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Page: 1/3

Committee on Import Licensing

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES¹

NOTIFICATION UNDER ARTICLE 7.3 OF THE AGREEMENT ON IMPORT LICENSING PROCEDURES

NEPAL

The following communication, dated 7 April 2015, is being circulated at the request of the delegation of Nepal.

Outline of System

1. Import licensing system in Nepal is regulated by Export Import Control Act, 1957 and Export Import Regulation 1978. The licensing system is governed by the Department of Commerce and Supply Management and Supply Management.

Purposes and coverage of licensing

2. Government has stipulated some specific items i.e. arms ammunition, tobacco, specified communication equipment, ozone layer depleting substance (ODS) and poppy seed, furnace oil and petroleum products including LPG for licensing. In order to import arms ammunition and specified telecommunication equipment the Department of Commerce and Supply Management issue license automatically under the recommendation of Ministry of Home Affairs and Ministry of Information & Communication respectively. No recommendation is required to issue import license for tobacco. Import license is also compulsory for those goods which are imported without banking channel or goods imported on donation or free of cost.

3. The system applies to goods originating and coming from all countries.

4. Automatic import licensing for these products has been adopted because of the sensitiveness of the products for health and security.

5. Licensing system is incorporated in Export Import Control Act, 1957. As stipulated in Articles 3 and 4 of the Act, Government has authority to suspend or impose licensing requirement to any product on import. A notice, related to such actions, is published in Nepal Gazette.

Procedures

6. For products under restriction:

- I. Yes.
- II. Recently, there is no quota in any product on import. Generally quota is fixed on annual basis.

¹ See G/LIC/3, Annex for the Questionnaire.

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- III. Import licence is issued for trading purpose to the firm and company by registered or established in accordance with the existing rules and regulations. Recently there is no quota in any product on import therefore there is not any provisions in regulation which require that licensees must utilize a specified percentage of licenses issued and must surrender unused amounts which are then reallocated to other eligible importers and allocation of unused quota for the next year. The list of importers to whom licenses have been allocated is not published in the Government Gazette. But, such list is published in notice board of the Department of Commerce and Supply Management for concerned parties.
- IV. Recently, there is no quota in any product on import.
- V. Applications for licenses are processed within same day or the immediate next day.
- VI. A licence period is, generally, of six months, and can be extended for another six months. Within that time-frame the licensed goods must be imported.
- VII. Yes, the Department of Commerce and Supply Management considers Licence applications. In case of narcotic and intoxicating medicine and chemistry thereof; and arms & ammunitions and explosive materials, recommendation of the Ministry of Home Affairs is required. Likewise, the recommendation is required from Ministry of Information and Communication to import wireless, walkie-talkie, transmitter receiver, link radio equipment and other similar word recorder, voice recorder, video recorder, data recorder, and radio device except the following radio devices:
- (a) GSM Mobile phone set.
 - (b) WLL Telephone set.
 - (c) Satellite telephone set to be connected to a network of Satellite service provider having obtained a license of GMPCS from Nepal Telecommunication Authority.
- VIII. Because of non-existent of quota there is no such practice. Licenses are issued irrespective of past performance.
- IX. Yes, there are not any bilateral quotas or export restraint arrangements.
- X. Yes, export permits from exporting countries are not required.
- XI. Yes, no licenses are issued on such conditions.
7. (a) There is no such provision in practice that license must be made one week in advance of importation. However, application must be submitted before payment through banking channel or before import. Generally, importers must obtain license before importation.
- (b) There is not such special provision. Licensing procedure is very short and simple. It hardly takes more than two working days to obtain it.
- (c) Yes, there are no limitations as to the period of the year during which application for license and/or importation may be made.
- (d) One administrative body (The Department of Commerce and Supply Management) considers license applications. In case of arms ammunition and telecommunication equipment recommendations from Ministry of Home and Ministry of Communication respectively is required. In order to import tobacco no recommendation is required.
8. Yes, the applicant has a right to appeal. S/he may request to the Ministry of Commerce and Supplies within 35 days.

Eligibility of importers to apply for licence

9. Yes, all persons can apply for the license to the items for personal use only. For trading purpose, only the firm and company registered or established in accordance with existing rules & regulations and government owned enterprise are eligible to apply for license.

Documentation and other requirements for application for licence

10. Application format is prescribed according to Export Import Rules. Following documents are required to be included with i.e. application form in prescribed format, registered certificate of the firm or company, PAN (Permanent Account Number), citizenship certificate, invoice, recommendation letter in case of arms ammunition and telecommunication equipment.

11. Upon actual importation, an importer is required to submit the approved import license.

12. Import license fee depends on value and volume of importing goods from NRs. 5,000 to 10,000.

13. There is no deposit or advance payment requirement associated with the issuance of license.

Conditions of licensing

14. Generally a license is valid for six months but in some outstanding situation license can be issued giving the validity of one year. If the importation of the goods could not be done in specified period additional six months is extended. License is nullified even after the goods could not be imported during the extended period.

15. Yes, there is no penalty for the non-utilization of a license or a portion of it.

16. Yes, licenses are not transferable between importers.

17. Any person can be made refrained from obtaining license for 3 years on following grounds:

- Unauthorized correction in import licence;
- Involved in bribe;
- If applicants found guilty in export and import of licensed items without licence;
- If presented falsified documents;
- Involvement in smuggling and foreign deals;
- Rerouting of the licensed goods without prior approval;
- Over invoicing and under invoicing;
- Non renewal of the firm.

Other procedural requirements

18. There are no other administrative procedures, apart from import licensing required prior to the importation.

19. Yes, foreign exchange is automatically provided by the banking authorities for goods to be imported.
