business, Share Market Business, Merchant Banking, Commodity Future Market, Share & Commodity Brokerage Service
- Garbage Processing Machine (HS Code: 8479.89.30)
- Garbage Compactor (HS Code: 8479.89.40)
- Medicine Manufacturing Machine (HS Code: 8479.89.50)
- Solar Charge Controller, Inverter having more than 80% of Capacity (HS Code: 8504.40.90)
- Transistor, Photo sensitive semi-conductor devices (HS Code: 8504.40.00)
- Storage Service for Agriculture Products provided by Cold Storage & Silo (HS Code: 8479.89.60) and Service of Storage of Agriculture Products by such silo.
- Machinery Equipment required for Bee-Keeping Viz. Metal Barrel, Bee Brush, Gear Pump, Wheel Plate etc. (under H.S. Code 84.36) & Honey Filter & Juice Filter Machine (under H.S. Code 84.33).
- Machinery Equipment & Chemical for Blood Transfusion to be imported by Nepal Red Cross Society.
- Machinery Equipment used for the purpose of Research & Development in Pharmaceutical Industries & Hospital (under H.S. Code 90.18 & 90.27) upon

- recommendation of Department of Drug Administration.
- Spare parts imported by Jute industries (on the recommendation of the Department of Industries).
- Jute Batching Oil (H.S. Code 27.10.19.13) & Jute Products (H.S. Code 53.06, 53.07 & 53.10).
- Health Services
- Education Services including Canteen, Hostel Services and **transportation services** provided by the educational institutes for self-use.
- Plastic Granules used by Saline manufacturing industries for manufacturing Saline Packing item.
- Money transfer, **Money Exchange, Swift Service, Hire Purchase Transaction, Deposit or Loan Management Service.**
- E-Rickshaw manufacturers importing items related to e-rickshaw under head 87.08
- Community education centers importing a bus having capacity of 30 seats or more for commutation of students. But the bus cannot be sold or handed over upto 10 years
- **Raw Material imported by manufacturers after recommendation of Ayurvedic or Alternative Medical Department**
- **Service Charges on E-Library**
- **Service of giving "Certificate of Origin"**
- **Trekking & Tour Package Related Services**

## VAT Facility to Hydropower Projects

### VAT Exemption

- Machinery, Tools, Equipment and Spare parts, Penstock Pipe or Iron Plate used to make Penstock Pipe (not manufactured in Nepal) to be imported by Hydropower Projects, on recommendation of Alternative Energy Promotion Centre / Electricity Development Department.

### Zero Rate of VAT

- Zero Rate Facility shall be provided to Machinery, Tools, Equipment and Spare parts, Penstock Pipe or Iron Plate used to make Penstock Pipe manufactured in Nepal, to be directly sold to Hydropower Projects, on recommendation of Alternative Energy Promotion Centre / Electricity Development Department.

### Compulsory Payment of VAT on Construction for Commercial Purposes exceeding Rs. 5 Million:

- Buildings, Apartments or Shopping Complexes or such structures, as prescribed by the IRD for Commercial Purposes exceeding the value of Rs. 5 million, if constructed from by Non-VAT Registered Person; VAT on the same has to be paid. If such VAT is not paid, such VAT shall be assessed and collected from the owner of such property. Such VAT Credit cannot be claimed back.
- Note: Commercial Purpose means Buildings, Apartments or Shopping Complexes

or such structures, as prescribed by the IRD constructed for sale purpose or used for income earning activities, classified under Current Assets or Fixed Assets.

**VAT Collection (Reverse VAT Charge) on Services Acquired from Person Outside Nepal Not Registered in Nepal:**

- While acquiring services from person outside Nepal not registered in Nepal, VAT on such services shall be determined and collected by the Service Recipient (whether registered in VAT or not). *Such VAT is payable at the time of receipt of service or while making payment, whichever is earlier.*

**VAT Refund Facility for Manufacturers (not having Bonded Warehouse or Pass Book facility):**

- Manufacturers (not having Bonded Warehouse or Pass Book facility) shall continue to get refund of VAT at Flat Rate at custom point against export of finished goods; 10% Value Addition in Raw Materials continues to be required on such exports.

**Time Bar for Tax Assessment:**

- Tax Assessment may be done within 4 Years from the date of submission of VAT Return; otherwise, the returned submitted shall be deemed as assessed.
- However, in case of tax evasion by means of false records, invoices or documents or other fraud, the department may order for Re-assessment at any point of time; no time bar shall be applicable in the case.

**Temporary VAT Registration:**

- Temporary VAT Registration needs to be obtained by the organizer of Temporary Exhibition, fare etc. and traders (not registered under VAT) transacting in taxable goods and services in such exhibitions. Within 7 days from the date of end of such exhibition, return needs to be filed tax needs to be paid.
- **Section 10 v : Temporary VAT Registration of Joint Ventures**
  - *Temporary registration facility is available for two or more persons agreeing to work on a certain project as a Joint Venture for certain period of time. Such registration can be done by applying on any tax office which falls on either of the person's jurisdiction.*
  - *After receipt of application as per sub section (1), tax officer has to provide registration certificate as per prescribed format.*
  - *After completion of the period as mentioned in Sub section (1), the joint venture has to get de-registered.*
  - *Person involved in such joint venture may be held singly or jointly responsible for the purpose of settlement of tax dues and other liabilities under this act.*

**Sale to Industries Operating in SEZ:**

- Sale of Raw Materials and Finished Goods to industries operating in SEZ, established under prevalent law, shall be taxed at Zero (0) %.

**Sundries:**

- Rate of Interest continues to be 15% for delay in payment of VAT.
- The practice of Advance Ruling is available for clarification of any VAT matters.
- A person who knowingly or recklessly aids or abets another person to commit an offence or counsels or induces another person to commit such an offence shall be liable for a penalty equal to 50% of the underpayment of tax.

**Provisions in case of Export of Goods:**

- Industries having export over 40% of total sales during last 12 months may import raw material to the extent of manufacture of export quantity against Bank Guarantee of Vat amount. The value addition on such export should be 10%. (Sec 8 s)
- Any person exporting more than 40% of total sales in any month shall be eligible for VAT refund by submitting application and other documents with Annexure - 10

**VAT Refund to Diplomatic Mission / Diplomats:**

- Vat Refund to person and entity enjoying diplomatic facilities can immediately be provided if they purchase goods and services from listed firms for VAT paid above Rs. 10,000.00 (PY: 5,000) per invoice.

**VAT Refund to Foreign Tourist on Purchase:**

- VAT Refund to foreign Tourist returning through air-way against taxable purchase is Rs. 25,000.00. 3% shall be deducted against Service Charges.

**Refund of VAT in case of Re-Export: Sec 25(u)**

- Wherein case VAT has been paid on purchase and the same goods has been re-exported and payment has been received in Convertible foreign currency in advance, VAT paid while purchase of such re-exported goods shall be refunded.
- But, in case if VAT rebate facility has been already taken as per schedule 1, VAT refund on such goods cannot be claimed.

**Managerial Level Employees of Tax Payer to be Made Accountable:**

- For Non Compliance of Vat Act of an entity, Managerial Level Employees of such entity shall be held responsible.
- In case of Non Payment of VAT on due, such manager who are in employment at that time or were in employment before six months, shall be made accountable jointly or severally to pay such VAT.
- However, if such noncompliance is done without such employee's consent or such employee has exercised rational act in such situation; he shall not be made accountable.
- If such VAT are paid by such employee; he can recover the amount from his employer

or take under his custody any assets of his employee to the extent of such paid amount.

### **Special Provision relating to Computerized Billing**

- A Fine of Rs. 5 Lakhs shall be levied if Tax Payer is found using software having elimination & modification option.
- A fine of Rs 5 Lakhs shall be levied to software developers if the required provisions u/s 14(s) are not followed.
- Through notice, the department may instruct any taxpayer for computerized billing by associating in Central Billing Monitoring System (CBSM). Developers and distributors and users of Billing Software are required to be abided by the procedures of the department. Failure to comply with the procedures shall attract penalty of Rs. 5 Lakhs.

### **Administrative Review**

- Deposit against appeal for Administrative Review shall be 1/4th of disputed amount

### **Important VAT Rules, 2053**

- Any registered person is required to take consultancy services or construction contract above Rs. 5 Lakhs from a VAT registered person. (Rule 6 s (2))
- **Govt. Entities or Wholly/Partially Govt. owned entities shall deduct 30% (earlier 50%) of VAT amount and deposit the same in IRO in favour of the supplier (rule 6 ण )**
- **VAT credit shall ~~not~~ be allowed in purchase of Diesel & LPG (rule 41 (1) ण )**
- No registered person can appoint Tax Assistant

### **Remarks:**

For Exhaustive List of VAT Exempted Goods and Zero Rated Goods, please refer to **Revised Schedule 1 & Schedule 2 of Vat Act, 2052** given in **Finance Bill, 2077**

## **D. EXCISE DUTY**

### **Levy of Excise Duty:**



- For goods under Physical Control System: At the time of removal of goods for sale.
- For goods/services under Self Removal System: At the time of issue of invoice.
- For goods imported: At the time of import.
- For service imported: As prescribed by the IRD.

**Time of Payment of Excise Duty:**

- For goods under Physical Control System: At the time of removal of goods for sale.
- For goods/services under Self Removal System: within 25 Days from the month-end in which the invoices have been issued.
- For goods imported: At the time of import.
- For service imported: As prescribed by the IRD.

**Onus of Payment of Excise Duty:**

- For goods manufactured in Nepal: Manufacturer.
- For goods imported: Person mentioned on Air-way Bill, Bill of Lading, invoice or person whose name is mentioned on the application to clear the goods.
- For Auction of Excisable Goods: Person who accepts the Auction.
- For Resale or Use of Goods (other than Cigarette Liquor sold by Duty Free Shop): Person who resells or uses the goods.
- For goods/services converted from Non Excisable to Excisable Condition: Person who owns it.
- For other cases: As prescribed by the IRD.

**Time of Submission of Return:**

- Time for submission of Monthly Excise Return continues to be 25<sup>th</sup> of next month.

**Exemption of Excise Duty:**

- Excisable goods/services exported out of Nepal or sold through Bonded Warehouse or Duty Free Shop continues to be exempted from excise duty (except liquor & cigarettes).
- Provision for Cash Deposit / Bank Guarantee before export or sale through Bonded warehouse or Duty Free Shop continues to be abolished.

**Duty Free Sale of Cigarettes & Liquor:**

Duty free sale of cigarettes and liquor continues to be prohibited. However, exemption of excise continues for purchase of cigarettes and liquor from the authorized bonded warehouses by the persons/entities having diplomatic and exemption status

**Maintenance of Records:**

- Purchase, Production, Removal, Sales and Stock Register, duly attested by the Excise Officer needs to be maintained.

- Excise Records need to be safely kept for 6 Years.

#### Time Bar for Excise Assessment:

- Tax Assessment shall be done within 4 Years from the date of submission of Excise Return; otherwise, the returned submitted shall be deemed as assessed.
- However, in case of evasion of excise by means of false return or other fraud, the department may order for Re-assessment at any point of time; no time bar shall be applicable in the case.

#### Bar on Gift & Cash Discount:

- Bar continues to be imposed to conduct any Gift Program by Liquor, Beer & Tobacco related products Industries or their sellers.
- No discounts shall be availed by Liquor, Beer & Cigarette Industries to sellers who are not registered under VAT.

#### Excise Exemption to Industries using Domestic Scraps:

- Industries, manufacturing goods by using 90% or more than 90% domestic scraps, continue to be exempted from Excise Duty.

#### Changes in Excise:-

HS code	Item	New rate	Previous rate	Remarks
8479.89.91	Air humidifier and humidifier	5	10	reduced
8702.20.30	Microbuses (with a capacity 11-14 seats)	40	55	reduced
8702.20.41	Jeep, Car and Van 8702.20.41 --Unasssembled	40	60	reduced
8702.20.49	Jeep, Car and Van -other	40	60	reduced
8702.30.30	Microbuses (with a capacity 11-14 seats)	40	55	reduced
8702.30.41	Jeep, Car and Van 8702.20.41 -Un-assembled	40	60	reduced
8702.30.49	Jeep, Car and Van -other	40	60	reduced
8703.40.10	Unassembled - Hybrid Vehicles	40	60	reduced
8703.40.90	Other - Hybrid Vehicles	40	60	reduced
8703.50.10	Unassembled- Other Hybrid Vehicles	40	60	reduced
8703.50.90	Other- Hybrid Vehicles	40	60	reduced

8703.60.10	Unassembled – Hybrid Vehicles	40	60	reduced
8703.60.90	Other – Hybrid Vehicles	40	60	reduced
8703.70.10	Unassembled - Hybrid Vehicles	40	60	reduced
8703.70.90	Other-Hybrid Vehicles	40	60	reduced
2309.10.00	Readymade retail food for Dog and Cat	10		New addition
3917	Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics	5		New addition
3917.10.00	Artificial guts (sausage casings) of hardened protein or of cellulosic materials	5		New addition
3917.21.00	Tubes, pipes and hoses, rigid:-Of polymers of ethylene	5		New addition
3917.22.00	Tubes, pipes and hoses, rigid: Of polymers of propylene	5		New addition
3917.23.00	Tubes, pipes and hoses, rigid:-Of polymers of vinyl chloride	5		New addition
3917.29.00	Tubes, pipes and hoses, rigid: Of other plastics	5		New addition
3917.31.00	Other tubes, pipes and hoses:-Flexible tubes, pipes and hoses, having a minimum burst pressure of 27.6 MPa	5		New addition
3917.32.00	Other tubes, pipes and hoses: Other, not reinforced or otherwise combined with other materials, without fittings	5		New addition
3917.33.00	Other tubes, pipes and hoses: Other, not reinforced or otherwise combined with other materials, with fittings	5		New addition

3917.39.00	Other tubes, pipes and hoses: Other	5		New addition
3917.40.00	Other tubes, pipes and hoses: -Fittings	5		New addition
4412	Plywood, veneered panels and similar laminated wood.			
4412.10.00	-Of bamboo	5		New addition
4412.31.00	With at least one outer ply of tropical wood	5		New addition
4412.33.00	Other, with at least one outer ply of nonconiferous wood of the species alder ( <i>Alnus</i> spp.), ash ( <i>Fraxinus</i> spp.), beech ( <i>Fagus</i> spp.), birch ( <i>Betula</i> spp.), cherry ( <i>Prunus</i> spp.), chestnut ( <i>Castanea</i> spp.), elm ( <i>Ulmus</i> spp.), eucalyptus ( <i>Eucalyptus</i> spp.), hickory ( <i>Carya</i> spp.), horse chestnut ( <i>Aesculus</i> spp.), lime ( <i>Tilia</i> spp.), maple ( <i>Acer</i> spp.), oak ( <i>Quercus</i> spp.), plane tree ( <i>Platanus</i> spp.), poplar and aspen ( <i>Populus</i> spp.), robinia ( <i>Robinia</i> spp.), tulipwood ( <i>Liriodendron</i> spp.) or walnut ( <i>Juglans</i> spp.)	5		New addition
4412.34.00	Other, with at least one outer ply of nonconiferous wood not specified under subheading 4412.33	5		New addition
4412.39.00	Other, with both outer plies of coniferous wood	5		New addition
4412.94.00	Blockboard, laminboard and battenboard	5		New addition
4412.99.00	Other	5		New addition
6404.11.10	shoes canvas prepared from cotton	10		New addition
6405.20.10	shoes canvas prepared from cotton cloths	10		New addition

0802.80.00	-Areca nuts	Per kg 25 -	Per kg 5 -	addition
0802.90.00	Other nuts	Per kg 25 -	Per kg 5 -	addition
1701.13.10	---Sakhhar (Gud)	Per qtl 138 -	Per qtl 125	addition
1701.14.10	---Sakhhar (Gud)	Per qtl 138 -	Per qtl 125 -	addition
1703.10.00	Molasses resulting from the extraction or refining of sugar	Per qtl 96 -	Per qtl 80 -	addition
1703.90.00	Molasses resulting from the extraction or refining of sugar	Per qtl 96 -	Per qtl 80 -	addition
2106.90.20	--Pan Masala without Tobacco	Per KG 812 -	Per KG 650 -	addition
2106.90.60	--Scented areca nuts without Tobacco	Per KG 281 -	Per KG 225 -	addition
2202.91.00	-- Non-alcoholic beer	Per Ltr 20 -	Per Ltr 17 -	addition
2202.99.10	---Energy Drinks	Per Ltr 36 -	Per Ltr 30 -	addition
2202.99.90	Other	Per Ltr 14 -	Per Ltr 11 -	addition
2203.00.00	Beer made from malt.	Per Ltr 198 -	Per Ltr 165 -	addition
8517.70.00	Parts--Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	10	5	addition
8518.29.00	Not specified headphone and earphones	15	10	addition
8418.10.00	Combined refrigerator-freezers, fitted with separate external doors		5	removed
8418.21.00	--Compression-type		5	removed

8418.29.00	Other		5	removed
8418.30.00	Freezers of the chest type, not exceeding 800 l capacity		5	removed
8418.40.00	Freezers of the upright type, not exceeding 900 l capacity		5	removed
8418.50.00	Other furniture (chests, cabinets, display counters, show-cases and the like) for storage and display, incorporating refrigerating or freezing equipment.		5	removed
8509.40.00	Food grinders and mixers; fruit or vegetable juice extractors		5	removed
8509.80.00	-Other appliances		5	removed
8509.90.00	Parts		5	removed
8702.40.41	Electric-Jeep, Car, van		40	removed
8702.40.49	Electric-Jeep, Car, van		40	removed
8703.80.11	-Other vehicles with electric motor:		5	removed
8703.80.19	-Other vehicles with electric motor:		5	removed
8703.80.21	-Other vehicles with electric motor:		6	removed
8703.80.29	-Other vehicles with electric motor:		6	removed
8703.80.31	-Other vehicles with electric motor:		10	removed
8703.80.39	-Other vehicles with electric motor:		10	removed
8703.80.41	-Other vehicles with electric motor:		15	removed
8703.80.49	-Other vehicles with electric motor:		15	removed
8703.80.51	-Other vehicles with electric motor:		45	removed
8703.80.59	-Other vehicles with electric motor:		45	removed
8703.80.61	-Other vehicles with electric motor:		52.5	removed

8703.80.69	-Other vehicles with electric motor:		52.5	removed
8703.80.71	-Other vehicles with electric motor:		60	removed
8703.80.79	-Other vehicles with electric motor:		60	removed
8703.80.91	-Other vehicles with electric motor:		60	removed
8703.80.99	-Other vehicles with electric motor:		60	removed
8704.90.20	Three wheeler vehicle with only electric motor		5	removed
8704.90.30	Four wheeler vehicle with only electric motor		5	removed

**Changes in liquor and Tobacco is not included in above comparison.**

**Remarks:**

- For Exhaustive List of Excise Duty, please refer to *Revised Schedule of Excise Tariff of Excise Act, 2058* given in **Finance Bill, 2078**.

**Sundries:-**

- Entrepreneur except Hotel, restaurant and Party palace business, carrying business of liquor shall carry out business of liquor and Tobacco contained goods only.(4 Gha-2)
- If license holder do not renew their license within prescribed time then the license shall be automatically cancelled.
- If person carry out transaction related to liquor and tobacco using others brand or without brand then he shall be liable for penalty under section 16(2) .16(2)(ga1)
- For calculation of excise on liquor higher rate amongst per L.P. Ltr or per ltr will be taken.
- Cocktail of any liquor shall be considered under 2206.00.40 and accordingly excise shall be levied.
- Following Vehicles are exempted from Excise Duty: Ambulance, Dead-Body Carrying Vehicle, Chassis of Battery Operated Tempo and Scooter meant for disabled/incapacitated person. (Excise paid on scooter meant for disabled person will be refunded after such vehicle is registered in above mention person.
- Raw Noodles (NOT READY TO EAT) prepared from Hand Machine and Cottage Technology is exempted from Excise Duty.
- Exemption on excise for minimum of busses with 40+ seating capacity (Either Chassis only or ready bus) imported for public transportation by cooperatives or other company (Registered with the objective of running 5 or more public transportation)
- Community Education institute is allowed to purchase 1 bus of 30 seat or more with

the recommendation of Ministry of Education, Science & Technology for the specified purpose without paying excise duty. However, such vehicles are allowed to be sold or transferred within 10 years from the date of acquisition only by paying full excise as per prevailing act.

- 80 % Exemption on Excise Duty on domestic production of Brandy & **Wine** from local fruits/vegetables by industries established in Highly Undeveloped Area as defined by Schedule 9 of Industrial Policy, 2067.
- 35% rebate on excise on locally produced wine u/h 22.04 & 22.05.
- 40% rebate on excise on locally produced cider u/h 22.06
- 25 % Exemption on Excise Duty on domestic production of unassembled vehicles u/h 87.11.
- 50 % Exemption on Excise Duty on domestic production of unassembled vehicles u/h 87.02 & 87.03.
- No excise on locally manufactured items under various heads

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 ८५०७.१०.०० र ८५०७.२०.०० मा पर्ने वस्तुको आन्तरिक  
 उत्पादनमा अन्तःशुल्क लाग्ने छैन ।

- Public Notification of MRP for liquor, beer & cigarette at the beginning of F/Y and at the time of changes in price to be done.
- Input Credit on Excise duty is not allowed on auxiliary raw materials and packing materials.
- Excise License is not required where goods are cleared under self-removal system except for cigarette, liquor and tobacco products.
- Tobacco Industries are now allowed under self-removal system.
- For tobacco, liquor and pan masala manufacturers there has to be at least 15% of Value addition in the product to get refund.
- Manufacturers exporting excisable product can claim credit on the excise paid for the



raw materials used either through import or local purchase to manufacture the finished product. Manufacturers also can claim for the refund of balance credit to the excise officer within one year from the date of filing of return.

### **Administrative Review**

- Deposit against appeal for Administrative Review shall be 1/4th of disputed amount.
- In case the taxpayer is not even satisfied with the order of Director General, it may file an appeal against the order to revenue tribunal within 35 days of the order received.

### **Deposit against Administrative Review: Section 19 (6)**

- Section 19 (6क) – For cases to be filed as per this law at Revenue Tribunal, deposit or Bank Guarantee of 50% of disputed amount (including fine) and cash/bank payment receipt of 100% of non-disputed amount to be submitted.
- Section 19 (6ख) – For calculation of deposit amount (Cash or Bank Guarantee) as per Section 19 (6क), 25% amount as submitted during filing case at Administrative Review shall also be included.

## **E. CUSTOM DUTY**

### **Custom Service Charges:**

- Custom Service Charges on import/export of goods (in excess of Rs. 5000)
- F. continues to be as follows:

Charges per Pragyan Patra	Charges
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On Exports	Rs. 100
On Imports	Rs. 500

- **At the time of submitting Pragyapan Patra during Import, one should also disclose brand, model, unit of measure, name of manufacturing company, and other detail of imported goods along with Pragyapan Patra.**
- **During Import and Export of Goods, director and custom officers have rights to verify the documents( sales/purchase books, import/export Books, and any other) Presented by the exporter/Importer to get assured about the detail of goods imported/ to be exported.**
- **If any Less Declaration of Values is found, Director and Custom Officers may charge the fine as much as less Declared value.**
- **If any Less Declaration of Quantity is found, Director and Custom Officers will charge the less declared value and fine as per sec 57.**
- **Undeclared Imported Goods will be charged fine 5% of Custom Duty by Directors and Custom Officers but fine is waived if goods are undeclared due to some unavoidable reason.**

#### Changes in Custom Duty:

HS Code	Previous Rate	Current Rate	Item
0402.10.20	40	20	-Dairy Produce, Bird's eggs, natural honey. Edible products of animal horizon not elsewhere specified or included. -Milk and cream, concentrated or containing added sugar or other sweetening matter less than 1.5% -Edible baby Milk Products
0402.29.10	40	20	-Dairy Produce, Bird's eggs, natural honey. Edible products of animal horizon not elsewhere specified or included. -Edible baby Milk Products
0804.10.10	New	10	-Edible Fruits and nuts, Peel of Citrus Fruit or melon -Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens.-FRESH
0804.10.20	New	10	-Edible Fruits and nuts, Peel of Citrus Fruit or melon -Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens.-Dried

0904.11.40	New	20	-Coffee, tea, mate and Spices -Pepper of the Genus Piper, Dried or Crushed or Ground fruits of not Genus Capsicum - Neither crushed nor ground
1511.90.10	New	15	-Animal or vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable waxes -Palm oil and its fractions, whether or not refined but not chemically modified.
1511.90.20	New	15	-Animal or vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable waxes -Palmolin and its fractions, whether or not refined but not chemically modified.
1511.90.30	New	15	Animal or vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable waxes -Palm Sterin and its fractions, whether or not refined but not chemically modified.
1599.90.90	New	15	Animal or vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable waxes -Others
1806.10.00	30	40	Cocoa powder, containing added sugar or Other sweetening matter
1806.20.00	30	40	Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg
1806.31.00	30	40	Other, in blocks, slabs or bars:filled
1806.32.00	30	40	Other, in blocks, slabs or bars:non filled
1806.90.10	30	40	Cocoa weighting more than 6% and even if not 6% ,outer part of chocolate coated is manufactured under head 19.04
1806.90.90	30	40	Others
2106.90.94	New	30	-Miscellaneous Edible Preparations -Food Preparations not elsewhere specified or included -Soyabeans
2106.90.95	New	30	-Miscellaneous Edible Preparations -Food Preparations not elsewhere specified or included- -others
2201.10.10	New	40	-Beverages, Spirits, Vinegar

			-Natural Minerals Waters
2201.10.20	New	40	-Beverages, Spirits, Vinegar -Artificial mineral waters and aerated waters
2201.10.90	New	40	-Beverages, Spirits, Vinegar -Others
2710.19.96	New	30	-Mineral Fuels, Mineral Oils and products of their distillation, bituminous substances, mineral waxes. - Petroleum Oils and Oils obtained from bituminous minerals, other than crude, preparaa. Liquid Parafin Oil
2804.40.10	New	5	-Inorganic Chemicals, Organic or inorganic compounds of precious metals, of rare earth metals, of radioactive elements or isotopes -Hydrogen, rare gases and other non metals -Oxygen Medical Grade
2804.40.90	New	5	Others
3304.30.10	New	15	-Essential oils and resinoid, Perfumery, Cosmetic or toilet Preparations -beauty or makeup preparation and preparation for the care of the skin -Nailpaints
3304.30.90	New	15	-Essential oils and resinoid, Perfumery, Cosmetic or toilet Preparations -beauty or makeup preparation and preparation for the care of the skin -others
3304.99.50	New	15	-Essential oils and resinoid, Perfumery, Cosmetic or toilet Preparations -beauty or makeup preparation and preparation for the care of the skin -Petroleum Jelly for skin care
3808.99.11	New	5	-Insecticides, Rodenticides, Fungicides , herbicides, anti-Sprouting products and plant -Mouse Killing Products
3808.99.19	New	5	-Insecticides, Rodenticides, Fungicides , herbicides, anti-Sprouting products and plant -Others
3808.99.90	New	5	-Insecticides, Rodenticides, Fungicides , herbicides, anti-Sprouting products and plant -Others
3824.99.20	New	1	-Miscellaneous chemical Products

			-Prepared binders for foundry moulds or cores, Chemical Products - Dialysis bath concentrate for kidney patients use.
3921.90.11	New	20	-Other plates, sheets, film, foil and strip, of plastics -Printed -Sanmaika and Farmaikas Decoarative Laminate sheets
3921.90.19	New	20	-Other plates, sheets, film, foil and strip, of plastics -Printed -others
3921.90.92	New	15	-Other plates, sheets, film, foil and strip, of plastics -Printed -Sanmaika and Farmaikas Decoarative Laminate sheets
3924.90.10	New	30	-Plastics and articles thereof -Tableware, Kitchenware, other House hold, articles and hygienic or toilet articles - Plastic utensils in which food and water is kept for Hen
3924.90.90	New	30	-Plastics and articles thereof -Tableware, Kitchenware, other House hold, articles and hygienic or toilet articles - others
3925.90.30	New	30	-Plastics and articles thereof -Builder's ware of Plastic not else where specified or included -Aluminium Composite panel
3926.90.95	New	30	-Plastics and articles thereof -Other Articles of plastics and Articles of other Materials of Headings 39.01 to 39.14
4012.20.00	20	10	-Rubber and Articles Thereof -Retreaded or used Pneumatic tyres of rubber, solid or cushion tyres, tyre treads -used Pneumatic tyres
5108.10.20	5	1	-Wool, fine and Coarse animal hair, horsehair yarn and Woven Fabric -Yarn of fine animal hair (Carded or Combed) not pt up for retail sale -Blooded Protein Fibre yarn -Combed
5108.20.20	5	1	-Wool, fine and Coarse animal hair, horsehair yarn and Woven Fabric -Yarn of fine animal hair (Carded or Combed) not pt up for retail sale

			-Blooded Protein Fibre yarn
6212.90.10	20	5	-Articles or apparel and clothing accessories , not knitted or crocheted -brassieres, girdles, corsets, braces, suspenders, garters and similar articles - Wristband, waistband, anklets,Stomach band
6302.10.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - bed Linen, Knitted or Craocheted -Pillow Cover
6302.10.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - bed Linen, Knitted or Craocheted -Others
6302.21.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of cotton -Cotton Pillow Cover
6302.21.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of cotton -Others
6302.22.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - Pillow Cover of manmade fibres
6302.22.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of manmade fibres -Others
6302.29.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of other textile materials -Other textile material pillow cover
6302.29.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen

			- of other textile materials -Others
6302.31.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of cotton -Other Pillow cover of Cotton
6302.31.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of cotton -Others
6302.32.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of manmade fibres -Manmade Fibres Piloow Cover
6302.32.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of manmade fibres -Others
6302.39.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of other textile materials -Other Material Pillow Cover
6302.39.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -bed linen, table linen, toilet linen and kitchen linen - of other textile materials -Others
6304.92.10	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -Other Furnishing articles, excluding those of heading 94.04 -not knitted or non crocheted of cotton -Cushion Covers
6304.92.90	New	15	-Other made up textile articles, sets, worn clothing and worn textile articles, rags -Other Furnishing articles, excluding those of heading 94.04 -not knitted or non crocheted of cotton

			-Others
6304.93.10	New	15	Other made up textile articles, sets, worn clothing and worn textile articles, rags -Other furnishing articles, Excluding those of Heading 94.04 -not knitted or non crocheted, of synthetic fibres -Cushion covers
6304.93.90	New	15	Other made up textile articles, sets, worn clothing and worn textile articles, rags -Other furnishing articles, Excluding those of Heading 94.04 -not knitted or non crocheted, of synthetic fibres -Others
6304.99.10	New	15	Other made up textile articles, sets, worn clothing and worn textile articles, rags -Other furnishing articles, Excluding those of Heading 94.04 -not knitted or non crocheted, of other textile materials -Cushion Cover
6304.99.90	New	15	Other made up textile articles, sets, worn clothing and worn textile articles, rags -Other furnishing articles, Excluding those of Heading 94.04 -not knitted or non crocheted, of other textile materials -Others
6702.90.10	New	20	-Prepared feathers and down and articles made of feathers or of down, artificial flowers, articles of human hair -artificial flowers, foliage and fruit and part thereof - of other materials
6702.90.90	New	20	-Prepared feathers and down and articles made of feathers or of down, artificial flowers, articles of human hair -artificial flowers, foliage and fruit and part thereof - of other materials -Others
6808.00.10	10	20	-Articles of stone, plaster, cement, asbestos, mica or similar materials -panels, boards, tiles, blocks and similar articles made up of wood, fibre, cement and other Winding Chemicals.
6808.00.90	15	20	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Others.



6810.11.10	New	20	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Articles of cement, of concrete or of artificial stone. Whether or not reinforced -Building, Blocks and Bricks -AAC Blocks (autoclad Aerated)
6810.11.90	New	20	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Articles of cement, of concrete or of artificial stone. Whether or not reinforced -Building, Blocks and Bricks -Others
6810.19.10	New	30	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Articles of cement, of concrete or of artificial stone. Whether or not reinforced -Unfired Modified Clay Material
6810.19.90	New	15	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Articles of cement, of concrete or of artificial stone. Whether or not reinforced -Others
6813.20.10	New	15	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Friction material and articles thereof(for example, sheets, rolls, strips, segments) -Containing asbestos -Break Linings and Pads
6813.20.90	New	15	-Articles of stone, plaster, cement, asbestos, mica or similar materials -Friction material and articles thereof(for example, sheets, rolls, strips, segments) -Containing asbestos -Others
7311.00.10	New	15	-Articles of iron and Steel -Containers for compressed or liquefied gas, of iron or Steel -Cylinder Tank for Storing Oxygen
7311.00.20	New	15	-Articles of iron and Steel -Containers for compressed or liquefied gas, of iron or Steel -LP Gas Cylinder

7311.00.90	New	15	-Articles of iron and Steel -Containers for compressed or liquefied gas, of iron or Steel -Others
7613.00.10	New	15	-Aluminium and articles thereof -Aluminium Containers for compressed or liquefied gas -Cylinder Tank for Storing Oxygen
7613.00.20	New	15	-Aluminium and articles thereof -Aluminium Containers for compressed or liquefied gas -container to store Nitrogen
7613.00.90	New	15	-Aluminium and articles thereof -Aluminium Containers for compressed or liquefied gas -Others
8414.51.00	15	10	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -air or vaccum pumps, air or other gas compressors and fans, ventilating or recycling -Table, floor, wall, window, ceiling, or roof fans, with a self contained electric moto
8414.59.00	15	10	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -air or vaccum pumps, air or other gas compressors and fans, ventilating or recycling -Electric Motor Producing upto 125 Watt Electrolyte
8414.90.00	15	10	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -air or vaccum pumps, air or other gas compressors and fans, ventilating or recycling -Other
8418.10.00	20	15	- Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15. -Refregirators having External Doors Attahed
8418.21.00	20	15	- Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15. -Compression type Refregirators used for household purpose
8418.29.00	20	15	- Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15. -Other

8418.30.00	20	15	- Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15. -Chest Type Refregirator having less than 800ltr Capacity
8418.40.00	20	15	- Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15. -Upright Type Refregirator having less than 900ltr Capacity
8418.50.00	20	15	- Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15.
			- Other furniture (chests, cabinets, display counters, show-cases and the like) for storage and display, incorporating refrigerating or freezing equipment
8421.39.10	New	5	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases -for Medical Grade Oxygen, Oxygen Plant and chrogenic oxygen air Separation Plant
8421.39.90	New	5	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases -Others
8422.11.00	30	20	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Dish washing Machines, Machinery for cleaning or drying Bottles or other Containers -of Household types
8449.00.20	New	5	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Machinery for the Manufacture or finishing of felt or non-Wovens in the piece or in shape -Machinery for the manufacture or finishing of felt or nonwovens in the piece or shape -Other Machines
8449.00.90	New	5	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Machinery for the Manufacture or finishing of felt or non-Wovens in the piece or in shape

			-Machinery for the manufacture or finishing of felt or nonwovens in the piece or shape -Parts Therof
8450.11.00	30	20	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Household or laundry type washing machines, including machines which both wash and dry -Fullyautomatic Machines
8450.12.00	30	20	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Household or laundry type washing machines, including machines which both wash and dry -other machines, with builtin centrifugal drier
8450.19.00	30	20	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Household or laundry type washing machines, including machines which both wash and dry -others
8450.20.00	30	20	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Household or laundry type washing machines, including machines which both wash and dry Havin Dry Linen Capacity of more than 10 K.g.
8472.90.10	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Other Office Machines (for example, Hectograph or stensil duplicating machines) -Automatic Teller Machine
8472.90.20	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Other Office Machines (for example, Hectograph or stensil duplicating machines) -Automatic Bank note Dispensor
8472.90.30	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Other Office Machines (for example, Hectograph or stensil duplicating machines) -Perforating Machines
8472.90.40	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Other Office Machines (for example, Hectograph or stensil duplicating machines) -Stapling Machines

8472.90.90	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Other Office Machines (for example, Hectograph or stensil duplicating machines) -Others
8479.89.91	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Machines and Mechanical appliances having individual functions, not specified -Air Humidifier and Dehumidifier
8479.89.99	New	Nil	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Machines and Mechanical appliances having individual functions, not specified -Other
8481.80.20	New	10	-Nuclear reactors, boilers , machinery and mechanical appliances, parts thereof -Taps, Cocks , Valves and similar appliances for pipes, boiler shells , tanks,vats -Oxygen Cylinder Valve
8504.40.20	New	15	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electrical transformers, static convertors (for example- Rectifiers) and inductors -Static convertors
8509.40.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electro-Mechanical domestic appliances, with self contained electric motor -Food grinders and mixers, fruit or vegetable juice extractors
8509.80.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electro-Mechanical domestic appliances, with self contained electric motor -Other Appliances

8509.90.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electro-Mechanical domestic appliances, with self contained electric motor -Parts
8514.30.10	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Industrial or laboratory electric furnaces and ovens -Other furnaces and Ovens
8514.30.90	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Industrial or laboratory electric furnaces and ovens -Other furnaces and Ovens
8516.10.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters,
8516.21.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Storage Heating Radiators
8516.29.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -other
8516.31.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles

			-Electric instantaneous or storage water heaters and immersion heaters, -Hair Dryers
8516.32.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Other Hairdressing Apparatus
8516.33.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Handdrying Apparatus
8516.40.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Electric Smoothing irons
8516.50.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Microwave oven
8516.60.11	New	1	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Other ovens, cookers, cooking plates, boiling rings, grillers and roasters -Inductions
8516.60.12	New	1	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and

			<p>Sound recorders and reproducers, and parts and accessories of such articles</p> <ul style="list-style-type: none"> <li>-Electric instantaneous or storage water heaters and immersion heaters,</li> <li>-Other ovens, cookers, cooking plates, boiling rings, grillers and roasters</li> <li>-Infrareds</li> </ul>
8516.60.19	New	5	<ul style="list-style-type: none"> <li>-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles</li> <li>-Electric instantaneous or storage water heaters and immersion heaters,</li> <li>-Other ovens, cookers, cooking plates, boiling rings, grillers and roasters</li> <li>-Others</li> </ul>
8516.60.20	15	10	<ul style="list-style-type: none"> <li>-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles</li> <li>-Electric instantaneous or storage water heaters and immersion heaters,</li> <li>-Other ovens, cookers, cooking plates, boiling rings, grillers and roasters</li> <li>-Ricecookers</li> </ul>
8516.60.30	15	10	<ul style="list-style-type: none"> <li>-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles</li> <li>-Electric instantaneous or storage water heaters and immersion heaters,</li> <li>-Other ovens, cookers, cooking plates, boiling rings, grillers and roasters</li> <li>- Hot water Kettles</li> </ul>
8516.60.90	15	10	<ul style="list-style-type: none"> <li>-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles</li> <li>-Electric instantaneous or storage water heaters and immersion heaters,</li> <li>-Other ovens, cookers, cooking plates, boiling rings, grillers and roasters</li> <li>- Electric Electrothermic</li> </ul>



8516.71.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Other ovens, cookers, cooking plates, boiling rings, grillers and roasters - Tea/Coffee Maker
8516.72.00	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Other ovens, cookers, cooking plates, boiling rings, grillers and roasters - Toaster
8516.79.10	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Other ovens, cookers, cooking plates, boiling rings, grillers and roasters - Monquito Trap
8516.79.90	15	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Other ovens, cookers, cooking plates, boiling rings, grillers and roasters - Other
8516.80.00	New	10	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters,

			-Other ovens, cookers, cooking plates, boiling rings, grillers and roasters - Electric Heating Resistors
8523.49.10	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Discs, Tapes, solid state non volatile storage devices, smart cards and other media -having Softwares
8523.49.90	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Discs, Tapes, solid state non volatile storage devices, smart cards and other media -Others
8523.80.00	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Discs, Tapes, solid state non volatile storage devices, smart cards and other media -Others
8525.80.10	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Transmission apparatus for radio broadcasting or television -Television cameras
8525.80.20	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles

			-Electric instantaneous or storage water heaters and immersion heaters, -Transmission apparatus for radio broadcasting or television -Digital cameras
8525.80.30	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Transmission apparatus for radio broadcasting or television -Video Cameras Recorder
8525.80.90	New	Nil	-Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and Sound recorders and reproducers, and parts and accessories of such articles -Electric instantaneous or storage water heaters and immersion heaters, -Transmission apparatus for radio broadcasting or television -Others
8702.40.41	80	10	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Zeeep, car and van in unassembled form
8702.40.49	80	10	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Others
8703.80.11	30	10	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor cars and other motor vehicles principally designed for the transports .other vehicles, with only electric motor for propulsion -Unassembled Three wheelers Vehicle
8703.80.19	30	10	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof

			-Motor cars and other motor vehicles principally designed for the transports .other vehicles, with only electric motor for propulsion -Others
8703.80.21	80	10	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower upto 100 KW -Zeep, car and van in unassembled form
8703.80.29	80	10	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower upto 100 KW -Zeep, car and van Others
8703.80.51	80	15	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower more than 100 KW but less than 200KW -Zeep, car and van in Unassembled Form
8703.80.59	80	15	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower more than 100 KW but less than 200KW -Zeep, car and van Others
8703.80.61	80	30	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower more than 200 KW but less than 300KW -Zeep, car and van in Unassembled Form
8703.80.69	80	30	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver

			-With only Electric motor for propulsion -Motor Having Pickpower more than 200 KW but less than 300KW -Zeep, car and van Others
8703.80.71	80	40	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower more than 300KW -Zeep, car and van in Unassembled Form
8703.80.79	80	40	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Motor Having Pickpower more than 300KW -Zeep, car and van Others
8703.80.91	80	40	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Other motors in Unassembled form
8703.80.99	80	40	-Vehicles other than Railway or tramway rolling-stock and parts and accessories thereof -Motor vehicles for the transport of ten or more persons, including the driver -With only Electric motor for propulsion -Other motors
8704.21.50	New	1	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Motor vehicles for the transport of goods -G.V.W. not exceeding 5 tonnes -Attached Refrigerating System
8704.22.16	New	1	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Motor vehicles for the transport of goods -G.V.W. exceeding 5 tonnes -Attached Refrigerating System
8704.90.20	30	10	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Motor vehicles for the transport of goods -G.V.W. exceeding 5 tonnes

			-Pushable Three tyre car having Electric motor
8704.90.30	30	10	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Motor vehicles for the transport of goods -Pushable four tyre car having Electric motor
8704.90.40	New	10	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Motor vehicles for the transport of goods -Pushable Other car having Electric motor
8715.00.10	New	5	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Baby carriages and Parts Thereof -Stawler
8715.00.20	New	5	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Baby carriages and Parts Thereof -Others Vehicles for babies
8715.00.90	New	5	-Vehicles other than railway or tramway Rolling stock, and parts and accessories thereof -Baby carriages and Parts Thereof -Parts of Baby Carriage
9018.19.10	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -Pulse Oximeter
9018.19.20	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -I.C.U. Monitor
9018.19.90	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -Others
9018.90.10	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof

			-Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -Other Instruments and appliances -Sthethoscope
9018.90.20	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -Other Instruments and appliances -Blood Keeping Plastic Bag
9018.90.30	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -Other Instruments and appliances -P.C.R. Machine
9018.90.90	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Appliances used in medical, Surgical, dental or veterinary Sciences -Other Instruments and appliances -Others
9019.20.10	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Mechano-therapy appliances, massage apparatus, psychological aptitude- testing apparatus -ozone therapy, oxygen therapy, artificial respiration or other therapy -Oxygen Concentrator
9019.20.20	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Mechano-therapy appliances, massage apparatus, psychological aptitude- testing apparatus -ozone therapy, oxygen therapy, artificial respiration or other therapy -Oxygen Mask, Ventury Mask, ventilator mask, reserve wire mask

9019.20.30	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Mechano-therapy appliances, massage apparatus, psychological aptitude- testing apparatus -ozone therapy, oxygen therapy, artificial respiration or other therapy -Medical Ventilator
9019.20.40	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Mechano-therapy appliances, massage apparatus, psychological aptitude- testing apparatus -ozone therapy, oxygen therapy, artificial respiration or other therapy -Oxygen humidifier used in oxygen therapy
9019.20.50	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Mechano-therapy appliances, massage apparatus, psychological aptitude- testing apparatus -ozone therapy, oxygen therapy, artificial respiration or other therapy -Oxygen tent, oxygen head works
9019.20.90	New	5	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Mechano-therapy appliances, massage apparatus, psychological aptitude- testing apparatus -ozone therapy, oxygen therapy, artificial respiration or other therapy -Others
9026.80.10	New	Nil	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Apparatus for measuring or checking the flow, level, pressure -Other Instruments and apparatus -Oxygen Flowmeter
9026.80.90	New	Nil	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof



			-Instruments and Apparatus for measuring or checking the flow, level, pressure -Other Instruments and apparatus -Others
9027.80.10	New	Nil	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Apparatus for physical or chemical analysis -Other instruments and apparatus -Heamatology analyser , blood chemistry analyser clinical chemistry analyser emunochemistry analyser
9027.80.90	New	Nil	-Optical, Photographic, Cinematographic, Measuring, Checking, precision, Medical or surgical instruments, and apparatus, parts and accessories thereof -Instruments and Apparatus for physical or chemical analysis -Other instruments and apparatus
9402.10.10	New	5	-Furniture, Bedding , Mattresses , mattress supports , cushions and similar stuffed furnishing , lamps and lighting fittings, NES or incl, illuminated signs or name plates and te like, Prefabricated buildings -Medical, Surgical, dental or veterinary furniture (for example operating tables -Dentists, barbers or similar chairs and parts thereof -Dentist chairs
9402.10.20	New	5	-Furniture, Bedding , Mattresses , mattress supports , cushions and similar stuffed furnishing , lamps and lighting fittings, NES or incl, illuminated signs or name plates and te like, Prefabricated buildings -Medical, Surgical, dental or veterinary furniture (for example operating tables -Dentists, barbers or similar chairs and parts thereof -Barbers chairs
9402.10.90	New	5	-Furniture, Bedding , Mattresses , mattress supports , cushions and similar stuffed furnishing , lamps and lighting fittings, NES or incl, illuminated signs or name plates and te like, Prefabricated buildings -Medical, Surgical, dental or veterinary furniture (for example operating tables -Dentists, barbers or similar chairs and parts thereof -Parts of dentist and barbers chairs

9402.90.10	New	5	-Furniture, Bedding , Mattresses , mattress supports , cushions and similar stuffed furnishing , lamps and lighting fittings, NES or incl, illuminated signs or name plates and te like, Prefabricated buildings -Medical, Surgical, dental or veterinary furniture (for example operating tables -I.C.U. Bed
9402.90.20	New	5	-Furniture, Bedding , Mattresses , mattress supports , cushions and similar stuffed furnishing , lamps and lighting fittings, NES or incl, illuminated signs or name plates and te like, Prefabricated buildings -Medical, Surgical, dental or veterinary furniture (for example operating tables -Other beds used in hospitals
9402.90.90	New	5	-Furniture, Bedding , Mattresses , mattress supports , cushions and similar stuffed furnishing , lamps and lighting fittings, NES or incl, illuminated signs or name plates and te like, Prefabricated buildings -Medical, Surgical, dental or veterinary furniture (for example operating tables -Other beds used in hospitals and parts thereof
9505.10.10	New	10	-Toys , Games and Sports Requisites , Parts and Accessories Thereof -Festive, Carnival or other entertainment articles, including conjuring tricks -Articles for Christmas festivities
9505.10.90	New	10	-Toys , Games and Sports Requisites , Parts and Accessories Thereof -Festive, Carnival or other entertainment articles, including conjuring tricks -Articles for Christmas festivities -Others
9617.00.10	New	15	-Miscellaneous manufactured articles -Vaccum flasks and other vaccum vessels, complete with cases, parts thereof -Vaccum flasks
9617.00.20	New	15	-Miscellaneous manufactured articles -Vaccum flasks and other vaccum vessels, complete with cases, parts thereof -Vaccum vessels
9617.00.90	New	15	-Miscellaneous manufactured articles -Vaccum flasks and other vaccum vessels, complete with cases, parts thereof

			-Vaccum vessels and vaccum flask parts thereof
9619.00.10	New	15	-Miscellaneous manufactured articles -Sanitary Towels(pads), and tampons, napkins and napkin liners for babies and similar -Sanitary Towels(PADS)
9619.00.40	New	15	-Miscellaneous manufactured articles -Sanitary Towels(pads), and tampons, napkins and napkin liners for babies and similar -Tampons
9620.00.10	New	15	-Miscellaneous manufactured articles -Monopads, biopads, tripods and similar articles -Selfie sticks for smart phones
9620.00.90	New	15	-Miscellaneous manufactured articles -Monopads, biopads, tripods and similar articles -Others

#### Full Exemption of Import Duty:

- Pet Chips (Custom Code: 3907.61.00 and 3907.69.00) by POY Manufacturing Industries (within limit prescribed by the Department of Industries).
- Raw Jute(Custom code: 5303.10.00 and 5303.90.00) under Chapter 53 to be imported by Jute Industries.
- Items imported by Nepal Govt. under 4907, 4909 stamps, excise stickers, passports.
- Vehicle cleared with customs rebate for personal use while being transferred to heir on death.
- Crude Petroleum oil and bitumen oil manufactured and imported from India under head 2709.00.00.
- Following items manufactured and imported from India:-

Part 25				
2502.00.00	2504.10.00	2504.90.00	2510.10.00	2511.10.00
2511.20.00	2513.10.00	2513.20.00	2519.90.00	2521.00.00
2525.10.00	2528.00.00			
Part 26				
2601.11.00	2601.12.00	2601.20.00	2602.00.00	2603.00.00
2604.00.00	2605.00.00	2606.00.00	2607.00.00	2608.00.00
2609.00.00	2610.00.00	2611.00.00	2612.10.00	2612.20.00
2613.10.00	2613.90.00	2614.00.00	2615.10.00	2615.90.00
2616.10.00	2616.90.00	2617.10.00	2617.90.00	
Part 44				
4401.11.00	4401.19.00	4401.21.00	4401.22.00	4401.31.00
4401.39.00	4402.10.00	4402.90.00	4403.11.00	4403.12.00

4403.21.00	4403.22.00	4403.23.00	4403.24.00	4403.25.00
4403.26.00	4403.41.00	4403.49.00	4403.91.00	4403.93.00
4403.94.00	4403.95.00	4403.96.00	4403.97.00	4403.98.00
4403.99.10	4403.99.90	4404.10.00	4404.20.00	4406.11.00
4406.12.00	4406.91.00	4406.92.00	4407.11.00	4407.12.00
4407.19.00	4407.21.00	4407.22.00	4407.25.00	4407.26.00
4407.27.00	4407.28.00	4407.29.00	4407.91.00	4407.92.00
4407.93.00	4407.94.00	4407.95.00	4407.99.00	

- POY & Human Made Staple Fibers under Chapter 54 & 55 imported by VAT registered Yarn Industries.
- Chassis, Engine, Motor & Battery Charger imported by Manufacturing Industry of Electricity/Solar/Battery operated 3-Wheeler or 4-Wheeler Vehicles.
- Plastic bags used for blood circulation u/h 9801.90.00 and items imported by Nepal Red Cross Society u/h 9018.90.00, 3002.90.10 and 3822.00.00
- Various Goods (viz. White Cane, Braille Printer etc.) used by blind people.
- Various Goods (viz. Wheel Chair, Tricycle, Artificial Organs, Hearing Aid, Shoes etc.) used by handicapped people.
- Items imported by Nepal Rastra Bank including Gold & Silver.

### 1 % Import Duty:

- Helicopter, aeroplane and other parts imported by Flight Services or license receiver from CAAN.
- Feeds or animal husbandry industries importing fish items under 0511.91.00, 2301.10.00, 2301.20.00 and 2521.00.00.
- **Thread u/h 52.05 and 5207.10.00 imported by Cloth & Carpet Industry.**
- **Machines u/h 84, Parts & Spares u/h 8421, 8451 & Chemicals & Dies u/h 28,29,32,34,38 & 39 imported by Spinning & Cloth Industry.**
- ~~Ink manufacturing industries importing ink upto 0.33 ltr per bottle.~~
- Equipment and their parts imported by industries u/h 9027.10.00, 9027.30.00 and 9027.90.00.
- Raw Materials and supplementary materials imported by tyre manufacturing industries.
- Items used for converting fuel vehicles into electric vehicles for vehicles registered at Ministry of Transportation.
- Catalytic converter and magnetizer for vehicle pollution control
- Ceiling filling machine u/h 8479.89.00
- Vacuum Ironing Table and Steam Iron imported by ready clothing industry.
- Separator, Milk Chilling, Liquid Nitrogen, Industrial Refrigerator imported by agricultural or animal husbandry industries.
- Dialysis bath concentrate u/h 3824.99.90 for kidney patients use.
- ~~Coffee Percolator u/h 8516.71.00~~
- Packing Materials and parts imported by Tea Industries.

- Various items required for fishery like nets, cage, pump set and hormone.
- Cotton u/h 52.01,52.02 and 52.03 imported by spinning industry.
- ~~Generator parts imported by Generator manufacturing industries registered under VAT.~~
- Various items for Bee Farming.
- Raw Amber used by industries manufacturing and exporting jewelries.
- Machines and parts imported by batteries reconditioning industries.
- Plastic Recycling machines and parts.
- Weigh machines imported by medicine manufacturers.
- Plastic bags manufacturing industries importing machines and parts for producing supplement of plastic bags like jute, paper and cotton bags.
- Machines and parts for agro chemical industries.
- Offset Printing Press imported by cooperative formed by Nepalese publishers.
- Brass rods imported for manufacturing Gas Cylinder Valve.
- **Insect Traps u/h 3926.90.93 and 8516.79.10**
- **Blended protein fiber yarn u/h 5108.10.90 and 5108.20.90 used by Pashmina Industry.**
- **Cocoon Dryer u/h 8419.31.00 & Rolling Machine u/h 8445.40.00 used for Silk Farming.**

#### Partial Exemption of Import Duty:

Particulars	Custom Rate
Man Made Staple Fibers under Chapter 55 imported by Carpet Industries	90% Rebate
Medicines u/h 30 (Except vitamins)	5%
Machineries and parts u/h 84 except for household items imported under DOI Scheme under CKD or SKD	4%
Breakfast Cereal manufacturing industries importing oats	5%
Polyster Film, BOPP Film, Extruded Polyfilm, , Metalized CPP and Milky CPP imported by Polycoating Paper and Printed lamination industries registered under VAT	10%
<b>Items u/h 0407.11.00 &amp; 0407.19.00 for Poultry</b>	<b>50% Rebate</b>
<del>Liquified LP Gas</del>	<del>5%</del>
<b>Saree, lungi, towel, dhoti</b>	<b>10% (5% PY)</b>
Coins imported by Banijya Bank having their mark imprinted	As per head 71.08
Items related to Cable Car	4%
<del>UPVC manufacturing industries importing items u/h 3916</del>	<del>15%</del>
Filler Master Batch u/h 39.20	10%
<b>Machines u/h 84 imported by small scale industry (except Exempt items)</b>	<b>50% Rebate</b>
Chassis / Box under Custom Code 87.06 used for Vehicles installed	1%

with full refrigeration system for purpose of transport of goods in refrigerated condition. [Applicable only after such Vehicle is registered with Department of Transportation]	
Tallow Oil (H.C. 15.03), Sodium Silicate (H.C. 2839) & Palm Acid Oil, Palm Fatty Acid & Acid Oil (H.C. 3823) imported by Industries manufacturing Distilled Fatty Acid/ Steric Acid / Glycerin / Soap having Splitting & Distillation Plant	75% Rebate
Pre-loaded & Inbuilt software shall be charged as per the hardware rate only.	
<b>Acrylic Emulsion u/h 3209.10.10 for Paint Industry</b>	<b>20%</b>
<b>Iron Oxide u/h 2821.10.00 and Titanium Oxide u/h 2823.00.00 for Paint Industry</b>	<b>5%</b>
<del>Hybrid Vehicles (operated by battery as well as fuel) under HS Code 87</del>	<del>25% Rebate</del>
Vehicles having oxygen system u/h 87.04 used by fisheries, fishing in at least 1 hectare land	10%
Cooperatives & Companies established as public transport operator intended to purchase at least 5 buses of 40 seaters or more for the specified purpose, only 5% import duty levy on buses & chassis of buses. However, if such vehicles are sold or transferred within 10 years from the date of acquisition to any person other than public transport operator registered as cooperatives or Companies, full custom duty shall be recovered. Further, Road Construction & Development tax also waived for such vehicles	5%
<b>Slit Steel Coil imported by Prefabricated Building Manufacturers</b>	<b>20%(PY10%)</b>
Base Oil imported by Grease & Lubricating oil manufacturers	15%
Cross Connection Cabinet box used in landlines.	15%
Import of Spare parts (HS 87.14) & subsidiary materials by E-Rickshaw manufacturers	50% Rebate
Petroleum bulk bitumen imported by Manufacturing industries	25% Rebate
Soybean Seeds imported for manufacture of Soybean Oil	50% Rebate.
Sunflower Seeds and imported for manufacture of and Sunflower Oil. Soybean Cake imported for Animal Feed Industries. Maize Seed & Sugar Cane imported by industries	50% Rebate
<b>Glue (Hot melt), Super Absorbent Polymer, P.E. Film, P.P.E. Film, Tissue Paper, Release Paper &amp; Non Woven Fabric imported for Disposable Diaper &amp; Sanitary Pad Manufacturing</b>	<b>5%</b>
<b>Normal Butyl Alcohol, Ethyl Aesthete, Vinyl Aesthete Monomer, Polyvinyl Alcohol imported for Adhesive manufacturing</b>	<b>5%</b>
<b>Air Handling Unit imported by Medicine Manufacturer</b>	<b>5%</b>
<b>Electric Vehicle or Transporting Vehicle u/h 87.02,87.02,87.04</b>	<b>25% Rebate</b>
<b>DEP &amp; Agarbatti Compound for Agarbatti Industry</b>	<b>5%</b>
<b>Face Mask Manufacturing Machine by Industry</b>	<b>25% Rebate</b>

<b>Raw Materials For Face Mask</b>	<b>5%</b>
Luxury Coach, Micro Bus, Mini Bus Imported by Travel Agency, Star Hotel, Rafting Agency, Trekking Agency, Resort with the approval from concerned ministry	50% Rebate
Furniture, Dry Cleaning Machines, Paints, Electric Installation, Carpet, Housekeeping Equipment, Compressor & Various other items imported for the first time by hotels & resorts with approval from concerned ministry	<b>50% Rebate</b>
Vehicle imported by farm having more than 100 milk cows or buffalos, for its own use, on the recommendation of the Ministry of Agriculture Development. Such vehicles cannot be sold/transferred from the date of import.	50% Rebate
Pick up / Mini Truck Vehicle imported by Tea Industries, for transportation of tea, on the recommendation of the Ministry of Agriculture Development. For Tea Industries having 10-30 Bigaha Land for cultivating Tea: 1 No. Vehicle. For Tea Industries having more than 30 Bigaha Land for cultivating Tea: 2 No. Vehicle Such vehicles cannot be sold / transferred from the date of import.	50% Rebate
<b>Various Raw Materials of Ink Manufacturing Industry on the approval of Department of Industry</b>	<b>5% Rebate</b>

### Other Points:

#### ➤ Gold Brought By Travellers:

##### 1. Raw Gold:

- First 50 Grams : Rs 9500/10 gram
- Next 50-100 Grams: Rs 10500/10 gram

##### 2. Gold Jewellery

- First 50 Grams : Nil
- Next 50-100 Grams: Rs 10500/10 gram
- Next 100-200 Grams: Rs 12500/10 gram

Any excess quantity from allowed limit shall be seized.

Whereas in case of Foreigners, gold jewelry in excess of 50 grams and silver jewelry in excess of 100 grams for personal use can be declared at customs point and in condition of taking those back the goods shall be released at a declaration deposit of 20 % of the value. The deposit amount will be refunded while returning back. In case of any difference in quantity or quality is punishable u/s 57(1) of Customs Act 2064.

- **Rebate on Goods Imported From India:** Goods manufactured and imported from India through LC, rebate of 5% on items on which the Import Duty is 5% to 30% and rebate of 3% of items with Import duty above 30%.
- **Rebate on Goods Imported From Tibet:** Goods manufactured and imported from China Via Tibet through LC, rebate of 5% on items on which the Import Duty is 5% to 30% and rebate of 3% of items with Import duty above 30%.
- **Concessional Custom duty on goods imported from SAARC Countries** other than goods listed under Section 19 & 20 of Annex 1 of the Finance Bill, 2077 through Letter of Credit has further been reduced:-

Custom Duty Rate as on Poush 17, 2062	Applicable Custom Duty
5%	5%
10%	6%
15%	7.25%
25%	9.50%
35%	11.25%
40%	11.25%
80%	11.25%

(**Note:** In case the Custom Duty Rate above is higher than the rate prescribed under Annex 1 of the Finance Bill, 2077; the lower rate shall be applicable.)

- **SAFTA Concession is as follows:** Concessional Custom duty on goods manufactured in SAARC Country, invoiced and imported from that particular SAARC Country, along with SAFTA Certificate of Origin and for goods listed under Section 21 of Annex 1 of the Finance Bill, 2077 through Letter of Credit has further been reduced:-

Custom Duty Rate as on Kartik, 2062	Applicable Custom Duty
5%	5%
10%	9%
15%	14%
20%	18.50%
25%	22%
30%	27.50%
80%	30%



**(Note:** In case the Custom Duty Rate above is higher than the rate prescribed under Annex 1 of the Finance Bill, 2077; the lower rate shall be applicable.)

- Exporter may export Nepalese Manufacture Products up to USD 10,000 on the basis of Bank Guarantee, if unable to present Forex Receipt documents, at the time of export. The exporter may release the bank guarantee within 6 months from the date of export after submitting documents related to receipt of forex against such export. If such bank guarantee is not released within 6 months; the bank guarantee may be invoked by the custom office.
- Industries export its goods through letter of credit or banking channel in convertible foreign currency but not having Bonded House Facility, can import its raw materials, sub raw materials & packing materials (if packing material is manufactured in Nepal) by custom deposit facility. However, such facility is not available for liquor, cigarette, and tobacco related manufacturing industries.
- New Vehicles or any Mode of Transportation can be imported from the Manufacturer Company or Authorized Agent situated at manufacturing company's country only. Such Vehicles can only be imported by Authorized Dealers in Nepal. Non-compliance of above this provision may lead to confiscation of such imported vehicles (**Exception: Fire Brigade**).
- Reconditioned, Used Vehicles / Mode of Transportation and Vehicles / Mode of Transportation not meeting Nepal Vehicle Pollution Standard 2056 are prohibited to be imported (Exception: Fire Brigade).
- Vehicle brought under carnet by tourist is not applicable for any customs for a period of 1 year from the date of first entry for either continuous or partly for 6 months.
- Other vehicles except carnet:
  - Tractor : Rs 400/day
  - Tractor with Tractor or Tractor Only: Rs 700/day  
*Tractor or tractor used for goods transport if returned empty within 48 hrs, no such charge will be applicable.*
  - Car, Jeep Van: Rs 500/day
  - Bus/Mini Bus: Rs 500/day
  - Motorbikes/Scooter: Rs 150/day
  - Three-wheelers: Rs 400/day
  - Tractor/Truck: Rs 1700/day

*LPG Transporting Bullets are allowed a time limit of 96 hours for no charge*

*Trailors with Containers are allowed a time limit of 72 hrs for no charge*

## **PROVISIONS RELATED TO CINEMA THEATRE (Anusuchi 4, Sec 12)**

- 1) Film Development Fee @ 15% on any international movie
- 2) Film Development Fee @ 20% on any international movie if displayed in a cabin
- 3) Daily Sales Register should be maintained and the details should be shared every week with Film Development Board and respective Inland Revenue Department for theatres inside Kathmandu Valley and with Inland Revenue Department incase

- its available or Office of Attorney General for theatres outside Kathmandu Valley.
- 4) Theatres generating E-Tickets should get itself registered with Central Cinema Management within Poush 2077.
  - 5) Those who do-not register themselves as per point no. 4 above shall be liable to pay penalty of 100% of the billing for the first time and 200% of the billing from the second time.
  - 6) FDF needs to be paid within 25<sup>th</sup> of the succeeding month with proper details in the respective IRO or Office of Attorney General. If not paid within stipulated time, 25% penalty shall arise. Detail of FDF should be shared with Film Development Board within the same timeframe and it should also be sent via Box Office System.
  - 7) If a theatre denies a display of cinema where it has actually displayed the same, claims to have displayed Nepalese cinema where it has actually displayed international cinema or claimed to have sold fewer tickets than actual, following charges shall be entitled apart from FDF:
    - a) 100% of FDF if for the first time
    - b) 200% of FDF from the second time
  - 8) Theatre shall be closed if the theatre doesn't comply with point no. 4 or 5 for more than 2 months. Applicable FDF and penalties shall be payable by the theatre. NRS. 1,000.00 per report shall be charged as penalty for not providing details every month.
  - 9) If a theatre is closed by reason of Natural Calamity, Repair & Maintenance of Equipment's, or any other reason for 7 days or more, it need not pay FDF for the period it was closed for. Same has to be approved from the respective office as per 'Prakaran 11'.
  - 10) 50% discount is given for movies displayed for students discount on Saturday at and on a Government Holiday at 8:00 am in FDF.
  - 11) Any theatre can file a case to Revenue Tribunal incase not satisfied with any judgement made under this Anusuchi.
  - 12) Monitoring of FDF shall be done by IRO or Office of Attorney General.
  - 13) Monitoring of FDF can also done by Film Development Board. It can also go for site inspection and verification of data.
  - 14) Every theatre has to supply information of Serial No. of the tickets, Name of Cinema and date of broadcast one day before to Film Development Board and IRO. Detail of same also has to be kept by the theatre itself.

#### **Road Construction & Maintenance Fee:**

- Road Construction & Maintenance Fee, levied at the time of registration of vehicle, shall be levied as follows:

Items	2074/75
Microbus, Bus, Truck, Tripper, Truck Mixture, Mini Bus & Mini Truck.	7 % of Cost

Car, Jeep & Van up to 2000cc	8% of Cost
Car, Jeep & Van above 2000cc	10% of Cost
Electric Car, Jeep & Van	5% of Cost
Motorcycle:	
Up to 150 CC	Rs. 15,000 /Pc
151 CC - 250 CC	Rs. 18,000 /Pc
251 CC - 400 CC	Rs. 50,000 /Pc
Above 400 CC	Rs. 100,000 /Pc
Electric Motorcycle & Scooter	Rs. 10,000 /Pc
Electric Three Wheeler and Transportation Vehicle	Rs. 10,000 /Pc
Three Wheeler and Transportation Vehicle under 87.03 & 87.04	Rs. 15,000 /Pc
Other Vehicles under 87.02, 87.03 & 87.04	10% of Cost
Chassis under 87.06	9% of Cost

- However, the above shall not be applicable to diplomatic mission, person with diplomatic facility, Scooter used by Disable person upto 155 CC, Fire Truck, ambulance, Dead-Body Carrying Vehicle and Special Vehicles under HS Code 87.05.
- 40 seater or above capacity bus (minimum 5 Pcs) and its chassis imported by any Co-operative society or company registered for passenger transportation shall be fully exempt from Road Construction & Maintenance Fee.
- Vehicles used by Nepalese Army, Armed Police and Nepal Police working under discretion of UN which are to be used temporarily as not to be registered in Nepal shall be fully exempt from Road Construction & Maintenance Fee.
- Buses used in Airports for terminal transfers only shall be fully exempt from Road Construction & Maintenance Fee.
- Vehicles imported on Diplomatic Subsidy, full or partial rebate, at 1% by facility of Nepal Government or temporarily by bank guarantee shall attract the above fee if wanting to convert it to normal imported vehicle if not paid earlier. However, if the fee is paid earlier, same shall not be levied.