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Page: 1/71

Committee on Customs Valuation

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**NOTIFICATION UNDER ARTICLE 22 OF THE AGREEMENT  
ON IMPLEMENTATION OF ARTICLE VII  
OF THE GENERAL AGREEMENT ON  
TARIFFS AND TRADE 1994**

NEPAL

The following communication, dated 23 March 2015, is being circulated at the request of the delegation of Nepal.

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Pursuant to Article 22.2 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, Government of Nepal, Ministry of Commerce and Supplies notifies that the customs valuation laws, regulations and procedures relating to customs administration of Nepal, are consistent with the provision of the Agreement.

The provisions relating to the determination of customs value are prescribed in section 5 of the Custom Act, 2007 (Act No. 16 of the Year 2007). The Customs Act 2007 and Customs Rules, 2007 can be accessed through the following links:

1. [http://www.customs.gov.np/upload/documents/Customs%20Act,%202064%20\\_Eng\\_2014-02-01-15-22-27.pdf](http://www.customs.gov.np/upload/documents/Customs%20Act,%202064%20_Eng_2014-02-01-15-22-27.pdf); and
  2. [http://www.customs.gov.np/upload/documents/Bhansar%20Niyamabali%202064%20English\\_2014-02-01-15-27-44.pdf](http://www.customs.gov.np/upload/documents/Bhansar%20Niyamabali%202064%20English_2014-02-01-15-27-44.pdf).
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**Part 2**

**Government of Nepal  
Ministry of Law, Justice and Parliamentary Affairs**

The following Act enacted by the Legislature-Parliament is hereby published for information of the general public.

**Act number 16 of the year 2064 (2007)  
An Act Made to Amend and Consolidate Customs Laws**

Preamble:

Whereas, it is expedient to amend and consolidate the prevailing customs laws in order to make safe and facilitate international trade by making customs administration systematic, transparent and accountable;

Now, therefore, the Legislature-Parliament has enacted this Act.

Chapter-1 Preliminary

1. Short title and commencement:

- (1) This Act may be cited as the "Customs Act, 2064(2007)".
- (2) This Section shall commence at once, and the other Sections shall commence on such date as may be appointed by the Government of Nepal, by notification in the Nepal Gazette.

2. Definitions:

Unless the subject or the context otherwise requires in this Act,

- (a) "duty free shop" means a shop permitted by the Government of Nepal to sell any goods imported against the bank guarantee facility to any persons who are entitled to enjoy diplomatic privileges or customs facilities or to the concerned air companies for international flight catering or for sale at any duty free shop of such flight.
- (b) "transaction value" means the total amount to be set by adding freight, insurance and other related costs incurred or incurable in the transportation of goods imported by an importer up to the border of Nepal to the price actually paid or payable, directly or indirectly, by the importer to the seller of such imported goods.
- (c) "diplomatic facility" means such facility or privilege as to allow the exportation or importation of any goods keeping only books of record, without examining such goods and collecting duty.
- (d) "declaration" means the mentioning by the exporter or importer of the details of goods to be exported or imported in the declaration form or transmitting the same, as prescribed, through any electronic media.
- (e) "export smuggling" means the exportation from Nepal of any goods subject to customs duty without payment of such duty or clandestinely or through illicit routes or without making declaration pursuant to this Act despite the fact that such goods are not subject to customs duty.
- (f) "import smuggling" means the importation into Nepal of any goods subject to customs duty without payment of such duty or clandestinely or through illicit routes or without making declaration pursuant to this Act despite the fact that such goods are not subject to customs duty.
- (g) "examination" means the examination by the Customs Office of any goods to be exported or imported or documents related with such goods or of both in order to ascertain whether

- such goods are accordingly as declared, and this expression also includes the search or x-ray of the body or any passenger entering into Nepal from a foreign country or departing from Nepal to a foreign country.
- (h) "clearance" means the permission given by the Customs Officer to export or import or remove any goods from the Customs Office pursuant to this Act and the Rules framed under this Act.
  - (i) "post clearance audit" means the audit referred to in Section 34.
  - (j) "prescribed" or "as prescribed" means prescribed or as prescribed in the Rules framed under this Act.
  - (k) "export" means the act of taking of goods out of Nepal to a foreign country.
  - (l) "declaration form" means the form in which an exporter or importer declares the details of goods to be exported or imported.
  - (m) "import" means the act of bringing of goods into Nepal from a foreign country.
  - (n) "bonded warehouse" means a warehouse licensed by the Department to import and hold, against the bank guarantee facility, such raw materials or subsidiary manufacture goods to be exported to foreign countries or to be sold domestically at convertible foreign currencies or such goods as to be sold at a duty free shop
  - (o) "bank" means a commercial bank or financial institution licensed to carry on banking transactions pursuant to the prevailing law.
  - (p) "bank guarantee" means the guarantee given by a bank to the Customs Office against payment by itself of duty payable by any exporter or importer in exporting or importing any goods in the event of failure of such exporter or importer to pay such duty.
  - (q) "bank guarantee facility" means a facility accorded to any exporter or importer to export or import any goods on the basis of bank guarantee.
  - (r) "Customs Officer" means the Chief Customs Administrator, Chief Customs Officer or Customs Officer, and this expression includes the Chief of Sub-customs Office and the Official designated by the Ministry of Finance pursuant to Section 84.
  - (s) "customs agent" means the licensee as referred to in Section 51.
  - (t) "Customs Office" means the Customs Office established by the Government of Nepal pursuant to Section 4, and this expression includes the premises of such Customs Office and such other area as may be prescribed by the Government of Nepal by notification in the Nepal Gazette.
  - (u) "customs godown" means a house, building, shed or similar other structure built in a Customs Office or any place for holding goods to be exported or imported.
  - (v) "customs duty" means customs duty chargeable on goods to be exported or imported in accordance with laws.
  - (w) "customs value" means such value of goods to be exported or imported as may be determined in accordance with the provisions of Section 13 or 16 for the purpose of determining customs duty.
  - (x) "customs area" means the customs area prescribed by the Government of Nepal pursuant to Section 3.
  - (y) "duty" means each tax, charge and fee chargeable on goods to be exported or imported in accordance with law, and this expression includes customs duty.
  - (z) "duty facility" means such facility as to allow the exportation or importation of any goods keeping only books of record, without collecting duty, whether or not examining such goods.
  - (aa) "Director General" means the Director General of the Department of Customs.
  - (bb) "goods" means any kind of movable goods or property including currency.
  - (cc) "person" means a natural person, and this expression includes any company, corporate body and firm registered pursuant to law.
  - (dd) "Department" means the Department of Customs.
  - (ee) "demurrage" means the charge payable to the Government of Nepal by the exporter or importer of goods if such exporter or importer fails to take delivery of such goods stored at the customs godown run by the Customs Office within the prescribed time limit.
  - (ff) "motor vehicle" means any conveyance to be used or used to make travel or transport goods.

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## **Chapter-2**

### **Provisions relating to Customs Area and Customs Office**

#### 3. Power to prescribe customs area and route:

- (1) The Government of Nepal may, by notification in the Nepal Gazette, prescribe any area of Nepal as the customs area for the purpose of administering the laws relating to customs and collecting customs duty in accordance with this Act.
- (2) The Government of Nepal may, by notification in the Nepal Gazette, prescribe routes through which export from or import into Nepal is to be made through the customs area as referred to in sub-section (1).
- (3) Any goods to be exported from Nepal or imported into Nepal shall be exported or imported only through the routes as referred to in sub-section (2).
- (4) The Director General may, subject to sub-section (3), so prescribe that the goods of any specific nature can be exported or imported only through any specific customs office.
- (5) Notwithstanding anything contained elsewhere in this Act, the Director General may so prescribe that the goods as prescribed or the goods up to the value as prescribed can be exported or imported through a sub-customs office.

#### 4. Establishment of Customs Office:

The Government of Nepal may, by notification in the Nepal Gazette, establish a Customs Office or Sub-customs Office in any customs area.

## **Chapter-3**

### **Provisions relating to Customs Duty**

#### 5. Customs duty to be charged:

Customs duty shall be chargeable on all goods to be exported or imported except those goods which enjoy customs duty exemption pursuant to this Act or the prevailing law.

#### 6. Duty to be levied in event of re-import of exported goods:

- (1) If any person re-imports any goods which have been manufactured or finished in Nepal and exported, such goods shall be subject to such duty as is chargeable on the importation of the goods of similar kind or to the same value, which have been manufactured or finished in a foreign country.
- (2) Notwithstanding anything contained in sub-section (1), no customs duty shall be charged on the goods which have been returned back as follows:
  - (a) Having been exported through parcel by post but could not be delivered to the concerned person and thus returned back, or
  - (b) Having been returned back because the concerned person has refused to take delivery after clearance made by the Customs Office or after having arrived abroad, or
  - (c) Having been returned back because of being unable to meet standard quality due to an accident or natural calamity.
- (3) Where the raw materials and subsidiary raw materials of the goods returned back pursuant to sub-section (1) were importer without paying duty, the duty chargeable on the quantity of the raw materials or subsidiary raw materials used in such goods shall also be recovered.

#### 7. Duty not to be charged on goods left in customs office:

- (1) If any importer makes an application for not releasing any goods imported by that importer and for so leaving such goods with the Customs Office that they belong to the Government of Nepal, no duty shall be charged on such goods.
- (2) The Government of Nepal may itself use the goods so left pursuant to sub-section (1) or auction them in accordance with this Act.

Provided that where such goods are in such a condition that they can neither be brought into use nor be auctioned, the Customs Officer may remove such goods from the Customs Office or destroy them as prescribed; and the expenses incurred in such removal or destroy shall be recovered from the concerned importer himself or herself.

8. Base date for determination of duty:

- (1) The duty of any goods to be exported or imported shall be determined according to the tariff (rate of duty) prevailing on the date on which the declaration form of such goods is registered in the Customs Office.

Provided that where the declaration form has been registered in the Customs Office prior to the arrival of goods at the Customs Office, the duty shall be determined according to the tariff prevailing on the date of arrival of such goods at that Office.

- (2) Notwithstanding anything contained in sub-section (1), the duty of the following goods shall be determined on the following basis:
  - (a) In the case of goods imported under the diplomatic facility, duty facility or partial or full exemption, according to the tariff prevailing on the date of payment of duty of such goods,
  - (b) In the case of goods imported under the bank guarantee facility, according to the tariff prevailing on the date of clearance of such goods.

#### **Chapter-4**

#### **Provisions Relating to Customs Duty Facility, Exemption and Other Facilities**

9. Diplomatic facility, duty facility and customs duty exemption:

- (1) Diplomatic facility or duty facility shall, on recommendation of the Ministry of Foreign Affairs, Government of Nepal, be accorded, as prescribed, to those bodies, officials or persons who are entitled to enjoy such diplomatic facility or duty facility under any bilateral or multilateral treaty or agreement to which Nepal is a party.
- (2) The Government of Nepal may, from time to time and by notification in the Nepal Gazette, accord the diplomatic facility or duty facility to such goods to be imported by such persons or bodies as specified in that notification.
- (3) The Government of Nepal may, from time to time and by notification in the Nepal Gazette, accord partial or full customs duty exemption to the goods specified in that notification.
- (4) The Government of Nepal may accord partial or full customs duty exemption to the goods to be imported in the name of any project to be operated under foreign loan or grant assistance or in the name of the contractor of such project.
- (5) The Government of Nepal may accord partial or full customs duty exemption to the fuel to be consumed during international flight, engine of aircraft, spare parts, machine, equipment thereof, food, liquors, beer and light drinks consumed in flight by an international air service company.
- (6) The provisions for according the duty facility to any goods to be brought again into Nepal from any part of Nepal via any abroad route shall be as prescribed.
- (7) The provisions for according the duty facility to any goods to be sent again to a foreign country from the foreign country via Nepal shall be as prescribed.

10. Power to accord bonded warehouse facility:

The Government of Nepal may, if it considers appropriate to accord the bonded warehouse facility to any person desirous of availing of the bonded warehouse facility, so accord the facility, as prescribed, that the bonded warehouse is operated subject to the terms as prescribed.

11. Power to accord facility to make import under bank guarantee facility:

- (1) The Government of Nepal may accord to any person the facility to import any goods under the bank guarantee facility in such manner as prescribed.

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- (2) The Government of Nepal may accord the facility, as prescribed, to import under the bank guarantee facility, in accordance with the prescribed terms, such raw materials or subsidiary raw materials as to be imported by any industry for the purpose of manufacturing goods and export them or such goods as are imported for the operation of a duty free shop.
  - (3) In according the facility to make import pursuant to subsection (2), the concerned Customs Office shall take bank guarantee of the duty chargeable for such importation as well as such other duty, fee or penalty as may be chargeable or imposed on him or her in the event of violation of the terms referred to in sub-section (2).

12. Power of Government of Nepal to accord customs duty exemption and other facility to goods to be exported and imported by industry situated in special economic zone:

- (1) The Government of Nepal shall accord customs duty exemption and other facility against bank guarantee to the following goods to be exported and imported by any industry situated in the special economic zone:
  - (a) Such raw materials, subsidiary raw materials as required to manufacture finished goods to be exported, packing materials and other materials to be used in manufacturing,
  - (b) Plants, machineries, machines, equipment, tools and spare parts as required for the industry, and up to three motor vehicles based on the size and nature of industry;

Explanation: For the purposes of this Section, "special economic zone" means a zone specified as a special economic zone by the Government of Nepal through notification in the Nepal Gazette.

- (2) If any importer sells, as prescribed, any goods which that importer has imported to any industry situated in the special economic zone and that importer has paid the customs duty for importing such goods, the Customs Office shall refund, as prescribed, such customs duty to that importer.
- (3) If any industry situated outside the special economic zone sells any finished goods manufactured by that industry to any industry situated within the special economic zone, such customs duty and other facility as is accorded in the event of export shall be accorded as if that sale were an export.
- (4) If an industry situated within the special economic zone so sells any goods manufactured from the raw materials imported under the customs duty exemption that such goods are consumed in Nepal, such goods shall be allowed to be taken out of the special economic zone only after payment of duty chargeable on the raw materials used in such goods.
- (5) The Government of Nepal may, by notification in the Nepal Gazette, issue an order specifying the procedures on the transfer by an industry situated within the special economic zone of the ownership of goods imported under duty exemption to any person within or outside the special economic zone. It shall be the duty of the concerned industry to abide by such order.

#### **Chapter-5**

#### **Provisions Relating to Determination of Customs Value**

13. Bases for determination of customs value of goods to be imported:

- (1) The rules on customs valuation, annexes and interpretative notes set forth in the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 shall be pursued in determining the customs value of imported goods.
- (2) The customs value of goods to be imported shall be determined on the basis of the transaction value of such goods, subject to sub-section (1).
- (3) The importer shall declare the transaction value, attaching therewith the description and documents proving the value of goods imported.
- (4) If the transaction value declared by the importer pursuant to sub-section (3) is in conformity with sub-section (1), the Customs Officer shall determine the customs value of the goods on the basis of such transaction value. If such transaction value does not appear to include freight, insurance and other related expenses, the Customs Officer shall determine the transaction value by adding an estimated amount likely to be incurred for the same.

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- (5) The Director General may prescribe bases for fixing the estimated amount referred to in sub-section (4).
  - (6) If there is a reasonable ground to believe that the value declared by the importer pursuant to sub-section (3) is doubtful, the Customs Officer may ask the importer to produce additional documents or evidence in writing to prove that such value is the actual transaction value. It shall be the responsibility of such importer to provide documents so asked.
  - (7) If the customs value of any goods cannot be determined on the basis of the transaction value declared by the importer pursuant to sub-section (3) or the bills, invoices and documents submitted by the importer, the Customs Officer shall give a notice, accompanied by the reason for the same, to the concerned importer.
  - (8) If the customs value cannot be determined on the basis of the transaction value pursuant to sub-section (2), the customs duty of such goods shall be determined on the basis of the transaction value of identical goods already imported into Nepal prior to the import of such goods.

Explanation: For the purposes of this Section, "identical goods" means goods which are the same in all respects, including physical characteristics, quality and reputation.

- (9) If the customs value cannot be determined on the basis of the transaction value of identical goods pursuant to sub-section (8), the customs duty of such goods shall be determined on the basis of the transaction value of similar goods already imported into Nepal prior to the import of such goods.

Explanation: For the purposes of this Section, "similar goods" means goods which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable.

- (10) If the customs value cannot be determined on the basis of the transaction value of similar goods pursuant to sub-section (9) and such goods have already been imported into Nepal and sold at market to a person who is not related to the importer, the customs value of such goods shall be determined on the basis of deductive value method, by deducting the tax, duty levied in Nepal on the selling price of each unit of the maximum unit so sold, and other related costs and profits.
- (11) If the customs value cannot be determined pursuant to subsection (10), the customs value shall be determined on the basis of computed value method, also calculating the costs incurred in the production or manufacturing of such goods and profits made or likely to be made by the seller while selling such goods to the importer.
- (12) If the customs value cannot be determined pursuant to subsection (11), the Customs Officer shall so determine the customs value of such goods on a reasonable basis as not to be contrary to the provisions of sub-sections (2), (8), (9) and (10).
- (13) Notwithstanding anything contained in sub-sections (10) and (11), if the importer makes a request for the determination of customs value by adopting the procedures set forth in sub-section (11) prior to adopting the procedures set forth in subsection (10), the Customs Officer may determine the customs value in accordance with the provisions of sub-section (11).
- (14) Notwithstanding anything contained elsewhere in this Section, if the owner of the goods imported under the Luggage and Baggage Order for personal purposes or the goods received as a gift or specimen/model and imported from a foreign country makes an application for the valuation of such goods, showing the reason for failure to indicate the transaction value thereof and if the Customs Officer considers the matter to be appropriate, he or she may determine a reasonable customs value of such goods.
- (15) If the value declared by an importer pursuant to sub-section (3) is less than the customs value determined by the Customs Officer pursuant to this Section, the Customs Officer may do the following in relation to such goods:
  - (a) Clearing such goods by collecting fifty percent additional customs duty on such difference value, or
  - (b) With the prior approval of the Director General, purchasing, or causing to be purchased, such goods in a manner to pay the amount to be set by adding five percent amount to the value so declared to the importer.

- (16) In determining the customs value of goods in accordance with the provisions of this Section, the customs value shall normally be determined in a foreign currency. Where the valuation of goods on which the duty has to be paid at the time of import is made in a foreign currency, the conversion of such currency into Nepalese rupees shall be made according to the selling rate of foreign currency which is prescribed by the Nepal Rastra Bank and prevailing on the day of customs clearance of such goods. In the case of a foreign currency of which exchange rate is not prescribed by the Nepal Rastra Bank, such foreign currency shall be converted into American dollars, and the selling rate of American dollars shall be taken as the basis.

Provided that in converting the customs value of the goods of which duty is paid subsequent to the importation thereof under the diplomatic facility, duty facility or full or partial exemption of duty, such conversion shall be made according to the selling rate of foreign currency which is prescribed by the Nepal Rastra Bank and prevailing on the day of payment of the remaining duty.

14. Power to determine customs value provisionally:

- (1) Notwithstanding anything contained elsewhere in this Act, the Customs Officer may, subject to Section 13, determine a reasonable provisional customs value of imported goods if:
- (a) the importer makes an application, along with a reasonable reason, that he or she is not able to forthwith provide necessary documents and other related information as required for the valuation of goods,
  - (b) the customs value has to be or can be determined only after carrying out the laboratory test or other examination of goods or there appears a need to make further inquiry into the documents and information provided by the importer.
- (2) Where, after the determination of provisional customs value in accordance with the provisions of sub-section (1), the importer wishes to clear the goods by furnishing a deposit of the duty chargeable on such goods, the Customs Officer shall make clearance of such goods.
- (3) The Customs Officer shall determine the customs value of the goods under the provisions of Section 13 no later than thirty days after the date of determination of the provisional value pursuant to sub-section (1).
- (4) If the customs value determined pursuant to sub-section (3) is more than the provisional customs value determined pursuant to sub-section (1), the Customs Office shall recover from such importer the duty chargeable on such excess value, and if it is less than that, the duty collected in excess shall be refunded to the importer.

15. Power to fix estimated amount of freight, insurance or other related costs:

- (1) Where, owing to a circumstance beyond his or her control, an importer is not able to forthwith submit documents of cost, insurance or related costs incurred in the importation of any goods, the importer may submit an application, accompanied by the reason for the same, to the Customs Officer for the fixation of the estimated amount of such freight, insurance or other related expenses.
- (2) Where, in inquiring into the application referred to in subsection (1), the contents appear to be reasonable, the Customs Officer may fix the estimated amount for freight, insurance or other related expenses likely to be included in the transaction value of such goods.
- (3) The concerned importer shall submit documents and evidence relating to the actual freight, insurance and other related expenses no later than ninety days after the date of fixation of the estimated amount of freight, insurance or other related costs pursuant to sub-section (2). If the amount set forth in the documents and evidence so submitted is more than the estimated amount fixed pursuant to sub-section (2), the importer shall pay the duty chargeable on such excess value, and if it is less than that, the Customs Office shall refund the remaining amount, upon deduction of the chargeable duty, to the importer.
- (4) Where the concerned importer fails to submit documents and evidence within the period referred to in sub-section (3) or unless it is proved otherwise, the estimated amount fixed by the Customs Officer pursuant to sub-section (2) shall be considered as the final amount of such freight, insurance or other related costs.



## 16. Determination of customs value of goods to be exported:

- (1) The invoice value declared by an exporter shall be the customs value of the goods to be exported.
- (2) Notwithstanding anything contained in sub-section (1), the Government of Nepal may, if considers necessary, determine separate customs value of any goods of specific nature to be exported, by notification in the Nepal Gazette. Where separate customs value is so determined, the customs value of such goods shall be the invoice value declared by the exporter or the customs value so determined by the Government of Nepal, whichever is higher.
- (3) The customs value referred to in sub-section (1) or (2) shall be the free on board (fob) value.

Explanation: For the purposes of this sub-section, "free on board (fob) value" means a value which includes the factory price of the goods to be exported and costs incurred in movement of such goods up to the concerned Customs Office of Nepal.

- (4) The value of goods to be determined pursuant to this Section shall be determined in foreign currency. Such foreign currency shall be converted into the Nepalese rupees according to the buying rate of foreign currency which is prescribed by the Nepal Rastra Bank and prevailing on the day of clearance of such goods.

**Chapter-6**  
**Provisions Relating to Declaration Form, Examination and Clearance**

## 17. Details to be submitted:

The driver of a motor vehicle transporting any goods to be exported or imported shall provide such details of goods held in the vehicle as may be prescribed to the Customs Officer before such vehicle enter the Customs Office.

## 18. Declaration form to be filled up and submitted:

- (1) Any person who exports or imports any goods shall fill up the declaration form, accompanied by the documents as prescribed, and submit it to the Customs Officer of the concerned area. Provided that, it shall not be necessary to fill up the declaration form in the case of those goods which have been exempted from customs duty by the Government of Nepal by notification in the Nepal Gazette, out of the goods contained in the luggage and baggage of passengers going out from Nepal and coming into from foreign countries.
- (2) In the event that, owing to the occurrence of a circumstance beyond control or any other reasonable reason, the concerned person is not able to submit any document as referred to in sub-section (1) along with the declaration form, such person may make an application, showing such circumstance or reason, to the Customs Officer for permission to submit such document later.
- (3) Where, upon examination of the application made pursuant to sub-section (2), such circumstance or reason appears to be reasonable, the concerned Customs Officer may prescribe the period within which such document has to be submitted.
- (4) While prescribing the period for the submission of document pursuant to sub-section (3), the Customs Officer may prescribe any terms or ask for a reasonable deposit for security.

## 19. Examination of declaration form:

- (1) After the submission of a declaration form pursuant to Section 18, the concerned Customs Officer shall examine as to whether the goods declared in the declaration form are exportable or importable under law. While carrying out such examination, the Customs Officer may, as required, carry out or cause to be carried out physical inspection of the concerned goods.
- (2) If, in carrying out examination pursuant to sub-section (1), such goods are found to be non-exportable or non-importable or restricted ones, the matter shall be referred to the concerned body or authority for investigation or action under the prevailing laws.

## 20. Examination of goods:

- (1) If, in carrying out examination pursuant to Section 19, the concerned goods are found to be exportable or importable, the Customs Officer shall examine such goods in accordance with the provisions contained in Chapter-7.
- (2) Notwithstanding anything contained in sub-section (1), if it is not required to examine such goods in accordance with the selective method, the Customs Officer may examine the related documents only.

Explanation: For the purposes of this Section, "selective method" means a system so determined by the Department that any goods can be cleared, with or without examining such goods, or by examining documents only, taking into account the risks of revenue, trade, goods or other activities.

## 21. Valuation to be made:

After the examination of goods or documents pursuant to Section 20, the Customs Officer shall determine the customs value of the goods to be imported and of the goods to be exported under the provisions of Sections 13 and 16, respectively.

## 22. Determination of duty:

After the determination of the customs value pursuant to Section 21, the Customs Officer shall determine the duty chargeable on the goods.

## 23. Clearance of goods:

Except where exemption from or facility granting waiver of the duty is provided under the prevailing laws, the Customs Officer shall make clearance of goods only upon collecting the duty determined pursuant to Section 22.

## 24. Determination of duty prior to arrival of goods at Customs Office:

- (1) If any importer wishes to pay the duty chargeable on any goods to be imported by the importer prior to the arrival of such goods at the concerned Customs Office, the importer may, for that purpose, make an application, accompanied by the declaration form filled up and such documents relating to such goods as referred to in Section 18, to the Customs Officer.
- (2) If, on examination of the application received pursuant to sub-section (1), it appears reasonable to so collect the duty, the Customs Officer may determine the duty pursuant to Section 22. The importer shall pay the duty so determined to the Customs Office.
- (3) If the rate of duty determined pursuant to sub-section (2) or the exchange rate of convertible foreign currency prevailing on the day of payment of duty differs from that prevailing on the day of clearance of goods, the rate prevailing on the day of clearance of goods shall be applied.
- (4) After those goods in respect whereof the duty has been paid pursuant to sub-section (2) have arrived at the Customs Office, the Office shall complete necessary procedures and make clearance of such goods with priority.

## 25. Export or import to be made:

- (1) The exporter or importer of any goods to be exported or imported or his or her customs agent may export or import such goods only after the declaration form or a receipt of payment of the duty pursuant to Section 23 has been received, and after the Customs Officer has given permission to clear the goods upon making, or causing to be made, examination thereof, in the case of the goods mentioned in the proviso to sub-section (1) of Section 18.
- (2) If any person exports software through electronic means, such software shall be deemed to have been exported only after certification by the Nepal Rastra Bank, on the basis of, *inter alia*, the agreement relating to export, invoice and the evidence of payment made by the concerned importer.

## 26. Power to ask for proof, evidence or receipt:

- (1) Where there is a reasonable reason to believe that any person has imported or is going to export any goods and has not paid the customs duty or it is known that the customs duty has not been paid, any employee of the Customs Office may ask such person to furnish an evidence showing the payment of customs duty of such goods or the exemption of such goods from customs duty in the event of such exemption.
- (2) Such person shall show the evidence or proof asked pursuant to sub-section (1) to such employee. If that person fails to furnish such evidence or proof or if the proof submitted shows that the goods are not the same as mentioned in the proof, such employee shall produce such goods and person before the Customs Officer.
- (3) The Customs Officer may, upon production made pursuant to sub-section (2), issue an order to withhold such goods and shall take action against the person so produced on the offense of export or import smuggling.

## 27. Format of declaration form:

The format of declaration form shall be as prescribed.

**Chapter-7**  
**Provisions Relating to Examination of Goods**

## 28. Power to open and examine consignment or packet:

- (1) The Customs Officer may open and examine, or give order to any of his or her sub-ordinate employees to open and examine, each and every consignment or packet of any goods whatsoever to be exported or imported or open and examine them randomly and casually or open and examine only a certain percentage of the same.
- (2) In making examination pursuant to sub-section (1), the examination of live animals, perishable goods and such other goods as the Customs Officer considers necessary shall be made first.
- (3) Where the Customs Officer or his or her sub-ordinate employee has opened and examined the consignment or packets of goods pursuant to sub-section (1), the method of such examination and a clear description of the items so examined shall be set down in the declaration form.
- (4) If there is a suspicion about any consignment or packet examined or not examined under this Section or any information is received about the same, the Customs Officer shall give order to any of his or her sub-ordinates to examine such consignment or packet if it has not been examined or to re-examine the same if it has already been examined.
- (5) If any exporter or importer wishes to get the goods examined in his or her presence, that exporter or importer shall give information thereof in writing to the Customs Officer. Where information is so given, the Customs Officer may examine or cause to be examined the goods in presence of such exporter or importer. Provided that if such exporter or importer is not present at the time specified by the Customs Officer, nothing shall bar the examining of goods in the absence of such exporter or importer.
- (6) While examining or causing examination pursuant to this Section, the Customs Officer may examine or cause examination only upon collection of the duty chargeable on the basis of declaration.
- (7) Where, in making examination pursuant to sub-section (6), the goods are not found the same as those set down in the declaration made by the exporter or importer or his or her agent or in the document attached with the declaration form, the importer shall not be entitled to get refund of the duty or to reconcile or adjust it with the chargeable duty if the duty has been collected prior to the examination of such goods.
- (8) Prior to taking delivery of the goods once cleared from the customs area or after taking them outside the customs area, any officer deputed by the Director General or the Customs Officer of the concerned Customs Office may re-examine, or cause to be re-examined, such goods wholly or partly. While making such re-examination, the Director General or the Customs Officer shall provide information of the reason for such re-examination to the concerned importer.

## 29. Deemed examination:

If, while examining any consignment or packet pursuant to Section 28, the goods held in the consignment or packet are found to be conforming to the submitted bills, invoices, other documents or details, the goods in the other consignments or packets which have not been examined shall also be deemed to have been examined.

## 30. Special test of goods:

- (1) If it is required to subject any goods to a special test from the health or environmental perspective, the Customs Officer may get such goods tested by the concerned body or laboratory.
- (2) For the purpose of sub-section (1), the Customs Officer may take a specimen of such goods from the consignment or packet and send it to the concerned body or laboratory.
- (3) The concerned authority or laboratory shall promptly test the goods sent for test pursuant to sub-section (1) and send results thereof to the Customs Office promptly.
- (4) If, in carrying out test pursuant to sub-section (3), the goods appear to cause adverse effects or damage to the environment or health, the Customs Officer shall order the concerned importer to return such goods back to the concerned exporter of the foreign country, in such manner as prescribed. Provided that, prior to making such order, the Customs Officer may ask the importer to submit an evidence showing the refund of foreign currency paid for such goods or a bond covenanting to have refund of such foreign currency.
- (5) If the concerned importer does not send back such goods pursuant to the order issued under sub-section (4), the Customs Officer may seize such goods and destroy or decompose such goods and shall recover from the concerned importer the expenses incurred or likely to be incurred in such destroy or decomposition.

## 31. Power to visit and examine goods in the concerned place:

- (1) Any exporter may submit an application to the Customs Officer to visit the production site or godown of any goods to be exported by the exporter and examine such goods.
- (2) If it appears to make examination of the goods as per the application received pursuant to sub-section (1), the Customs Officer may visit such production site or godown on his or her own and examine such goods or send any of his or her sub-ordinate employee to such site or godown for such examination, by collecting the fees as prescribed.
- (3) Any importer may submit an application, accompanied by the prescribed documents and the declaration form filled up, to the Customs Officer for the examination of the goods imported by the importer outside the customs area.
- (4) If, upon inquiring into the application received pursuant to sub-section (1), it appears reasonable to make such examination, the Customs Officer may, by obtaining prior approval of the Director General, visit the site outside the customs area on his or her own and examine the goods or send any of his or her sub-ordinate employee for such examination, by collecting the fees as prescribed.
- (5) Prior to making examination pursuant to sub-section (4), the Customs Officer shall take a deposit of an amount to be set by adding fifty per cent duty to the duty chargeable on the goods according to the customs value declared by the importer. The Customs Office shall refund the excess amount to the importer if such deposit is more than the customs duty chargeable on such goods and recover from the importer the shortfall amount if such deposit is less than such customs duty.

## 32. Power to seal means of transport:

After the clearance of goods by the Customs Office, such goods may be kept in the means of transport which is to be used for transporting them, and the Customs Office may seal such means of transport.

## 33. Prohibition on opening, inspection and examination:

No body other than the authority authorized to make investigation under the prevailing laws on revenue leakage shall, without prior approval of the Ministry of Finance or the Director General,

open, inspect and examine any goods cleared by the Customs Office and any means transporting such goods.

### **Chapter-8** **Provisions Relating to Post Clearance Audit, Search and Arrest**

34. Power to make post clearance audit:

- (1) In order to ascertain whether the goods cleared by the Customs Office are the same as declared by an importer or confirm to the declaration made by the importer or not, the Director General or Customs Officer may audit, *inter alia*, the importer's books relating to the purchase, import or sale of goods, records, books of accounts or similar other documents, bank records, computer system and all records related to his or her business.
- (2) If, upon audit made pursuant to sub-section (1), it is found that the goods imported by the importer are different than those declared by the importer or are inconsistent with the declaration made by the importer or the transaction value or the quantity of the goods has been declared less and by virtue thereof lesser duty has been recovered, the Customs Officer shall immediately recover from the importer the duty chargeable on such less value or quantity at the time of import and take action against such importer for the declaration of less transaction value or quantity, pursuant to this Act.
- (3) If, upon audit made pursuant to sub-section (1), it appears that less duty has been recovered by the reason of difference in sub-heading of commodity classification, the concerned Customs Office shall immediately recover such shortfall amount of duty from the importer.
- (4) The audit referred to in this Section may be made until four years after the date of clearance of goods.

35. Goods and persons to be produced before Customs Officer:

If any employee of the Customs Office or authority deputed by the Director General finds that any person has exported or imported any goods through any route other than the route prescribed pursuant to Section 3 or smuggled the goods or is going to make such export or import, such employee or authority shall capture such goods and the person and motor vehicle carrying such goods and produce them before the Customs Officer. The Customs Officer shall institute action against and in relation to the goods, person and motor vehicle so produced on the offense of export smuggling or import smuggling.

36. To make search on suspicion or ground:

If there is a reasonable ground or reason to believe that or there is a suspicion that any person has brought any goods subject to customs duty without paying such duty or smuggled and imported such goods or is going to smuggle and export such goods or has exported or imported or is going to export or import any restricted goods, any employee of the Customs Office may, at any time, stop such person or any motor vehicle and search such person or motor vehicle.

37. Demand of person to be searched for being produced before Customs Officer:

- (1) Where any employee other than the Customs Officer or the employee designated for that purpose intends to make search pursuant to Section 36, the concerned person may make a demand that he or she be produced before the Customs Officer prior to making such search.
- (2) Where demand is made for presence before the Customs Officer pursuant to sub-section (1), the employee of the concerned Customs Office shall produce him or her before the Customs Officer promptly.
- (3) Where the Customs Officer has a reasonable ground to search the person produced pursuant to sub-section (2), he or she himself or herself may search such person or cause any of his or her subordinate employees to make such search, and where the Customs Officer does not see such ground, he or she shall release such person immediately.

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38. Import smuggling or export smuggling to be deemed:

Where, upon making a search pursuant to Section 36 or 39, any goods which are subject to the customs duty or which have to be exported or imported by making declaration pursuant to this Act are seized, the Customs Officer shall give order to the person searched to submit the declaration form of such goods and evidence of payment of duty if such goods are those which are subject to customs duty. In the event of failure to submit such declaration or evidence, such person shall be deemed to have committed export smuggling or import smuggling.

39. To search house, building, godown or place:

- (1) Where there is a reasonable ground to believe or doubt that any person has hidden or kept any goods brought into by evading the customs duty or by way of import smuggling in any house, building, godown or other place, the Director General or the concerned Customs Officer may make decision, accompanied by the reason, and search such house, building, godown or place or give order to make such search.
- (2) The employee who gets order pursuant to sub-section (1) shall, prior to searching such house, building, godown or place, give a notice, accompanied by the reason for making such search, to the owner of that house, building, godown or place or the person who are residing in such house, building, godown or place for the time being. If such owner or person refuses to acknowledge such notice, a copy of the notice shall be affixed to such house, building, godown or place in a manner conspicuous to all; and after the notice is so affixed, the concerned owner or person shall be deemed to have duly received the notice of search.
- (3) After the notice has been given to the concerned owner or person pursuant to sub-section (2), such owner or person shall allow the employee deputed to make search to search such house, building, godown or place.
- (4) If any person makes any obstruction or objection to making search pursuant to sub-sections (2) and (3), the employee deputed to make search shall give a notice and opportunity to the persons who are staying in the house, building, godown or place to be searched to leave such house, building, godown or place. If such persons do not leave in spite of such notice and opportunity, such employee may search the house, building, godown or place required to be searched at any time between sunrise and sunset by opening or breaking the external or internal door, window or locker thereof also by using necessary force with the assistance of the security body.
- (5) In making search pursuant to this Section, the employee deputed to make search shall, to the extent of availability, make search in witness of the ward chairperson or ward member of the concerned Village Development Committee or Municipality or an employee of any office or house owner or his or her agent or any person having attained the age of sixteen years. If no such person is found to witness the search or such person refuses to witness the same, the person making search shall execute a memo of remarks to that effect and sign it.
- (6) If, on making search pursuant to this Section, any goods brought by evading the customs or by way of import smuggling are seized, the employee making such search shall take such goods in his or her custody, prepare an inventory indicating the details of such goods and deliver a copy of the inventory to the concerned person of the house, building, godown or place searched immediately. If the concerned person refuses to receive such copy or if it is not possible to deliver it to such person, that copy shall be posted by executing a recognizance deed in witness of two witnesses. If the copy of inventory is so posted, it shall be deemed to have been delivered to the concerned person.
- (7) Such employee shall produce the goods and inventory as referred to in sub-section (6) to the concerned Customs Officer; and upon such production, the Customs Officer shall take action under this Act.

40. Power to arrest:

- (1) Where, upon making a search pursuant to Section 36 or 39, any person is found to have committed any offence under this Act, the employee making such search may arrest, or cause to be arrested, such person.
- (2) If there is a reasonable ground or reason to believe or doubt that any person is going to commit or has committed export smuggling or import smuggling or any act contrary to this Act, the concerned Customs Officer or any other employee of the Customs Office authorized

by him or her may arrest, or cause to be arrested, such person in any motor vehicle or place.

- (3) Any person arrested pursuant to sub-section (1) or (2) shall be produced before the Customs Officer within twenty four hours excluding the time required for journey.
- (4) The Customs Officer shall immediately take legal action against the person produced pursuant to sub-section (3). Such person shall not be held in detention for more than twenty four hours without taking such action.

41. Power to release on bail or detain:

- (1) If any person produced pursuant to sub-section (3) of Section 40 is found to be an offender based on the evidence available for the time being, the Customs Officer may release such person on bail which includes the amount for imprisonment and fine that can be imposed on such person pursuant to this Act and the amount equal to the amount in controversy where such amount is also to be recovered on the condition that such person shall make presence at the prescribed place and time.
- (2) Any person who fails to furnish the bail demanded pursuant to sub-section (1) shall be held in detention until such bail is furnished to the Customs Office.
- (3) Notwithstanding anything contained in sub-section (1), if there is a ground that such person may destroy evidence if he or she is released on bail, the Customs Officer may forward action by holding such person in detention, by assigning the reason for the same.
- (4) Notwithstanding anything contained in sub-section (2) or (3), such person shall not be held in detention for a term that exceeds the maximum term of punishment that can be imposed on such person pursuant to this Act.
- (5) While taking bail for punishment pursuant to sub-section (1), it shall be taken by fifty rupees for one day of imprisonment.

42. Subsequent arrest of absconding person:

If any person who commits any act that is considered an offence under this Act cannot be arrested at the time of commission of the offence or such person, despite being arrested, absconds, the Customs Officer or the employee authorized by him or her or the employee deputed for that purpose may arrest such person at any time. Action shall be taken against such person as if he or she were arrested at the time of commission of the offence.

43. Power to use maximum force:

- (1) If any person attempts to export or import any goods through any route other than that prescribed pursuant to Section 3, the Customs Officer or the employee of the Customs Office authorized by him or her or the competent government employee may stop such person.
- (2) If, while trying to stop such person pursuant to sub-section (1), such person manhandles or uses force, the Customs Officer or such employee shall request and convince such person not to do so.
- (3) If, despite the request and convincing pursuant to sub-section (2), that person does manhandling or uses force, the Customs Officer or such employee may arrest him or her.
- (4) If, while trying to make arrest pursuant to sub-section (3), that person uses force or tries to escape or go away and cannot be arrested for the time being, the employee deputed for security on the spot may, by order of such Customs Officer or competent authority for his or her security and for the observance of duties, first make an aerial firing and then open fire in such a manner as to cause a minimum of loss provided the situation cannot be controlled despite such firing or the person using force has also a weapon.
- (5) An employee of the Customs Office may order any person who makes movement by a motor vehicle through the route prescribed under Section 3 to stop, or cause to be stopped, such motor vehicle, as well. If such person does not carry out such order but manhandles or uses force and attempts to take away or takes away such motor vehicle without getting it examined, the employee deputed for the security of customs may, by order of the Customs Officer, open fire at the tyre of such motor vehicle in such a manner as to cause a minimum of loss.
- (6) If it is necessary to open fire pursuant to sub-section (4) and (5), the Customs Officer or the authorised person shall give by faster means the information of that matter to the Director General or the Concerned Chief District Officer.

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**Chapter-9**  
**Provisions Relating to Seizure, Forfeiture and Auction of Goods**

44. Power to seize goods liable to be forfeited:

The Customs Officer or the employee of the Customs Office authorized by him or her or the employee authorized by the Government of Nepal may, if he or she sees or finds any goods liable to be forfeited pursuant to this Act, seize such goods at any place and time.

45. Proof of seizure to be provided:

The Customs Officer or the employee who seizes goods pursuant to Section 44 shall provide a proof indicating the reason for so seizing the goods and an inventory setting out the details of goods so seized to the owner of such goods within a maximum of three days after the seizure of such goods.

46. Handing over of goods:

- (1) Any employee of the Customs Office or other body shall promptly hand over the goods seized by that employee or body pursuant to Section 44 and a copy of the inventory referred to in Section 45 to the Customs Officer in accordance with this Act.
- (2) After the goods have been handed over pursuant to subsection (1), the Customs Officer shall inquire into whether such goods are liable to be seized under this Act. If, upon such inquiry, it appears either that such goods have been seized for no reason or that it is not necessary to seize such goods, the Customs Officer shall immediately return such goods to the owner thereof.
- (3) If, upon making inquiry pursuant to sub-section (2), it appears that the goods are liable to be seized, the Customs Officer shall take action as referred to in this Act in relation to such goods.

47. Ownership of goods seized and not cleared from customs belonging to Government of Nepal:

- (1) Any goods which are seized under this Act shall belong to the Government of Nepal.
- (2) The owner of goods concerned shall take delivery of the goods held in customs within the prescribed period.
- (3) The concerned Customs Office shall publish a seven-day public notice for taking delivery of the goods which have not been cleared within the period referred to in sub-section (2).
- (4) If, after the publication of the notice referred to in subsection (3), the owner of goods concerned makes an application, accompanied by a reasonable ground for not being able to clear the goods within the period referred to in sub-section (2), to the Customs Office and such reason appears to be reasonable, the Customs Officer may, by collecting the chargeable duty, permit the owner to clear such goods.
- (5) The concerned Customs Officer shall forfeit the goods not cleared from the Customs Office even upon the publication of the notice as referred to in sub-section (3). Such goods shall belong to the Government of Nepal.

48. Notice of forfeiture to be given:

Where any goods are forfeited pursuant to this Act, the Customs Officer shall give information thereof to the concerned exporter or importer.

49. Goods to be forfeited:

If a decision is made to forfeit any goods pursuant to this Act, the following goods related with such goods shall also be forfeited:

- (a) Parcels, packets or containers to pack or transport such goods,
- (b) All kinds of motor vehicles including, rickshaws, carts and animals, other than trains and aircrafts, used to transport such goods,
- (c) Clothes, furniture, electronic goods and other materials held in motor vehicles referred to in clause (b).



## 50. Power to auction:

- (1) Except where the Government of Nepal has itself used any goods which have been forfeited pursuant to this Act, the concerned Customs Officer may auction such goods as prescribed.
- (2) Notwithstanding anything contained in sub-section (1), provisions relating to the auction of the gold, silver or bullions which have been forfeited and devolved on the Government of Nepal because of failure to clear them from the Customs Office or those goods which have been so forfeited and devolved and can be sold only after obtaining license pursuant to the prevailing laws and other provisions pertaining thereto shall be as prescribed.
- (3) If any goods forfeited pursuant to this Act are such that their value may diminish because of being perishable or old or it is difficult to keep them because of the lack of godown or space or in the case of animals, the Customs Officer may immediately auction such goods as prescribed.
- (4) The Customs Office shall credit the proceeds of the auction referred to in sub-section (3) to the deposit account.
- (5) If it is held subsequently that those goods which have been auctioned pursuant to sub-section (1), (2) or (3) are to be returned to the owner thereof, only the proceeds of such auction shall be returned to that owner.

Provided that if any tax, charge or other fee or amount is chargeable on such proceeds, only the amount remaining after deducting such tax, charge, fee and amount shall be provided to the owner.

- (6) If it is not appropriate to hold in the Customs Office any motor vehicle used to transport goods by way of export smuggling or import smuggling and produced before that Office because of the lack of space or being unable to protect it, the concerned Customs Officer shall get the value of such vehicle fixed by the prescribed committee and auction, or cause to be auctioned, such vehicle at that value.
- (7) Notwithstanding anything contained in sub-section (6), the owner of such motor vehicle may submit an application to clear that motor vehicle, by furnishing a cash deposit of the amount consisting of the value fixed pursuant to sub-section (6) as well as the amount to be set by adding the tax and charge chargeable on such value pursuant to the prevailing laws.
- (8) Where an application is submitted pursuant to sub-section (7), the Customs Officer may collect such deposit and return the motor vehicle to that owner; and if, on taking action on and disposing such application, the motor vehicle is held to be forfeited, the Customs Office may credit the deposit so furnished into the revenue and return that motor vehicle to its owner. If it is decided that such motor vehicle is not liable to be forfeited and the owner of that vehicle is entitled to get it returned, the deposit furnished by that owner shall be refunded as prescribed.
- (9) Notwithstanding anything contained elsewhere in this Section, the Customs Officer may decompose, decay or destroy, as prescribed, those goods which cannot be auctioned pursuant to this Act or which cannot be brought into use in any manner.

### **Chapter-10** **Provisions Relating to Customs Agent**

## 51. Provisions relating to license of customs agent:

- (1) A person who wishes to act as the customs agent or representative of any importer or exporter to clear goods to be imported or exported from the Customs Office or to do any act related with the Customs Office shall obtain the license of customs agent from the Department or Customs Office.
- (2) The provisions relating to the license of customs agent shall be as prescribed.

## 52. Appointment of customs agent:

If any exporter or importer wishes to get the goods to be exported or imported cleared not by himself or herself but through a customs agent or to do any act related with the Customs Office not by himself or herself but through a customs agent, such exporter or importer may appoint his or her customs agent as prescribed.

53. Customs agent to be deemed owner of goods:

If the owner of any goods appoint any person as his or her customs agent to get such goods cleared from the Customs Office or to do any other act as referred to in this Act and the Rules framed under this Act, such customs agent shall, for that purpose, be deemed to be the owner of such goods.

54. Customs agent to be responsible:

If any customs agent appointed pursuant to Section 52 does any act contrary to this Act or the Rules framed under this Act, thereby causing any loss and damage to the owner of goods, such agent shall pay an amount equal to that loss to the owner of such goods, as prescribed.

55. License to be suspended and canceled:

- (1) The Customs Officer may suspend any customs agent on whom a fine is imposed pursuant to Section 59 or who does any act contrary to this Act or the Rules framed under this Act for a period from one month to six months.
- (2) If any customs agent does the act referred to in sub-section (1) for the third time, the Customs Officer may cancel his or her license.
- (3) Prior to suspending pursuant to sub-section (1) or canceling the license pursuant to sub-section (2), the concerned Officer shall give an opportunity to such customs agent to defend himself or herself.
- (4) In the event of suspension pursuant to sub-section (1), such customs agent shall not do any act relating to customs during the period of such suspension, and in the event of cancellation of license pursuant to sub-section (2), such customs agent shall not be entitled to obtain the license of customs agent again.

56. Application:

Where the Customs Officer makes decision to suspend or cancel the license of a customs agent or to impose a fine on him or her pursuant to Section 55, the customs agent who is not satisfied with that decision may file an application to the Director General within thirty five days after the date of such decision. The Director General shall make decision on such application normally within thirty days and such decision shall be final.

### **Chapter-11 Punishment**

57. Punishment:

- (1) If any person commits or attempts to commit export smuggling or import smuggling of any goods or exports or imports or attempts to export or import any goods through any route other than the route so prescribed under Section 3 that such goods are to be exported or imported only through that route, the Customs Officer may forfeit such goods and impose a fine equal to the amount in controversy of such goods or imprisonment as follows or both punishments:
  - (a) For a term not exceeding two months where the amount in controversy is from twenty five thousand to one hundred thousand rupees,
  - (b) For a term from two months to six months where the amount in controversy is from one hundred thousand rupees to five hundred thousand rupees,
  - (c) For a term from four months to one year where the amount in controversy is from five hundred thousand rupees to two million five hundred thousand rupees,
  - (d) For a term from eight months to two years where the amount in controversy is from two million five hundred thousand rupees to five million rupees,
  - (e) For a term from one year to three years where the amount in controversy is from five million rupees to ten million rupees,
  - (f) For a term from two years to five years where the amount in controversy exceeds ten million rupees.

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- (2) Where the motor vehicle used to transport the goods to be forfeited pursuant to sub-section (1) has been used with the consent or knowledge of the owner of that motor vehicle, the Customs Officer shall forfeit such motor vehicle and punish the owner with imprisonment for a term not exceeding one year. Where the driver of such motor vehicle has knowingly used it to transport such goods without consent or knowledge of the owner of that motor vehicle, the Customs Officer may punish such driver with a fine of up to five thousand rupees or with imprisonment for a term not exceeding one year or with both punishments.
  - (3) The Customs Officer may punish any person who aids and abets the commission of offense referred to in sub-section (1) as if such person were the offender.
  - (4) If any person hides or knowingly keeps any goods exported or imported by way of export or import smuggling, the Customs Officer may forfeit such goods and punish such person with a fine of up to ten thousand rupees.
  - (5) If any exporter, importer or customs agent make declaration with under invoicing despite that the name, nature, physical features, characteristics, measurement, size and quality of goods are accurate, the Customs Officer may clear such goods by imposing a fine of cent percent of the value of those goods which have been under-invoiced on the owner of such goods and collecting the chargeable duty.
  - (6) If any exporter, importer or customs agent makes declaration falsifying the country of origin despite that the name, nature, physical features, characteristics, measurement, size, quality and quantity of goods are accurate, the Customs Officer may clear such goods by imposing a fine that is equal to the duty chargeable on such goods on the owner of such goods and collecting the chargeable duty.
  - (7) If any exporter or customs agent declares the quantity that exceeds the actual quantity of the goods to be exported, the Customs Officer may clear the goods by imposing a fine that is two hundred percent of the value of goods so declared as excess and mentioning that fact in the declaration form.
  - (8) If any exporter or customs agent make declaration falsifying all or any details out of the name, nature, physical features, characteristics, measurement, size and quality of goods, the Customs Officer may forfeit such goods and impose a fine that is equal to the amount in controversy on the owner of such goods.
  - (9) If any importer or customs agent makes declaration falsifying the goods or the materials of which the goods are made or falsifying all or any details out of the nature, physical features, characteristics, measurement, size and quality of goods or does not make declaration of any goods, the Customs Officer may forfeit such goods by imposing a fine that is equal to the value of such goods on the owner of such goods or clear such goods by imposing a fine that is equal to two hundred percent of the value of such goods and collecting the chargeable duty.
  - (10) If any person causes or attempts to cause a loss of revenue or duty by submitting a forged, fake or false document to the Customs Office, the Customs Officer may punish such person with a fine that is two hundred percent of the amount of duty or revenue the loss of which has been so caused or attempted to be caused or with imprisonment for a term from six months to one year or with both punishments; and the matter shall be forwarded to the concerned body or authority to take action under the prevailing laws in relation to the commission of forgery of governmental documents.
  - (11) If the owner of any goods or his or her agent opens in any manner any customs godown or goods stored in that godown with intention to steal goods or cause loss of or damage to such goods, the Customs Officer may punish such owner or agent with a fine not exceeding five thousand rupees.
  - (12) If any person removes or takes goods stored in a customs godown from such godown without approval of the Customs Office, the Customs Officer may punish such person with a fine that is equal to the amount in controversy and with imprisonment for a term not exceeding six months or with both punishments.
  - (13) If any person knowingly writes, signs or uses the specific matter of the declaration form or document utilized in the performance of the functions of the Customs Office or forges or alters or destroys any document signed, stamped or sealed with initial, signed by or any sign or symbol affixed therein by the Customs Officer in the course of the performance of the functions of the Customs Office, the Customs Officer may punish such person with a fine not exceeding five thousand rupees and with imprisonment for a term not exceeding one year or with both punishments, and the matter shall be forwarded to the concerned body or authority to take action under the prevailing laws in relation to the commission of forgery of governmental documents.

- (14) If the person or employee who has the custody of the goods stored in the customs godown recklessly loses or knowingly damages such goods, the Customs Officer may punish such person or employee with a fine not exceeding five thousand rupees, by recovering from such person or employee the value of such goods and the chargeable duty.
- (15) If any unauthorized employee removes or gives order to remove any goods stored in the customs godown, the Customs Officer may punish such employee with a fine not exceeding five thousand rupees or with imprisonment for a term not exceeding two years or with both punishments.
- (16) If it appears, from the review carried out pursuant to Section 70, that there is a difference in the customs duty by the reason of submission by the owner of goods of fake bills, invoices or documents, the Customs Officer may punish such owner with a fine that is two hundred percent of the value of the goods cleared from the Customs Office or with imprisonment for a term not exceeding one year or with both punishments.
- (17) If any person commits any act contrary to this Act or the Rules framed under this Act, except that set forth in this Section, the Customs Officer may punish such person with a fine not exceeding five thousand rupees.

58. Punishment to those who cause obstruction:

If any person deliberately obstructs or hinders the Customs Officer or any employee of the Customs Office in the exercise of the powers conferred by this Act and the Rules framed under this Act, the Customs Officer shall punish such person with a fine not exceeding five thousand rupees or with imprisonment for a term not exceeding one year or with both punishments, if such person is a governmental employee, and with a fine not exceeding one thousand rupees or with imprisonment for a term not exceeding six months or with both punishments if such person is not a governmental employee.

59. Punishment to customs agent:

- (1) The Customs Officer may punish a customs agent who commits any act as referred to in sub-sections (5), (6), (7), (8) and (9) of Section 57 with a fine from three thousand rupees to ten thousand rupees or with imprisonment for a term from one month to six months or with both punishments.
- (2) The owner of goods shall not be deemed to have been released from punishment or fine imposed on him or her pursuant to this Section by the reason only that the customs agent has been subject to punishment pursuant to sub-section (1).

60. Punishment to be imposable pursuant to prevailing laws:

Where any offense or act under this Act is punishable under the prevailing laws, this Act shall not be deemed to bar the taking of action and imposing of punishment also under such laws.

## **Chapter-12** **Provisions Relating to Review and Appeal**

61. Provisions relating to valuation review committee:

- (1) A person who is not satisfied with any decision or order made by the Customs Officer pursuant to Section 13 may, for the review of such decision or order, file an application, as prescribed, to the valuation review committee formed pursuant to sub-section (2) no later than fifteen days after the date of such decision or order.
- (2) For the purpose of sub-section (1), the Government of Nepal shall form the following valuation review committee:
- (3) The term of the chairperson and members of the valuation review committee referred to in sub-section (2) shall be of three years.
- (4) Notwithstanding anything contained in sub-section (3), the Government of Nepal may, by providing an opportunity for defense, remove, at any time, the chairperson or any member of the valuation review committee from the office on grounds of his or her incompetence or misbehavior or failure to discharge the duties of his or her office honestly.
- (5) The valuation review committee shall, while making review pursuant to this Section, inquire into whether the customs valuation determined by the Customs Officer pursuant to

Section 13 is accurate or not and may approve or void the valuation determined by the Customs Officer or make valuation of such goods pursuant to this Act. The valuation review committee shall also assign clear reasons and bases while so approving, voiding valuation or making valuation.

- (6) The other functions, duties, powers and procedures of the valuation review committee formed pursuant to sub-section (2) and the remuneration and terms and conditions of service of the chairperson and member of that committee shall be as prescribed.
- (7) A person who files an application pursuant to sub-section (1) shall, prior to making such application, furnish with the Customs Officer a deposit of the duty chargeable according to the valuation determined by the Customs Officer pursuant to Section 13.

62. Appeal:

- (1) A person who is not satisfied with the customs duty determined by the Customs Officer or other employee under this Act or with any order or punishment or decision issued or made by the Customs Officer, except any decision or order referred to in Section 13, or with any decision made by the valuation review committee formed pursuant to Section 61 may make an appeal to the Revenue Tribunal within thirty five days after the date of the determination of such customs duty or the imposition of punishment or the making of decision.
- (2) A person who files an appeal pursuant to sub-section (1) may make such appeal by making payment of or furnishing a deposit of the duty and amount of fine and penalty chargeable pursuant to that decision or order against which such appeal is to be made, to or with the concerned Customs Office.
- (3) A person who files an appeal pursuant to sub-section (1) shall give a copy of such appeal to the concerned Customs Office no later than seven days after the filing of such appeal.
- (4) In the event of not being satisfied with any decision made by the valuation review committee formed pursuant to Section 61, the Customs Officer may file an appeal to the Revenue Tribunal no later than thirty five days after the making of such decision.

**Chapter-13**  
**Provisions Relating to Punishment to Employees**

63. Petition to be made:

- (1) If one has a reasonable cause to believe that the Customs Officer or any employee of the Customs Office has done any act contrary to this Act or the Rules framed under this Act or has caused revenue loss or done any act guided by the sole motive to harass any importer or exporter, one may file a petition to the Director General in the case of the Customs Officer and to the Customs Officer in the case of the employee of the Customs Office.
- (2) The Director General or the Customs Officer shall examine any petition made pursuant to sub-section (1) and give information thereof to the petitioner.
- (3) If, upon the examination conducted pursuant to sub-section (2), it appears that the Customs Officer or the employee of the Customs Office has done any act contrary to this Act or the Rules framed under this Act or has caused revenue loss or done any act guided by the motive to harass any importer or exporter, the Director General shall initiate departmental action against such Customs Officer and the Customs Officer shall initiate such action against the employee of the Customs Office, and if any act considered to be corruption under the prevailing laws is found committed, the matter shall be referred to the concerned authority.

64. Notice of action and limitation:

No action may be instituted in relation to any act, which has been done considering that such act would be in accordance with this Act or the Rules framed under this Act, unless and until a period of two months has expired after a written notice, setting out the cause to institute the case against the Customs Officer or another employee, the name and address of the person to be plaintiff and of his or her attorney, if any, has been delivered to or sent by a registered post, to such Customs Officer or employee and a duplicate copy thereof has been submitted to the Director General.

## 65. Punishment to employees:

- (1) Where departmental action is initiated against any civil employee who performs functions relating to customs under the prevailing Civil Service Act and Regulation and the competent authority is of the opinion that only the punishment specified in that Act and Regulation is inadequate, the competent authority specified in that Act and Regulation may also issue order for the recovery of all or any of the loss caused from the following act to any person from the property of such employee:
  - (a) Deliberate violation of the provisions of this Act, or
  - (b) Commission of any act done deliberately or with mala fide intention to cause loss and damage to the Government of Nepal, or
  - (c) Except for the performance in good faith of the duties of his or her office in accordance with this Act in relation to any goods, disclosure of any matters to his or her knowledge by virtue of his or her office with intention to make benefits for him or her or for any other person or to cause loss to any person or showing or supplying any matter which has been assigned to him or her and is required to be kept secret to any person.
- (2) The concerned employee may file an appeal to the competent authority under the prevailing Civil Service Act and Regulation against any order issued by the competent authority under this Act; and such competent authority shall settle such appeal in accordance with that Act and Regulation.
- (3) While recovering fine imposed pursuant to this Section, the competent authority may recover the same by exercising, and in accordance with, the prevailing laws on the recovery of court punishment and fine.
- (4) Nothing contained in this Section shall be deemed to bar the provisions of prevailing laws under which court action can be instituted against any employee who commits offense.

Provided that no action under this Section shall be taken under this Section after court action is instituted.

## 66. Not to be liable for any act and action done in good faith:

Notwithstanding anything contained elsewhere in this Act, no customs employee shall be personally liable for any act and action done and taken in good faith in the course of discharging his or her duties.

## 67. Inspection:

- (1) The Ministry of Finance shall, in relation to the activities carried out by the Director General, and the Department shall, in relation to the activities carried out by the Customs Officer, make inspection once a year.
- (2) In carrying out inspection pursuant to sub-section (1), the Ministry of Finance and the Department shall inspect, *inter alia*, whether the duty of goods exported or imported has been recovered actually, whether post clearance audit has been made pursuant to Section 34, whether or not declaration review has been made pursuant to Section 70, whether the goods required to be auctioned have been auctioned in time and whether the revenue omitted to be collected has been recovered as promptly as possible and give a report of such inspection to the Council of Ministers and the Ministry of Finance, respectively.
- (3) On receipt of a report pursuant to sub-section (2), the Council of Ministers and the Ministry of Finance shall give necessary direction to the Ministry of Finance and the Department, respectively.
- (4) The Ministry of Finance shall monitor whether the direction referred to in sub-section (3) has been observed or not, and shall also mention matters pertaining thereto in the report to be submitted to the Council of Ministers pursuant to subsection (2).

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**Chapter-14**  
**Miscellaneous**

68. Application for withholding goods intended to be exported or imported in violation of intellectual property rights:

- (1) If any person is going to export or import any goods in violation of intellectual property rights such as patent, design, trademark, and copy right acquired by any one pursuant to the prevailing laws, the concerned person may submit an application, accompanied by evidence, to the concerned Customs Officer for withholding such export or import.
- (2) If an application is made pursuant to sub-section (1), the concerned Customs Officer shall withhold such goods in the Customs Office and make a request to the concerned body or authority for necessary action in that respect.
- (3) Such body or authority shall, upon being requested pursuant to sub-section (2), take action in that respect and settle the matter in accordance with the prevailing laws and give information thereof to the Customs Office.
- (4) If, upon taking action in accordance with the prevailing laws, the body or authority referred to in sub-section (3), holds that such goods are liable to be forfeited, the Customs Officer shall hand over such goods to such body or authority.

69. Compensation for goods withheld in Customs Office or godown:

- (1) The Customs Office or the godown shall so safely keep the goods held in the Customs Office or the godown that no loss or damage is caused to such goods.
- (2) If the goods referred to in sub-section (1) are stolen, lost or otherwise destroyed, damaged or get damaged, except for a wear and tear due to a natural calamity or accident or wear and tear likely to arise normally in the course of holding or lifting goods, the owner of such goods shall be entitled to recover, as prescribed, compensation for such goods from the Customs Office or the body operating the godown.

However, such owner shall not be entitled to make a claim for compensation unless and until his or her title to such goods is established.

70. Power to review:

- (1) The concerned Customs Officer or the employee designated by him or her may review the declaration forms of the goods cleared by the Customs Office no later than four years after the date of clearance of such goods.
- (2) If, in making review pursuant to sub-section (1), it appears that the duty recoverable has been omitted from being recovered, the duty so omitted shall be recovered from the owner of such goods as if it were a governmental due.

71. Reward to person who arrests export or import smuggling or gives clues:

- (1) If any employee or person gives clues as to that any one has committed or is going to commit export or import smuggling of any goods or arrests such goods and hands over them to the Customs Office, reward, as prescribed, shall be provided to such employee or person if such act is proved.
- (2) The concerned Customs Office shall provide the reward referred to in sub-section (1) out of the proceeds of auction of the goods so exported or imported by way of smuggling.
- (3) Notwithstanding anything contained in sub-section (2), if the Government of Nepal makes a decision to provide such goods to any government body for use, such body shall get the value of those goods determined by the prescribed committee and, based on that value, provide the amount of reward referred to in sub-section (1) to the concerned Customs Office, and the Customs Office shall provide that amount to the concerned person who has given clues and arrested them.
- (4) The Customs Office shall keep secret the name, surname and details of any informant who gives clues about any export or import smuggling pursuant to sub-section (1).
- (5) Notwithstanding anything contained in the prevailing Nepal laws, the Customs Office shall not be compelled to provide the name, surname and details of an informant as referred to in this Act to any person or body, except when so asked by a body carrying out investigations

under law in the course of such investigations or by a court, and an informant shall not be compelled to appear in any court, body or office by the reason only that the informant has provided clues.

- (6) Other provisions relating to taking reports from informants and distribution of rewards shall be as prescribed.

72. Demurrage:

- (1) If the owner of goods stored in a customs godown operated by the Customs Office does not get clearance and get delivery of such goods within the prescribed time limit, demurrage shall be charged as prescribed. Provided that no demurrage shall be charged in the case of those goods which could not be cleared by the Customs Officer because of confusion about the valuation, classification of goods or for other reason.
- (2) Notwithstanding anything contained in sub-section (1), if there is a reasonable ground for remitting demurrage chargeable on any goods because of the occurrence of any special circumstance or condition, the prescribed authority may make full or partial remission, as prescribed.

73. Goods not to be lifted until payment of fine:

If, in relation to any goods, a fine or excess duty is imposed or charged on the owner of such goods pursuant to this Act, such owner shall not be entitled to lift such goods from the Customs Office until that fine or excess duty is paid.

74. Payment of omitted amount or fine:

- (1) If it is subsequently discovered that any duty, fine or other amount payable by any person to the Customs Office pursuant to this Act or the prevailing laws has been omitted while making valuation or classification of any goods or because of mathematical error or otherwise, such Customs Office shall immediately recover the amount so omitted from that person.
- (2) If the concerned person does not pay the amount referred to in sub-section (1), that Office shall withhold the transactions of that person and recover that amount by auctioning, or causing to be auctioned, as prescribed, any goods whatsoever which belong to that person and are held in that Office or other Customs Offices.
- (3) If the amount of duty or fine referred to in sub-section (1) cannot be recovered even from the proceeds of auction made or caused to be made pursuant to sub-section (2), that duty or fine or amount shall be recovered from that person as if it were a governmental due.

75. Refund of customs duty or fine:

- (1) If any exporter or importer has paid the customs duty in excess of the duty which is chargeable on exportation or importation under the laws, the concerned Customs Office shall refund, as prescribed such excess customs duty to that exporter or importer.
- (2) Notwithstanding anything contained in sub-section (1), no customs duty shall be refunded on the following condition:
- (a) If no application is submitted to the concerned Customs Office to take refund of such duty within sixty days after the release of goods, or
- (b) If the figure claimed for refund is less than five hundred rupees.
- (3) If, in making decision on an appeal made under this Act against the duty or fine recovered by the Customs Officer, decision is made to waive all or any of the duty or fine so recovered, the Customs Officer may, notwithstanding anything contained in the prevailing laws, refund such customs duty or fine to the concerned person only where no further appeal can be made against that order or only after the concerned court decides not to grant permission.

76. Owner of goods or agent to be responsible:

- (1) If, in the opening and examination subsequently by the competent authority, within or outside the customs area, of any goods which the Customs Office has already examined



under Section 28 or 29 and cleared under Section 23, the goods or units or pieces inside the luggage or packets do not correspond to the bills, invoices, other documents or details submitted by the importer, the owner of such goods or his or her agent shall be responsible therefor.

- (2) A person holding any goods shall be responsible for the production of such evidence as is satisfactory to the Customs Officer that the person has imported such goods in accordance with law or has paid the duty chargeable on such goods in accordance with law.

77. Owner of goods to bear expenses:

The owner of goods shall at his or her own expense do such acts as carrying the goods, taking the goods to the proper place for their opening or examination, putting the goods on and off a machine, open and set aside the goods and putting marks on the containers, boxes, bags, packets, sacks of or containing the goods or similar other packing materials of the goods.

78. Duplicate copies to be provided:

- (1) The concerned person who wishes to obtain a duplicate copy of any certificate, bill or other document held in the Customs Office may submit an application, accompanied by the fees as prescribed.
- (2) The concerned Customs Officer may inquire into the application made pursuant to sub-section (1) and issue a duplicate copy of such bill or document.

79. Issuance of certificate of goods imported:

If a person who imports goods subjected to sales tax or any other tax in a foreign country submits an application to the concerned Customs Office for a certificate thereon, the Customs Officer may issue the certificate in the form as prescribed to the applicant, by collecting the fees as prescribed from such applicant.

80. Information to be sought:

- (1) Any importer may submit an application to the concerned Customs Office and seek information on the bases adopted by that Customs Office in the determination of customs value of the goods imported by the importer.
- (2) If an application is submitted pursuant to sub-section (1), that Office shall provide such information to that importer within seven days.

81. Issuance of summons and action and settlement:

- (1) Notwithstanding anything contained in the prevailing laws, in issuing the initial summons in the name of the concerned person in relation to an offense under this Act, the Customs Officer or such other officer employee of the Customs Office as authorized by the Customs Officer shall issue such summons as prescribed.
- (2) The summons issued pursuant to sub-section (1) shall not be extended.
- (3) The Customs Officer shall settle any case filed pursuant to this Act normally within three months.
- (4) In the event of failure to settle any case within the time referred to in sub-section (3), information thereof, setting out the reason for such failure, shall be given to the Director General.

82. Mode of issuance of notice:

Except where separate provisions are made in this Act and the Rules framed under this Act, the Customs Office shall, while issuing a personal or public notice in the name of a person who has or may have concern with the activities of the Customs Office, issue a notice, as prescribed, by giving a period of seven days.

## 83. Delegation of powers:

- (1) The Government of Nepal may, by notification in the Nepal Gazette, delegate any or all of the powers conferred to it by this Act or the Rules framed under this Act to the Director General or any other official prescribed in that notification.
- (2) The Director General may, as required, delegate some of the powers conferred to him or her by this Act to any subordinate officer employee.

## 84. Power of Ministry of Finance to designate any official and confer powers to such official:

The Ministry of Finance may confer all or any of the powers which the Customs Officer has under this Act to any official.

## 85. Powers of Ministry of Finance to designate any official:

- (1) If a petition is filed that the Customs Officer alone or in connivance with any other employee, is going to do or is doing or has done any act contrary to this Act or the Rules framed under this Act, the Ministry of Finance may designate another Customs Officer or other official to perform activities pertaining to that function.
- (2) The official designated pursuant to sub-section (1) shall perform such activities in accordance with this Act.

## 86. To exercise same powers as court has:

For the purposes of this Act, the Customs Officer or other employee shall have the same powers as the court of first instance has under the prevailing laws in relation to the summoning of the concerned person, taking his or her deposition, examination of evidence, requiring the submission of documents and the trial of case.

## 87. Duty to render assistance and help:

If, in the course of exercising powers and performing duties under this Act or the Rules framed under this Act, the Customs Officer or other employee asks the police and other governmental employee for any kind of assistance or help, it shall be the duty of such police or employee to render such assistance or help.

## 88. Other body not to intervene:

No authority or body shall, in relation to any goods remaining within the Customs Office for export or import, make any kind of intervention until such goods are cleared by that Office and removed from the customs area.

## 89. Power to prescribe headings or sub-headings of goods:

- (1) If, in determining the customs duty, there is a doubt as to in which heading or sub-heading of the harmonized system do any goods fall, the Customs Officer shall classify such goods in the heading or sub-heading as prescribed by the Director General.
- (2) If, prior to the exportation or importation of any goods, any exporter or importer submits an application to the prescribed committee also comprising an expert in the field concerned for the specification of the heading or sub-heading of commodity classification of such goods, the committee may, also examining a sample of such goods, prescribe the heading or sub-heading of such goods.
- (3) The Director General and the committee shall, in prescribing a heading or sub-heading pursuant to sub-section (1) and subsection (2), respectively, so prescribe based on the authentic text of the harmonized system of the World Customs Organization.
- (4) For the purposes of prescribing the heading or sub-heading of any goods pursuant to sub-sections (1) and (2), advice of the concerned expert or national or international body may be sought.
- (5) The other functions and rules of procedures of the committee referred to in sub-section (2) shall be as prescribed.

90. Power to issue order:

If there arises any difficulty in the course of implementing this Act, the Ministry of Finance may, for the removal of such difficulty, publish a notice in the Nepal Gazette in a manner that such notice is not contrary to this Act.

91. Power to take action:

If any person arrests any other person while bringing goods through elsewhere than the customs area by evading the customs duty and produces such other person for action under this Act, the Director General or the official deputed by him or her shall have the power to take action against such person.

92. Power to frame Rules:

- (1) The Government of Nepal may frame Rules in order to implement the objectives of this Act.
- (2) Without prejudice to the generality of sub-section (1), the Government of Nepal may frame rules of origin in relation to goods to be exported or imported.

93. Power to make directives:

The Department may, subject to this Act or the Rules framed under this Act, make directives on the procedures of valuation of goods, examination and clearance of goods and auction of goods by the Customs Office.

94. Repeal and saving:

- (1) The Customs Act, 2019 (1962 A.D.) is hereby repealed.
- (2) The Customs Department and Customs Offices established under the Customs Act, 2019 (1962 A.D.) shall be deemed to have been established under this Act.
- (3) All acts done and actions taken under the Customs Act, 2019 (1962 A.D.) shall be deemed to have been done and taken under this Act.

Date of certification: 2064.5.14 (31 August 2007)

By order,  
Dr. Kul Ratna Bhurtel  
Secretary of the Government of Nepal

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## **Customs Rules 2007**

Unofficial Translation

### **History**

- 28 April 2007: First promulgated, Nepal Gazette (Nepal Rajpatra), Volume 58, Suplimentary 1, Bhaishak 15, 2065
- 9 February 2009: First Ammendment, Nepal Gazette, Volume 58, No.43 ..., Magh 27, 2065
- 13 July 2009: Second Amendment, Nepal Gazette, Volume 59..., No supplementary 15A, Asar 29, 2066

(Consolidated Text)

In exercise of the powers conferred by Rule 92 of Customs Act 2007,

Government of Nepal has framed the following Rules.

### **Chapter 1 Preliminary**

#### **1 Short Title and commencement:**

1. The name of these rules is "Customs Rules, 2064";
2. These Rules will come into effect immediately.

#### **2 Definition:**

Unless the subject or context otherwise requires, in these rules

- a) "Act" means Customs Act, 2007,
- b) "Third country" means foreign countries other than India,
- c) "Valuation Review Committee" means Committee constituted under the sub-rule 2 of rule 61 of the Act,
- d) "Owner of Goods" means owner of any goods for export or import.

### **Chapter 2 Customs duty privilege, exemption and other privileges**

#### **3 Diplomatic privilege or duty privilege may be granted**

1. As per the sub-rule (1) of rule (9) of the Act, those institutions, officials or persons., who are entitled to diplomatic privilege or duty privilege, should apply in the Ministry of Foreign Affairs declaring the descriptions of the goods, price and quantity in order to avail of such privileges.
2. The application received, under sub-rule (1), should be scrutinized and, if the Customs privilege or duty privilege need to be granted, the Ministry of Foreign Affairs should forward two copies of recommendation form as prescribed in Schedule 1.
3. Upon the receipt of the recommendation form as per sub-rule (2), the Department should Forward one copy of recommendation form for execution to the Customs office or Duty Free Shop.
4. Upon the receipt of the recommendation form as per sub-rule (3), concerned Customs office or Duty Free Shop should grant diplomatic privilege or duty privilege to the concerned institution, official or person as recommended in the form.

5. Concerned Customs office or Duty Free Shop should submit the description form of diplomatic privileges or duty privileges as per sub-rule (4) to the Department and one copy of such description form should be kept for record in the office.

6. For the purpose of this sub-rule, the Ministry of Foreign Affairs should provide at a prior date the specimen signature of the authorized official to the Department, who will recommend the diplomatic privilege or the duty privilege.

**4 Formality to be fulfilled regarding duty privilege for sending goods from one part of Nepal to another part of Nepal through foreign territory:**

1. In case of sending Goods from one part of Nepal to another part of Nepal through foreign territory, the owner of goods should submit declaration form containing full particulars to the concerned Customs office. Such declaration form should also clearly specify the Customs office from which the goods re-enter into Nepal.

2. In case a declaration form as mentioned in sub-rule (1) is received, the Chief of the Customs Office shall not permit the movement of such goods through foreign territory if cheaper or more convenient means of transport are available for carrying them through the territory of Nepal itself or that it is advisable to send such goods through the territory of Nepal itself from the viewpoint of the Customs administration also.

3. In case a declaration form as mentioned in sub-rule (1) is received, the Chief of the Customs Office shall permit the movement of such goods through foreign territory by keeping record of the duty or Customs duty on deposit, specifying such goods, affixing Customs seal, recording the transit time on the declaration and submitting the same declaration to the owners of the goods, if he is satisfied that cheaper or more convenient means of transport are not available for carrying them through the territory of Nepal itself or that it is advisable to send such goods from the viewpoint of the Customs administration also, 4. In case of goods banned to import in foreign country needs to be transported from one part of Nepal to other part of Nepal through their territory, the owners of the goods should follow the prescribed rules as incorporated in the Transit Treaty or Agreement between Nepal and the foreign country if there is any such Treaty or agreement in effect.

5. The Customs office receiving the declaration form of the Customs office authorizing to export goods as per sub-rule 3 and the goods declared in the declaration form and transport document and found the goods as per the description in the declaration form should allow the import of such goods without charging Customs duty by noting in the declaration form. The Customs office should inform and send one copy of declaration form to the Customs office authorizing for export within 30 days. Nevertheless, if the declaration form as issued by the Customs office to export is not presented to the Customs office, the importing Customs office should allow the import by depositing the Customs duty equivalent. Nevertheless, if the declaration form as issued by the Customs office allowing export is not presented to the customs office, the importing customs office should allow the import by depositing the customs duty equivalent.

6. Upon the receipt of the information as per sub-rule 5, the export authorizing Customs office may allow the refund of the Customs duty or reconciled the record, if the circumstances warranted such action. Provided that in case the goods permitted for the import of which has been granted are found to have been partially imported, such amount of the Customs duty as is due on the goods which are not imported shall be deducted from the amount of the deposit. In case the goods are released keeping duty on record, such amount shall be collected from the owner of the goods within seven days.

**5 Formality to be fulfilled regarding duty privilege for sending Goods from one part of foreign country to another part of foreign country through Nepalese territory**

1) In case of sending Goods from one part of foreign country to another part of foreign country through Nepalese territory, the owner of goods should submit an application in the Department of Customs specifying the reasons for using Nepalese territory, export and import Customs point and description of particulars of goods.

2) In case the application as mentioned in sub-rule (1) is received, the Department of Customs, after the scrutiny of the application, shall permit the movement of such goods through Nepalese territory if the Department is satisfied. The Department may seek recommendation letter from the concerned Embassy or Diplomatic office located in Nepal, before granting such permission.

3) In case of permission granted as per the sub-rule 2, the owner of the goods should submit the declaration form with description of goods and the permission letter in the concerned Customs office. The name of the Customs office from which the goods are re- exported should be mentioned clearly in such declaration form.

4) In case a declaration form as mentioned in sub-rule (3) is received, the Customs Office, after certifying the description of goods with the seal of the office, shall permit the movement of such goods from one part of foreign territory to another part of foreign territory through Nepalese territory as per the decision of the Department inserting condition to reach in the specified place of exit within seven days in the declaration form and submitting such declaration form to the owner of the goods.

5) In case the declaration form, the particular of goods and the transit permission as mentioned in sub-rule (4) is received, the Customs office, after the scrutiny of the papers are found valid and after noting in the declaration form shall release such goods for export and a copy of such declaration form shall be notified to the import allowing Customs office within 3 days.

6) After receiving the declaration form, the import allowing Customs office shall release any deposit of Customs duty in case such duty is deposited. Provided that in case the goods permitted for the import of which has been granted are found to have been partially exported such amount of the Customs duty as is due on the goods which are not exported shall be deducted from the amount of the deposit. In case the goods are permitted without keeping duty on deposit, the duty shall be collected from the owner of the goods.

7) Notwithstanding the provisions made in the sub-rules, in case of goods which are banned to import in Nepal, need to be transported from one part to another part of foreign country through Nepalese territory, provisions relating to the bilateral Treaty or Agreement between Nepal and respective countries shall prevail.

## **6 Formality to be fulfilled for sending goods from one foreign country to another foreign country through Nepalese territory:**

1. The Department may specify the Customs offices for the purpose of sending goods from one foreign country to another foreign country through Nepalese territory.

2. In case of sending goods from one foreign country to another foreign country through Nepalese territory, the owner of goods should submit goods and the four copies of application form prescribed by the Department and the declaration form in the related Customs office.

3. On the scrutiny of the declaration form and prescribed form as mentioned in sub-rule (2) is found to be not containing the banned goods, the Customs Office shall permit the movement of such goods within a period up to fifteen days transit period through Nepalese territory to the foreign country by charging service fee as determined by the Government of Nepal. The container with the goods should be sealed, and the forms should be certified. One copy of the certified form should be handed over to the owner of goods, one copy should be kept for office record and two copies of the forms should be sent to the exporting Customs point.

4. Upon receiving the goods by the export permitting Customs office, such office shall certify the forms as per sub-rule 2 and permit the export of such goods and send a copy of the certified copy to the import allowing Customs office.

5. In case the goods are not exported as per sub-rule 3 using the transit of Nepal to another foreign country within the time period, the owner of goods should apply in the Department for the extension of the time period stating the reason for the delay. Upon receiving the application and if the reason is found satisfactory, the Department may extend the time period.

6. In case such imported goods are not exported within the prescribed time period and sold or used in Nepal, the owner of goods should pay the due Customs duty as well as additional hundred percent Customs duty.

7. As per this rule, for sending goods from one foreign country to another foreign country through Nepalese territory, sealed container should be used.

## **7 Export or Import of goods for repair**

1) In case it becomes necessary to send any goods to a foreign country from Nepal for the purpose of repair or to bring such goods into Nepal from abroad after repair thereof, full particulars regarding the number, and size and specification of such goods, as far as possible, shall be filled up in the declaration form and submitted to the Customs officer.

2) In case any declaration form as mentioned in sub-rule (1) is received, Customs officer may allow passage for such goods, after receiving deposits equivalent to 0.5 percent of the value of goods for aircrafts, helicopters or spare parts thereof and 5 percent of the value for the other goods.

3) Goods exported to foreign country for repair shall have to be brought back within three months and Customs duty is chargeable on the expenses involved in such repair or on the price of the spare parts which are replaced. The chargeable Customs duty will be deducted from the amount of the Customs deposit furnished and the balance of the deposit will be refunded.

4) In case time limit prescribed in sub-rule (3) for bringing back such goods after repair is inadequate, an application accompanied with documentary evidence of such inadequacy shall be submitted to the Customs officer. The Customs officer may, if he so deems appropriate, extend the time limit by a period not exceeding three months. In case the additional time limit is inadequate, the Customs officer should write to the Director General of the Department of Customs with the reasons and in case the Director General approves the extension of the time limit, the Customs officer should extend the time accordingly.

5) As per this rule, the goods exported for repair are not brought back within the time limit prescribed under sub-rule (3) and (4) but brought back after the lapse of time limit, the deposited amount shall be seized and such goods shall be treated as fresh import and Customs duty shall be chargeable accordingly.

6) In case it becomes necessary to bring any goods from a foreign country to Nepal for the purpose of repair or to send back such goods from Nepal to abroad after repair thereof, full particulars regarding the number, specification and size of such goods shall be filled up in the declaration form and submitted to the Customs officer.

7) In case any declaration form as mentioned in sub-rule (6) is received, Customs officer may allow passage for such goods, after receiving deposits equivalent to the chargeable Customs duty and noting the time limit of six months for the export of such goods.

8) As per sub-rule (7), the goods imported for repair is returned within three months' time limit and the documentary evidence is presented for the payment of repair, the Customs duty deposited at the import time shall be refunded. In case goods are not returned or the specification of the goods did not match with the goods that is presented for export or documentary evidence for the payment is not presented, such goods and the deposited amount at the time of importation shall be seized.

9) In case airline company registered to operate airlines have to export engines of airplane or helicopter for repair and during the period of repair if the airway company has to import engine on rent from the foreign country, the company may import engine on bank guarantee equivalent to Customs duty in the Customs office and such import should be for maximum period of six months. If the engine is exported within the period, the bank guarantee will be released. If the engine is not exported within the period, the Customs duty should be charged treating engine as fresh import.

10) Notwithstanding the provisions mentioned in the rule, on the recommendation of the Ministry of Foreign Affairs, the diplomatic mission may export to repair goods and import after repair without deposit and on record.

### **8 Re-export or Re-import of exported or imported goods:**

1. The purpose for which the goods have been imported, did not achieve the purpose or found to be sub-standard quality upon the laboratory test the chief of Customs office may release duty free such goods for re-export within a period of ninety days from the date of import or from the date of arrival at the Customs office on the condition that the similar goods are imported as replacement or the remittance of foreign exchange in Nepal in case payment in foreign exchange is already made on the import of such goods.

2. If the goods have been re-exported as per sub-rule (1), and the goods for replacement have not been imported or the foreign exchange paid for the goods have not been remitted within six months from the date of re-export of goods, the concerned Customs officer should write to the concerned office to take action in accordance with prevailing law of the land.

3. In case the supplier has supplied the goods as replacement, before re-exporting the goods within the time limit as per sub-rule (1), the Customs officer may release the goods levying the Customs duty after the scrutiny of the application of the importer and the documentary evidence of goods imported.

4. In case the goods have been received as replacement as per sub-rule (3), the goods to be re-exported shall not attract the Customs duty or if the Customs duty was paid before, such Customs duty shall be refunded. But, in case the goods is re-exported after the lapse of the time limit, the Customs duty paid before shall not be refunded.

5. In case it becomes necessary to export or import any goods for the purpose of sale or display at any seasonal market, or at any fair or exhibition inside or outside of Nepal the owner thereof shall indicate in the declaration form the purpose of such export or import and produce such goods at the Customs office.

6. A deposit equivalent to the amount of the Customs duty due on the import or export of goods under sub-rule (5) shall be collected.

7. In case of goods exported or imported after sale at a seasonal market, fair or exhibition, the Customs office shall forthwith refund the deposit after deducting the amount which are not re-imported or re-exported as the case may be; provided such goods are brought in the customs offices the following day after the seasonal market, and within 30 days excluding time consumed for transportation after the end of fair or exhibition.

8. Nevertheless, the Customs officer may release the goods without duty and keeping record only, in case the goods are exported or imported according to this rules and on the recommendation of the fully owned or majority owned government enterprises or the diplomatic missions. In case the goods exported are consumed in the foreign country or goods imported are consumed in Nepal, the concerned importer or exporter of goods should pay the applicable duty on the amount of goods consumed.

9. The rule provides that the export or the import of goods should be done from the same Customs office.

10. In case the import or the export of goods cannot take place as per sub-rule (9), the concerned person should apply stating the reasons at the Department. If the reasons stated in the application is found to be justifiable, the Department may allow the import or export of goods from different Customs office.

11. In case of containers supplied for the use and transportation of such goods, for the repeated use of such goods, and as long as it is used the container cannot be emptied, the Customs officer may release such container without charging Customs duty due after the furnishing of the bank guarantee for the Customs duty equivalent, and noting in the declaration form the time period for



the return of such container. If the container is not returned within the specified time period, the Customs duty shall be deducted from the bank guarantee. If the user of the goods in the container can be transferred to other container by pouring such goods, this facility will not be granted under this sub-rule.

12. If any industry imports goods from the empty container for the industry's use and intends to export container for this purpose, the owner of goods should apply to the Customs officer specifying the reasons.

13. In case such application is received as per sub-rule (12), the Customs officer may permit the export of container on the conditions that five percent of the value of empty container is deposited in cash or bank guarantee equivalent to the amount valid for six months is furnished and the container is imported with the goods within three months.

14. If the container is not imported within the specified time period as per sub-rule 13, the industry should apply stating the reasons for the extension of time period. In case of such application, if the Customs officer found the reason justified, the chief of Customs office may extend the time period by one month.

15. If the container is imported within the specified time period as per sub-rule 14, by loading the goods by the industry, the Customs officer should collect the chargeable Customs duty and refund the cash deposited earlier or release the furnished bank guarantee as per sub-rule 13.

16. In case the container is not imported within the specified time period as per sub-rule (14) by the industry, the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions. In case such container is imported after the elapse of the time period, the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions and the goods contained in the container should be cleared by charging the Customs duty.

17. Any importer of the chassis of the bus or truck would like to export such chassis for the purpose of making body should apply to the Customs officer enclosing the copy of declaration form at the time of import within the three months from the date of import.

18. If the application is received as per sub-rule 17, the Customs officer may permit the export of chassis on the condition that five percent of the value of the chassis is deposited in cash or bank guarantee equivalent to the amount is furnished and the chassis with body is imported within six months.

19. If the chassis with body is imported within the specified time period as per sub-rule 18, the Customs officer should collect chargeable Customs duty on the expenditure made on the making of the body and refund the cash deposit or release the bank guarantee whatever the case may be.

20. In case the chassis with body is not imported within the specified time period as per sub-rule (18), the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions. In case of re-import of chassis after the elapse of time period, the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions and clear bus or truck by collecting duty on the value of making body of such bus or truck.

### **Chapter 3**

#### **Provision relating to Bonded Warehouse, Bank Guarantee, and Special Economic Zones**

##### **9 Arrangements for the license of the Bonded Warehouse:**

1. Following Industry or person intending to avail of the facilities of bonded warehouse should apply at the Department for the license.

a) Industry exporting garment to foreign country,

- b) Industry exporting its product to third country,
- c) Except the Industry mentioned in rule (a) above, other industries exporting at least fifty percent of its production to India,
- d) Person who is importing goods to sale through the government licensed duty free shop.

2. Industry applying under sub-rule (1) should submit certificate stating that the industry qualifies as per rule (a), (b) or (c). In case the industry which is not operating for more than a year, intends to get license for the bonded warehouse should not need to submit certificate if it submits conditional contract paper with the export plan and conformity of its export to third country or exports to India of its production at least fifty percent.

3. If the application as per sub-rule (1) is found to be justified to issue the license, the Department may issue licensee to the industry by charging Rs. six thousand as a license fee.

4. The time period for the license as per sub-rule 1 will be valid for one year. The licensee can get the license renewed from the Department by paying renewal fee of Rs. Three thousand before the next fiscal year starts, if licensee intends to renew the license for the next fiscal year.

5. If the licensee failed to renew the license as per sub-rule (4), the licensee should pay additional fee of Rs. three thousand for each fiscal year for the renew of the license.

6. Notwithstanding the provision mentioned in the sub-rule 5, the licensee is deprived of the bonded warehouse facilities accorded to the licensee for the period failing to renew the license.

#### **10 Facilities granted to the licensee of the Bonded Ware House:**

1. As per sub-rule (9), the licensee of the bonded ware house, may import necessary raw materials and the auxiliary raw materials (including the packaging materials not produced in Nepal) with the furnishing of the bank guarantee equivalent to the chargeable Customs duty for the purpose of producing goods for export or sale in Nepal in convertible foreign currency.

2. As per sub-rule (1) the Bank Guarantee should be furnished to the amount equivalent to the total of chargeable Customs duty in addition to 25 percent on such Customs duty.

3. As per sub-rule (1), time period of the bank guarantee should be from six months to twelve months. In case of six months bank guarantee, if the extension is required beyond 6 months, it can be extended from 6 months to 12 months. In case of time extended as per sub-rule (3), Bank Guarantee time period should be extended accordingly.

4. In case of packing materials not produced in Nepal, the Department will provide bonded warehouse facilities on the recommendation of the Department of Industry stating that the packing materials are not produced in Nepal and bonded warehouse facility be extended.

5. The owner who received the license of bonded ware house to operate the duty free shop, should furnish the bank guarantee equivalent to the chargeable Customs duty for the import of goods to sale from the duty free shop. In order to import such goods, the Department should approve the list of goods and their quantity.

(5a) The goods imported as per sub-rule (5), the liquor and cigarette should be sold to the person and organization specified to receive diplomatic and Customs duty privilege on the recommendation of Ministry of Foreign Affairs, Government of Nepal as incorporated in sub-rule (2) of rule (3).

6. Customs Industry licensed to operate bonded warehouse as per agreement with the foreign buyer to buy its product under buyback agreement and with the recommendation of Department of Commerce can import raw materials and auxiliary raw materials under bank guarantee equivalent to Customs duty without opening of Letter of Credit. The product under this agreement should be made of the raw materials and auxiliary raw materials of no value sent by the foreign buyer charging only the cost of production incurred during production process and the profit and exported to same buyer or other buyer if recommended by Ministry of Commerce.

7. The importer who is importing as per sub-rule 6, should submit the recommendation letter of the Department of Commerce specifying the necessary procedures and the terms and condition for the import without letter of credit agreement with the foreign buyer, and invoice of value for the Customs purpose only with the declaration form.

8. In order to furnish the bank guarantee, the bank guarantee should be issued only by the Bank and the financial institution permitted to do so under the prevailing rule.

**11 Special arrangement for the import of goods by furnishing bank guarantee or deposit:**

1. Airline companies can import goods for catering services and for in-flight duty free shop in the international flight by furnishing bank guarantee or cash deposit equivalent to the chargeable Customs duty. In case the airlines imports such goods by itself and prefer to buy such goods from bonded warehouse or duty free shop, the airlines can buy such goods from bonded warehouse or duty free shop designated by the Department.

2. If the Nepali textile industry intends to sale its product to the export oriented garment industry, the yarn needed for the production of such product may be allowed to import by furnishing bank guarantee equivalent to the chargeable Customs duty on the recommendation of Textile Industry Association. Customs

**12 Terms and conditions to be followed by the industry with bonded warehouse facility**

1. The industry with bonded warehouse facility should export the goods through Letter of Credit or banking documents.

2. The industry with bonded warehouse facility should export the finished products within eleven months from the date of import of raw materials or auxiliary raw materials (including packing materials not produced in Nepal).

3. On the export of the finished product made of imported raw materials or auxiliary raw materials (including packing materials not produced in Nepal) by the industry with bonded warehouse facility as per rule 10, the value addition on export should be ten percent over the value as determined by the Customs office Customs.

4. The rate of value addition as per sub-rule (3) is calculated in the following manner. FOB price of export minus value determined by the Customs at the time of import of materials as per rule (10) used in the finished product. The residual amount is divided by value determined by the Customs at the time of import of materials used in the finished product. The amount so derived from division is multiplied by hundred, which is the rate of value added in this case.

5. The person getting the license of bonded warehouse, should sale the goods from the duty free shop in one year from the date of import as imported for the sale in duty free shop.

6. The textile industry importing yarn as per sub-rule (2) of rule 11 should sale its textile made from such yarn to the export oriented garment industry within eleven months from the date of import of yarn.

**13 Time period extension:** As per sub-rule (2),(5), and (6 ) of rule ( 12), if the person applies for the time extension at the Department with the reasons for not being able to export or sale the product within the allowed time period, the Department may extend the time period by three months if the reasons are found to be justified.

**14 Application to be submitted for the release of Bank Guarantee or deposit**

1. The industry with the bonded warehouse facility should apply for the release of the bank guarantee in the concerned Customs office as per the time period of sub-rule (12) or extended time period of sub-rule (13) with the attachment of the following documents;

- a) Document relating to import of goods as per sub rule (10);
- b) Document relating to the export of finished product;
- c) Certificate of foreign exchange earning issued by the concerned bank;
- d) Certificate of consumption ratio of use of raw materials and the auxiliary raw materials from the concerned agency.

2. The person with the bonded warehouse facility to sale the goods from the Duty Free Shop, should apply for the release of the bank guarantee or cash deposit in the bank guarantee or cash guarantee deposited Customs office as per the time period of sub rule (12) or extended time period of sub rule (13) with the documents relating to the sales from the Duty Free Shop.

3. The Airline companies should apply for the release of the bank guarantee or the cash deposit as per sub rule (1) of rule (11) in the bank guarantee or cash guarantee deposited Customs office with the documents relating to the use of the goods at the international flight.

4. The Textile Industry should apply for the release of Bank Guarantee at the Customs office where the bank guarantee is deposited as per sub rule (2) of rule (11) along with the following documents:

- i. Certificate of sales of textile to the garment industry made from the yarn within eleven months from the date of import of yarn with minimum ten percent value addition;
- ii. Sales agreement between the textile purchasing garment industry and the yarn importing textile industry;
- iii. Yarn consumption ratio certified by concerned agency;
- iv. Bank guarantee paper issued on the recommendation of the textile purchasing garment industry equivalent to the chargeable Customs duty on the import of yarn.

4(a) Notwithstanding the provisions made in sub rule (4), Yarn importing industry after the sale of textile to the garment industry, may chose not to release the bank guarantee until the garment industry exported the garment. In such a situation, the textile industry should apply for the release of the bank guarantee within twenty two months from the date of import of yarn with the attachment of the following documents:

- i. Documents as mentioned in sub-rule (4);
- ii. Documents certifying the export of garment with the minimum ten percent value addition by the garment industry;
- iii. Documents relating to the ratio of consumption certified by the concerned agency;
- iv. Foreign exchange earning certificate.

5. Export oriented industry which purchased textile from the industry importing yarn by furnishing bank guarantee as per sub rule (2) of rule (11), should submit application with the following documents for the purpose of release of the bank guarantee as per sub rule (4) of rule (11): Documents relating to export of garments manufactured from textile purchased from the yarn importing industry with the minimum ten percent value addition within eleven months from the date of purchase; Certificate of foreign exchange earning authenticated by the concerned bank; and Certificate of ratio of consumption.

6. In order to release the bank guarantee furnished as per sub rule (6) of rule (10), should submit application with the following documents:

- Documents relating to the export of garments manufactured with the minimum ten percent value addition as prescribed by the Department of Commerce within the time limit as specified in accordance with per sub rule (5) of rule (12) or within the extended time period in accordance with sub-rule (13);
- Certificate of foreign exchange earning equivalent to the amount of value addition authenticated by the concerned bank; and
- Certificate of ratio of consumption of raw materials and the auxiliary raw materials.

7. Notwithstanding the provisions in the rule, the exporter who has exported the products within the time limit and has fulfilled all requirements except the certificate of foreign exchange earnings

may submit application with adequate reasons for this and the Department may extend time-period maximum of three months to submit the certificate.

#### **15 Release of Bank Guarantee and the deposit:**

1. Upon the scrutiny of the application received as per sub-rule 14 and it is found that the applicant has fulfilled all the terms and condition mentioned in the those rules rule, the Customs office should release the bank guarantee and the deposit within one month.

2. The bank guarantee or the deposit equivalent to the Customs duty shall be partially released to the extent of the use of the materials in case of the following:

- Partial use of materials imported under the bonded warehouse facility in the manufacturing of the product which is exported;
- Partial sale of the goods from the Duty Free Shop within the time limit;
- Yarn imported under sub-rule (2) of rule (11) is partially used in the manufacturing of textile by the export oriented garment industry;
- Locally purchased of such textile is partially used by the export oriented garment industry for the manufacturing of the garment and export of such garment.

#### **16 To recover Customs duty from the bank guarantee and the deposit**

1. In case of not complying with the terms and conditions by the importer as per sub-rule (12) and such importer not submitting application as per sub-rule (14), chargeable Customs duty will be recovered from the furnished bank guarantee and chargeable Customs duty will be transferred to the revenue account from the deposited amount if such amount was deposited.

2. The customs duty that will be recovered from the bank guarantee as per sub-rule (1) will be equivalent to the sum of the customs duty chargeable on the day of import and twenty five percent addition on such customs duty.

3. In case of partial use of materials as per sub-rule (2) of rule (15), chargeable customs duty to be recovered from the bank guarantee on the materials not used will be equivalent to the sum of the customs duty chargeable on the day of import and twenty five percent addition on such customs duty.

4. Notwithstanding the provisions made in the rule, customs duty only will be recovered in case of transfer of deposit in the revenue account, and the duty free shop not able to sale the products within the time limit from the bank guarantee or deposit.

#### **17 The amount of Bank Guarantee should be paid on Customs office's demand**

1. On the request of the customs office, the bank guarantee issuing Bank or financial institution should pay the amount equivalent to the bank guarantee amount to the requesting customs office in whose favour the bank guarantee is issued within fifteen days of the date of request.

2. Until the payment as per sub-rule (1) is made by the Bank or Financial Institution to the customs office, the bank guarantee subsequently issued by the Bank or Financial Institution should not be accepted.

3. The Bank or Financial Institution which issued the bank guarantee in favour of the customs office, is not immune from the liability of payment equivalent to the amount mentioned in the bank guarantee, unless the bank or the financial institution receive letter notifying the release of the concerned bank guarantee by the customs office.

#### **18 Arrangement for the sale of goods and the refund of the customs duty on such goods sold to the industry located in the Special Economic Zone:**

1. On the prior approval of the Department, if the importer sales imported goods to the industry located in the Special Economic Zone, such importer, in case of payment of customs duty at the

time of import, should apply at the customs office for the refund of the customs duty within sixty days of the date of import along with the attachment of the following documents:

- a) Invoice, Customs declaration form and cash receipt at the time of import;
- b) Sales Agreement between the purchaser industry and the seller importer;
- c) Receipt of sales of goods
- d) Certified copy of the ledger for the purchase of goods by the purchasing industry;
- e) Documents relating to the payment for the purchase by the purchasing industry; and
- f) Bank Guarantee issued in favour of the customs office equivalent to the customs duty on behalf of the purchasing industry or the sales importer.

2. If the chief of the customs office found, on the scrutiny of the application received as per sub-rule (1) of rule (18), that the refund of the customs duty is justified, refund – full or partial should be made within thirty days from the date of application received.

3. If the chief of the customs office found, on the scrutiny of the application received as per sub-rule (2) of rule(18), that the refund –full or partial- of the customs duty is not justified, the applicant will be notified accordingly.

4. If the industry located in the Special Economic Zone submits the documents relating to the sales of finished product manufactured from the purchase of goods as per sub-rule (1) of rule (18),and the foreign exchange receipt against the export of such finished product, the bank guarantee as per clause (f) of sub-rule (1) will be released.

5. Notwithstanding the provisions in this sub-clause, in case the seller has sold the goods by adding the customs duty in the import price, such customs duty will not be refunded.

#### **Chapter 4** **Arrangement for the inspection of the Customs Declaration form and goods and destruction of not usable goods**

##### **19 Details may be sent through electronic medium:**

1. Any exporter or importer may send particulars of the goods for export or import to the customs officer through electronic medium.

2. As per sub-rule (1) the procedure to send description through electronic medium shall be determined by the department.

##### **20 Particulars to be furnished by the driver of the vehicle:**

As per rule (17) of the Act, the driver of the vehicle should submit the particulars of the goods in the format provided in Schedule 2.

##### **21 Attachment of the documents with the declaration form:**

1. As per rule (18) of the Act, the person importing or exporting goods, while submitting declaration form to the customs officer, should submit following documents:

###### **(a) Import from third country**

1. Banking document regarding payment procedure
2. Invoice
3. Packing list
4. Bill of Lading or Airway Bill
5. Certificate of Origin
6. Foreign exchange Control Form
7. Customs transit document in case of import through India transit
8. Airlines Delivery order in case of import through Airway
9. Terminal Management's delivery order in case of customs office managing the terminal

10. Documents which are required as per prevailing law regarding the recommendation, license, or certificate from any institution

**(b) Import from India:**

1. Invoice
2. Packing list
3. Documents which are required as per prevailing law regarding the recommendation, license, or certificate from any institution
4. In case of import under in-bond, in addition to the documents mentioned in clause(1),(2), (3) in this sub-rule, documents relating to Nepal Invoice ( In-bond form), Foreign Exchange Control form, Banking document regarding payment procedure and documents mentioned in it
5. In case of import under Duty Refundable Procedure, documents mentioned in clause (1),(2),(3) in this sub-rule and Nepal Invoice (D R P Form)

Clarification: For the purpose of this clause, "In- Bond" means import from India by paying foreign exchange as specified in the procedure issued by Nepal Rastra Bank and "Duty Refundable Procedure" means deduction of excise duty paid in India from the chargeable customs duty on the import of goods from India as per the provision made on the Trade Agreement between Nepal and India.

**(c) Export of goods**

1. Invoice
2. Packing list
3. Certificate of Origin
4. Banking document regarding payment procedure, in case of export to third country
5. Documents which are required as per prevailing law regarding the recommendation, license, or certificate from any institution

2. Notwithstanding the provisions in sub-rule (1), if the firm or industry is exporting or importing for the first time, such firm or industry should submit certified documents relating to the firm registration license in case of firm, the certificate of registration in case of industry, PAN number in case of both firm and industry.

**22 Format of Declaration Form: Format of Customs Declaration Form is given in Schedule 3.**

**23 Goods may be returned:**

1. As per sub-rule (4) of rule 30 of the act in case the goods have to be returned, the importer of the goods should apply with the customs officials and attach documents relating to invoice, letter of credit in case import is done through letter of credit, bill of lading, or airway bill and copy of packing list. Depending upon the nature of product, customs officer may ask for other papers relating to import as well.

2. After the application is received as per sub-rule (1) above, the customs officer should write to Director General with the description and his opinion.

3. In case of receiving a letter from the customs officer, if the Director General is satisfied after investigation that the goods should be allowed to return, the Director General should instruct the customs officer accordingly. After receiving such instruction, the customs officer should allow the importer to return goods to the supplier of foreign country within thirty days.

4. While allowing the goods to be returned, the customs officer should ask the importer to sign a bond stating that the importer will remit the foreign currency paid at the time of import within a reasonable time.

5. As per sub-rule (4) above, if the importer did not submit the certificate of foreign exchange within the time limit, the customs officer should write to the concerned agency to take action against the importer on the foreign exchange deflection as per prevailing law.

#### **24 Arrangement to inspect goods on the spot:**

1. Pursuant to rule (31) of the Act, any exporter or importer may apply to the customs officer attaching declaration form and other documents as per rule (21) for the inspection of exportable goods in the production centre or go-down in case of export or inspection of imported goods outside the customs area in case of import.

2. As per application in sub-rule (1) above, in case of inspection of exportable goods in the production centre or go-down in case of export or inspection of imported goods outside the customs area in case of import, Rs. 1,000 fee will be charged for each consignment.

3. In case of export of goods as per sub-rule (2) above, the inspection officer should seal the goods in the container in his presence after the inspection of the exportable goods and at the time of export the customs office should check the seal and allow to export after the customs office is satisfied.

4. In case of inspection of the goods going outside the customs area, as per sub rule (1) above, the exporter or importer should make arrangement for the vehicle, in case the inspector needs to use vehicle for this purpose.

#### **25 Arrangement to remove or destroy the goods which cannot be used:**

1. Chief of the customs office should make written decision giving reasons for the removal or destroying of the goods and also specify the procedure for carrying out the decision in case of following goods:

- a) As per rule (7) of the Act, the goods imported and abandoned and handed it over to the government by the importer, which cannot be used or condition of the goods is such that which cannot be auctioned.
- b) As per rule (30) of the Act, goods, upon the laboratory test, found to be harmful for health or environment or found to be adversely affecting health or environment, the exporter did not return the goods, despite the instruction issued by the customs officer to return such goods.
- c) Goods which could not be auctioned or which could not be used, should be destroyed or left to rot or worn out as per sub rule (9) of rule (50) of the Act.

2. In accordance with the decision made under sub-rule (1) above, the customs office should publicly destroy or remove the goods by making the list of items in the presence of two representatives of the two offices either from District Administration Office or District Treasury Office or nearby government office, representative of the local Federation of Nepalese Industry and commerce, if available; and customs Officer.

3. After the destroying or removing of goods as per sub-rule (2) the chief customs officer should certify such act and write off the goods from the list and inform the Department accordingly.

4. Notwithstanding the provision in the this rule the customs office should follow the instruction in case the destroying of goods or poisonous product or heavy equipment or vehicles adversely affect the people's health or environment.

### **Chapter 5 Arrangement for Post Clearance Audit**

**26 Importers need to keep the documents safely:** In accordance with section 34 of the Act, the importers should keep the following documents and papers relating to the import for the purpose of post clearance audit for four years from the date of import:

- a. Import Declaration form, customs receipt, purchase document;



- b. Sales invoice and sales document;
- c. Stock list with specific amount;
- d. Banking transaction relating to import and sales of goods;
- e. Balance Sheet and Profit and loss account and relating document;
- f. If the transaction is done through computer system, such a system;
- g. Any other documents relating to import, export and sales

**27 Other provisions for post clearance audit:**

1. For the purpose of sub-rule (2) of rule (34) of the Act, in order to determine whether the transaction value of the goods as declared by the importer is realistic or not, the value may be determined through the application of the all or any methods as stipulated in section 13 of the Act.
2. For the purpose of sub-rule (2) of rule (34) of the Act, in order to determine whether the quantity of the goods as declared by the importer is correct or not, the quantity may be determined by physical verification of the stock.
3. In order to determine the reality of the value as declared in the customs office at the time of import, the ledger of transaction may be checked from the sales of the product up to the retail level.
4. In order to do post clearance audit, the customs officer or the Director General should notify the concerned importer about the date and time of audit in advance, to the extent practicable.

**28 Power to demand documents:**

1. Post Clearance Auditor, the Director General or the customs Officer may ask for the documents as required, for the purpose of auditing from the bank, financial institution, any person or institution relating to the importer's business transaction or goods regarding the payment, Bank deposit, profit and loss account, tax returns, invoices, and other documents etc.
2. It is the duty of the concerned bank, financial institution or other agencies to make available the documents as per sub-rule (1).
3. Department may frame and implement procedure to manage and simplify post clearance audit. The procedure should not contravene the provisions of the Act and the Rules.

**Chapter 6**  
**Purchase of under invoiced Goods**

**29 Arrangements for the purchase of goods imported under invoicing:**

1. As per clause(b)of sub-rule (15) of rule (13) of the Act the importers declared price of the goods is less than the price determined by the customs officer, the customs officer may purchase such goods, with the prior approval of the Director General, by paying the total amount of additional 5 percent to the price declared by the importer. Government of Nepal may maintain a fund for this purpose. The amount allocated in the fund will not be freed.
2. The amount of fund as per sub-rule (2), will be as determined by the Ministry of Finance.
3. A Committee will be formed to manage and operate the Fund, as per sub-rule (1), with the following membership:
  - a) Director General Chairperson;
  - b) Director in charge of valuation Member;
  - c) Account Chief of the Department Member Secretary.
4. The Committee formed under sub-rule (3) will decided on its work procedure

**30 Purchased goods may be auctioned or may be used for the government:**

1. The goods purchased from the fund created under rule (29), may be auctioned following the procedure laid down in Chapter 7 or use the goods for government purpose.
2. The government should immediately replenish the fund used for the purchase of goods, in case the goods are used for the government purpose.

**31 Information to be given to importer:** The customs officer should notify in writing, in the format of Schedule 4, to the importer or their customs agent in case the goods are being purchased from the fund created under rule (29).

### **Chapter 7 Confiscation of goods and the auction procedure**

**32 Goods deposited in customs go-down should be cleared:**

1. The owner of the goods should arrange for clearance of goods within 90 days from the date of deposit of such goods in the customs go-down. But the chief of the customs office may notify the owner of the Goods to clear goods within a reasonable time-limit before the expiry of the date on the ground that the goods are harmful, perishable, not appropriate to keep in the godown or unavailability of the go -down space. If the owner of the goods does not clear within the notified time, the chief of the customs may take action under rule (47) of the Act.
2. The Manager of the go-down managed by the other person, should notify the customs office immediately the list of goods not cleared by the owner of the goods under sub-rule (1).
3. After receiving the list under sub-rule (2), the chief of the customs office should take action immediately as per rule (47) of the Act. 33.

**33 No auction without written notice:** Without the written notice of the Customs Officer, any goods seized under the Act or goods to be auctioned under sub rule (2) of rule (74) of the Act, should not be auctioned.

**34 Minimum value should be fixed:**

1. In case of auctioning of the goods, Customs officer should fix minimum value of such goods for the purpose of auctioning.
2. In order to fix minimum value under sub-rule (1), in case of vehicles, heavy equipment and goods purchased under clause (b) of sub- rule (15) of rule (13) of the Act, the minimum value determined by the committee under rule (54) should be the minimum value, for other goods other than mentioned above, the value declared at the time of deposit at the customs office should be the minimum value for the purpose.

**35 Procedure for auction:**

1. The customs office should invite bid for the auction of the vehicles, or heavy equipment which carries more than minimum value of Rs 1,000,00 (one lakh), by notifying the public giving notice of 21 days in the National level daily newspaper with the following particulars:
  - a) vehicles or transportation vehicle's particulars, engine number, chassis number or year of production;
  - b) in case of vehicles which is more than 20 years old from the date of production, no mention of engine number or chassis number or year of production or could not be mentioned, the re- registration of such vehicle cannot be done as vehicle.
  - c) minimum value;
  - d) bid sending procedure; fee for tender document; bid opening time, date and place; bank accounts for depositing 10 percent of the bidding price by the bidder and the true copy of the voucher of deposit;
  - e) any tax or fee to be charged on the auctioned amount;

- f) time period to take away the auctioned goods;
- g) place and time for the inspection or observation of; the goods;
- h) any other particulars

2. Except the goods mentioned in sub-rule (1), the other goods should be auctioned by giving notice of fifteen days with the following particulars mentioned in the notice displayed in the Public Notice Board of the customs office for the sealed quotation or open bidding. Such notices should be circulated to the District Administration Office, District Land Revenue Office, District Development Committee, District Treasury office and office of the District Federation of Nepalese Chamber of Commerce and Industry requesting them to display in the Public Notice Board.

- a) particulars mentioned clause (a), (b), (c), (e), (f), (g), (h), and (i) of sub-rule (1)
- b) description of the goods;
- c) in case of sealed quotation, quotation sending procedure; fee for sealed quotation document; bid opening time, date and place;
- d) in case of open bidding, place for open bidding, beginning and closing time and date;
- e) bidding to start from the minimum value of the goods;
- f) before starting the open bidding, ten percent cash deposit of the minimum value of goods and increment in the amount as the bidding amount increases in the same proportion.

3. The concerned customs office should make arrangement for the sale of the sealed quotation document or taking cash deposit, in case of sealed quotation or open bidding as per sub-rule (1) or (2).

4. Notice published as per sub-rule (1) or (2), the person bidding either for sealed quotation or open bidding should deposit 10 percent of the accepted value of the auction, more than the minimum value, in the bank designated by the customs office and attach the true copy thereof.

5. If the vehicle used for the smuggling of the goods is deposited in the customs office, and the customs office found that there is parking problem or could not be protected, the customs officer should arrange for the committee as mentioned in rule (54) to recommend minimum value and auction such vehicle following the procedure of this chapter.

### **36 Tender Approval or Re-tendering**

1. The application of bidding or quotation received as per rule (35), should be opened at the time and place mentioned in the public notice and the customs officer should prepare comparative chart of bidding amount or should prepare the evidence for the highest price bidding amount in case of public auction.

2. On the basis of Comparative chart or higher bidding amount as per sub-rule (1), the bidder bidding the minimum price or more than the minimum price should be approved. In case of number of bidders who have quoted more than the minimum price, the bidding of highest price should be approved.

3. As per sub-rule (2), after the approval of the bidding amount, the bidder should be given 7 days notice to deposit the balance amount and clear the goods.

4. If the bidder did not deposit the balance amount and did not clear the goods within the specified period as per sub rule (3), the deposit amount should be confiscated and may award the tender to the second, third or fourth lowest bidder. In case of the approval of the lowest bidder, if the auction is not realized, the deposit should be confiscated and re-tender for the sale.

5. As per sub rule (4), in case of re-tendering, the seven days notice for second bidding, sealed quotation, or public auction should be given.

6. In case the goods could not be sold at the minimum value in the second time tendering also, as per rule (54), the committee should revalue the minimum price and fix the revised minimum price and notice for re-tender in the manner mentioned in the rule (35), should be issued. In case the goods could not be sold through bidding in the revised minimum price, the customs officer could

sale the goods directly at the minimum price fixed in the presence of the representative of concerned District Administration Office and District Treasury Office.

7. If the goods could not be sold as per sub-rule (6), with the approval of the Director General, the customs officer should struck off the records of such goods from the customs record and destroy such goods in the manner mentioned in sub-rule (25).

8. In case of auctioning of the vehicles which are more than 20 years from the date of production or engine number or chassis number or production date not mentioned; in the successful bidder's expense the vehicle or engines or chassis should be destroyed and it should be noted in the customs declaration form.

9. Notwithstanding the provision mentioned in the rules, the customs office should sell to the Nepal Rastra Bank at current market price confiscated or government property not cleared by the owner gold, silver, diamonds and other precious stones and ornaments and other articles made there from, if the Nepal Rastra Bank is willing to purchase them. If Nepal Rastra Bank is not willing to purchase them or if any quantity is left over after it does so, such articles, with the approval of the Department, and the minimum value fixed as per the rule shall be sold by public auction in case the minimum value of such articles is up to one lakh or through bidding in case the minimum value of such articles is more than one lakh.

10. Notwithstanding the provision mentioned in the rules, in case of selling of goods by taking approval, such goods should be sold to the licensee only;

11. Notwithstanding the provision mentioned in the rules, in case the National Trading Limited, Salt Trading Corporation, Sajha Bhandar limited, Tara Gaon Bikash Samiti, or, cooperatives show willingness to purchase goods to be auctioned, the customs officer should sell such goods negotiating directly at the price not less than the fixed minimum price or more than the minimum price.

12. Notwithstanding the provision mentioned in the Chapter, in case the goods confiscated or seized by the customs office under the Act or purchased under clause (b) of sub-rule (15) of rule (13) of the Act, include rotten or worn-out items which are liable to depreciation of value or consumer items which have less than three months expiry date or items which cannot be preserved in the customs office because of lack of space or animals or birds, these shall be sold by auction on the day they reach the customs office or on the following day by putting notice in the Notice Board. The highest price of open bidding may be approved by the customs officer as per the rules.

13. In case there is no position of the customs officer hampering the bidding, the Director General should make appropriate arrangement for this purpose.

Clarification: For the purpose of this chapter, Customs Officer means Chief of Customs office of the Gazetted rank or in his absence, the officiating chief of the customs office.

## **Chapter 8** **Arrangement for Customs Agent**

### **37 License for the customs agent:**

1. For the purpose of appointing the customs agent, the Department may call application by issuing public notice from time to time from the persons interested to get customs agent licence

2. After the notification is published as per sub-rule (1), interested persons to get license and with the qualification as mentioned below may apply by paying the fixed fee in the Department or the customs offices in accordance with the format mentioned in schedule 5.

- a) more than twenty one years of age;
- b) minimum qualification certificate level or 12 grade pass or equivalent;
- c) no outstanding payment due to the government;

3. Notwithstanding the provisions in sub-rule (2), any person who has worked as representative of the customs agent for more than two years until Bikram Sambat 2065 Baishakh 14 and is certified by the chief of the customs office on the basis of the record, such person may apply for the customs agent and qualification mentioned in clause (b) of sub-rule (2) is not necessary for such person.

4. The Department will select the appropriate persons to issue license for customs agent from among the applicants through interview or written examination.

5. Person selected as per sub-rule (4), should pay customs agent license fee of Rs. Three thousand and deposit three hundred thousand in cash or the bank guarantee of the equivalent amount. In such case of the applicants applying in the Department or the customs offices, the respective offices should issue license in the format as mentioned in schedule -6.

6. The license issued as per sub-rule (5) will remain valid for one fiscal year. In order to renew the license, the interested licensee should apply to the license issuing authority by paying Rs 3,000/ as renew charge before the new fiscal year begins and should enclose following documents.

- a) Certificate of income tax payment;
- b) in case of bank guarantee, the due date of the bank guarantee should be for the period for which the customs agent license is to be renewed. But, in case the customs agent wish to renew the license for three fiscal years, the agent may apply for renew by paying sum of the license fee for three fiscal years.

7. If the customs agent could not renew the license as per sub-rule (6), the agent may renew it in one year from the date of expiry of the license by paying additional Rs 3,000/ as late fee. If any licensee did not renew the licence within this period, the license will be automatically cancelled.

8. Notwithstanding the provision mentioned in sub-rule (7), the customs agent will not be permitted to work as customs agent for the period failing to renew the license.

9. The licensee should normally be present in person at the customs office. In case of his absence, he should nominate a representative with the qualification as mentioned in the sub-rule (2) and may apply for the approval to the Chief of the customs office.

10. The Chief of the Customs Office may permit to nominate the representative after enquiring with the customs agent and his representative, once the application as per sub-rule (9) is received. After getting permission from the customs office, the customs agent should nominate the representative to work in the specific customs office to work on the customs agent's behalf and such nomination paper should be certified from the chief of customs office.

11. In case of customs agent appointing one representative, there is no need of additional deposit or bank guarantee as per sub-rule (5). In case customs agent is appointing more than one representative in different customs, not more than one representative in each customs office may be appointed in a manner laid down in sub-rule (10) and specified qualification in sub-rule (2). If such representative is to be appointed, the customs agent should deposit additional cash or bank guarantee in accordance with sub-rule (5), before the chief of customs office approves the nomination of the representative. But the customs agent cannot nominate another representative in the customs office if the representative has already been nominated in accordance with sub-rule (10).

12. The Person nominated by the customs agent as representative in accordance with the rule can work only in the designated customs office.

13. Customs agent will be fully responsible for the customs related activities of the customs agent's representative nominated in accordance with sub-rule (10) or (11).

14. The Department may implement the Manual relating to customs agent's rank, code of conduct, procedure to conduct examination, syllabus and other matters relating to customs agent without contravening the provisions incorporated in the Act and the rules.

15. The customs agent license issued before 2064 Baishak 14 will be considered as the license issued under this rule.

16. Notwithstanding the provisions in this rule, any person who has worked as representative of the customs agent for more than two years until Bikram Sambat 2064 Baishakh 14 and is certified by the chief of the customs office on the basis of the record, such person may be appointed as representative and qualification mentioned in clause (b) of sub-rule (2) is not necessary for such person.

### **38 Appointment of customs agent:**

1. Any exporter or importer, being present in the customs office, may clear the goods or other works relating to customs.

2. In case the exporter or importer is government institution, fully or partially owned public enterprises or institution, the Board of Director or the Chief Executive officer or administrative chief of such institution may decide to appoint a staff of the institution to be present at the customs office to clear the goods or do some other customs related function.

3. In case the exporter or importer is any legally registered firm, company, organized institution; the Director or partner or the Chief Executive officer or administrative chief of such firm, company, organized institution may decide to appoint an officer level staff of the firm, company, organized institution to be present at the customs office to clear the goods or do some other customs related function.

4. In case the exporter or importer would like to clear the goods or do some other customs related function through the custom agent, the exporter or importer may appoint the customs agent in the format as prescribed in Schedule 7.

5. In case a customs agent is appointed in accordance with Sub-rule 4, the exporter or importer should make available the following documents through the customs agent to the chief of the customs office from where the import or export takes place.

- a) appointment letter
- b) renewed customs agent's license,
- c) evidence to prove that the signature to appoint the customs agent is that of the legally registered exporter or importer,
- d) in case of firm, company, organized institution; certified copy of certificate of registration and PAN number. In order to establish the authenticity of the documents, the chief of the customs office may ask to produce the true copy of the documents.

But,

- a) If the importer or exporter has to reappoint the same customs agent in the same customs office, among the documents mentioned in this rule, the documents of non-renewable nature should not be submitted;
- b) If the importer or exporter is a natural person, such person should submit certified copy of renewed copy of license, citizenship certificate, PAN number if the person is liable to take PAN, along with the appointment letter of the customs agent.

6. The customs agent should submit the appointment letter as per sub- rule (5), and the attached documents to the Chief of the customs office from where the import or export of the goods takes place.

7. Upon the enquiry into the customs agent's appointment letter as per sub-rule (6) and the attached documents, if customs agent is found to be qualified to work in the customs related job, the chief of the customs office should allow the customs agent to fill in the particulars with his signature and keep the appointment letter for record and certify accordingly.

8. Upon the enquiry into the customs agent's appointment letter as per sub-rule (6) and the attached documents, if customs agent is found not to be qualified to working the customs related

job, the chief of customs office should cancel the appointment and inform in writing to the importer or exporter accordingly through the customs agent.

9. Customs agent appointed before the implementation of the rule should comply with the provisions made in sub rule (5), (6) and (7) within thirty days from the date of implementation of the rule. If customs agent does not comply with the rule, such agent will not be allowed to work.

#### **39 Training of the customs agent:**

The Department or through other institutions will, from time to time, organize training program for the licensee of the customs agent who have not started the work, or those agents who are providing services.

#### **40 The customs agent's license may be revoked under the following circumstances:**

- a) False particulars or false papers submitted to get license;
- b) Any court punishment on criminal charges.

### **Chapter 9 Arrangement for the review of Valuation**

#### **41 Application for the review of valuation:**

The person may apply to the Valuation Review Committee in the format as prescribed in Schedule 7 against the decision or the instruction of the Customs officer as per rule (13) of the Act. The copy of the application should also be forwarded to the concerned customs office within seven days from the date of application.

#### **42 The function, duty and authority of the chairman and the members of the Valuation Review Committee:**

1. Valuation Review Committee's function, duty and authority
  - a) Enquiry into the evidence presented by the applicant;
  - b) Approve the decision of the customs officer or revoke the decision and take decision on behalf of the customs officer;
  - c) Request to submit additional documents or evidence from the applicant;
  - d) Collect necessary information for the valuation of the goods.
2. Valuation Review Committee's decision should be communicated within seven days from the date of the decision to the applicant, Department and concerned customs offices.
3. Monthly progress report of the Valuation Review Committee should be submitted to the Ministry of Finance.

#### **43 Valuation Review Committee's work procedure:**

1. All the three members of the committee will exercise their authority collectively and the majority decision is considered as the committee's decision.
2. At the time of Valuation Review Committee's final decision on the application on the review of the valuation, the presence of Chairman and the two members are necessary.

#### **44 Period for the final decision:**

Valuation Review Committee should take final decision within ninety days from the date of registration of the application.

**45 Remuneration for the Chairman and the members of the Valuation Review Committee's:**

1. The Chairman will receive Rs. 8000 per month and members will receive Rs 6000 per month as allowance.
2. If the member is not the government employee, such member will receive remuneration equivalent to the basic salary of the gazetted second class officer in addition to the allowance mentioned above.

**46 Ministry of Finance to make necessary arrangement:**

Ministry of Finance will make arrangement for the Valuation Review Committee's office, physical facilities and necessary staff.

**Chapter 10  
Arrangement for Informer and Prize****47 Arrangement for Prize:**

1. Anybody who capture person(s) smuggling or seeking to smuggle goods or furnish information relating thereto, shall be granted commissions at the rates mentioned below in case it is proved that such goods have been smuggled or have been sought to be smuggled. The commission shall be paid from the proceeds of the auction of such goods after the case is settled.
  - a) For persons furnishing information about attempts to smuggle goods, ten percent of the auctioned value;
  - b) For persons seizing goods being smuggled and producing the same along with the smuggler, thirty percent of the auctioned value. But if such goods are gold, silver and ornaments, twenty percent of auctioned value
  - c) For persons who only seize and produce goods being smuggled, twenty percent of auctioned value.
2. According to this rule, if the commission for informer has to be given to the government employee, receipt of payment and the copy of the identity card must be enclosed in the record. If the informer is not the government employee but an individual, receipt of payment and the copy of the identity card of the individual must be enclosed in the record.
3. If the individuals getting commission as per subsection 1, are more than one persons, the amount of commission will be equally distributed.
4. Notwithstanding anything contained in the rule, the commission will not be paid if the informer does not comply with the rule.

Clarification: For the purpose of this rule "The proceeds of the auction of the goods" means the auctioned value or sales value, which does not include the legal taxes. The text above is given to Ram Prasad Sharma on January 1, 2010.

**48 Informer's report or information:**

1. Informer's report or information on export smuggling or import smuggling should be received before the goods are seized. The information will not be accepted after the seizure of the goods.
2. The Informer's report or information should be provided to Chief of the Customs office or Director General.
3. As per subsection 2, when the Director General receives informer's report or information, he should keep the record with his own hand writing and should inform the chief of the customs office verbally or in writing. The Chief of the Customs Office, after receiving informer's report or information directly or through Director General, should keep record confidentially noting the date and time in his own hand writing. If the informer's report or information is received from the



person other than Director General, the record should be kept as per the procedure in the rule and inform the Director General immediately.

4. Director General after receiving the information as per sub rule (3), should keep confidential record noting time and date.

5. Before the seizure of the goods, if more than one informer's report or information is received, the first report or information should be honored and the rest should be noted and filed.

6. Informer may submit report or information in the fictitious name instead of real name. In case of information on the fictitious name, the informer should immediately submit the real name and a copy of evidence of proof (Citizenship certificate or passport) to the Chief of the Customs office. After receiving the evidence, the chief of the customs office should certify and put the informer number and the date and seal it in an envelop with the informer registration book number and the date only.

#### **49 Particulars in the information:**

1. Following information should be included in the information report in case of export or import smuggling through airplanes:

- a) Airplane's flight number and time;
- b) To the extent possible, the export or import smuggler's name, if not the smuggler's physical features, and the mode of smuggling;
- c) Place where the goods are hidden, in case of goods hidden in the airplanes;
- d) In case of goods hidden in the cargo, airway bill number of the cargo, description of the goods, consignee's name, mode of hiding and the place of hiding.

2. Following information should be included in the information report in case of export or import smuggling through land route:

- a) If it is transportation vehicle, type of vehicle and number, in case of availability of number;
- b) Name of the goods being smuggled;
- c) Place, date and time of smuggling;
- d) if the goods being smuggled is hidden in some other goods the name of such goods and the mode of hide;

3. In case of time constraint or for some other reason, if the informer could not be present in person and submit the informer's report or information to the Director General or the chief of the customs office, the informer may submit such report or information through telephone or fax or email or other means of communication. Immediately after receiving such information, the chief of the customs office should register it in the informer's registration book and take action to seize goods. Afterward the informer's proof of real identity should be sought and as per subsection 6, seal it in an envelop with the informer registration book number and the date only. When the Director General receives informer's information, he should keep the record and should send them to the chief of the customs office for immediate action.

Clarification: For the purpose of this chapter, "Chief of the Customs Office" means in case of absence of chief of the customs office, it also includes the officiating staff of the customs office.

### **Chapter 11 Arrangement for Demurrage**

#### **50 Arrangement for demurrage:**

1. No demurrage shall be charged for seven days from the date on which goods are stored in the customs office operated warehouse.

2. In case goods are not cleared within the time-limit prescribed in Sub-rule 1 the demurrage shall be charged from the eighth day at a rate mentioned in Schedule 9. The demurrage shall not be more than the customs value of goods.

### **51 Remission for the demurrage**

1. If the owner of the goods has reasonable ground for the remission of the demurrage, the owner may apply for the remission with the evidence and documents to prove the claim to the chief of the customs office.

2. The Chief of the customs office may decide in writing within the limitation granted under sub rule (3) and (6) to grant remission from demurrage either partially or in full in respect of goods to be exported or imported, in case he is satisfied that there exist specific reasons for granting such remission.

3. In case of remission of the demurrage; following officers can grant remission to the following amount:

- a) Up to Rs. 25000/ if non-gazetted staff is the chief of the customs office;
- b) Up to Rs 1,00,000/ if third class gazetted officer is the chief of the customs office;
- c) Up to Rs 3,00,000/ if First or Second class gazetted officer is the chief of the customs office.

4. If the chief of the customs office is satisfied that the remission should be granted over and above the amount within his authority, the chief should write to the Director General with his recommendation along with the relevant documents as per subsection 1.

5. Upon the enquiry into the recommendation as per sub-clause 4, if the Director General is satisfied that either partially or in full remission should be granted, he should approve and instruct the chief of the customs office.

6. After the approval from the Director General as per sub rule 4, the chief of the customs office should grant the amount of remission.

## **Chapter 12**

### **Arrangement for the notice and time limit**

#### **52 Procedure for time limit:**

1. Procedure for time limit: In order to provide initial time limit in the context of accused, as per sub rule (1) of rule (81) of the Act the authorized customs officer should give notice of fifteen days time limit in addition to the travel time for the accused in a format as prescribed in Schedule 10.

2. In order to give notice to the accused as per sub rule (1) above, the notification should be served to the accused or member of his family who are of the legal age limit. In case of the accused or his members of the family not available or the accused or his family members refusing to accept notice, the notice server should stick the notice at the door of their home or rented house with the two witnesses signing the notice.

3. If the notice server did not find the accused person or member of his family in the home address or rented house address, he should state the same particulars and stick the notice, in case of Village Development Committee, in the village development committee office and in case of municipality, in the municipality ward where the house or rented house is located, in the absence of such offices in the public place, in the presence of person of the local entity or representative or two witnesses. In such a situation, such a notice is considered legally notified.

4. In case of serving the notice to the firm, company or organized sector, the notice should be served to the member of the board, or administrator, or chief of such institution or legally authorized person of such institution. In case of such person not available or the person refusing to accept the notice, the notice server while noting the particulars should stick the notice at the door of their office with the two witnesses signing the notice. In such a situation, such a notice is considered legally notified.

5. Notwithstanding the provisions in the rules, the notice served to any person through registered post in the stated address, or in such person's telefax or email address is considered legally notified.

6. The notice server should serve notice, in accordance with sub rule (2), (3) or (4) should serve notice within 3 days in addition to the travel time.

7. In case of receiving report stating that notice could not be served as per sub rule (2),(3), (4) or (5); the notice could be served through radio, television, web sight of the department or the customs office, and publication or broadcasting in the electronic media or publication in the national newspaper. In such case of serving notice through media or broadcast, the notice is considered legally served after five days of such broadcast or publication.

8. The expenditure incurred to serve notice as per sub-rule (7), the customs office should charge such expenditure to the accused.

### **53 Procedure to issue notice:**

In case of issuing notice to the person related to the customs work or the person concerned with the customs as per rule (82) of the Act, should provide seven days notice in addition to the travel time and the notice should be issued in accordance with the procedure as prescribed in sub rule (2),(3) or (4),(5),(6) or (7). But the notice issued as per the rule, the sub-rule (8) of rule (52) of the rule is not applicable in this case.

### **53(a) Notice for the rightful claim:**

1. If the goods deposited in the customs office as per section 46 of the Act has owner not identified, before the goods are confiscated, notice should be issued in the notice board of the customs office if anyone has rightful claim on the goods. The claimant should be present with the application attaching the evidence of claim within seven days from the date of notice in addition to the travel time.

2. Such notice as per sub rule (1), should be sent to the District Administration office, Revenue Office, District Development Office, District Treasury office and Federation of Nepalese Chamber of Commerce and Industry to issue it as public notice.

## **Chapter 13 Miscellaneous**

### **54 Valuation Committee:**

1. The following valuation committee is formed to determine the value of vehicles and means of transportation deposited in the customs office, goods to be auctioned as per this rule, and the goods under the sub rule 3 of rule (71) of the Act.

- a) Chief of the Customs Office or in his absence officiating Chief Coordinator;
- b) Representative from the concerned District Administration Office Member;
- c) Representative from the concerned Federation of Industry and commerce Member;
- d) Representative from the concerned Treasury Office Member;
- e) Mechanical technician in case of vehicle and means of transportation Member.

2. The Committee constituted under sub rule (1), should consider physical condition, local demand, usefulness, use period, depreciation, and market price while determining the value of the goods. While fixing the value of the goods purchased under clause (b) of sub rule (15) of rule (13) of the Act, the purchase price of the goods, the customs duty for the import of such goods, and the market price of the goods.

3. The Valuation Committee constituted under sub rule (1) may invite other people to the meeting if the committee considers appropriate.

4. The quorum of committee constituted under sub rule (1), is fulfilled if the Coordinator and other two members are present and the majority decision is considered the decision of the Committee.

5. The remuneration of the committee members is as determined by the Ministry of Finance.

#### **55 Refund of the deposit:**

1. Anybody who deposited fund in the customs office as per this Act or rule, should apply for the refund to the customs officer within one year after the purpose for which the fund is deposited is realized. The application should specify the reasons and the amount of refund. The application should be enclosed with receipt of deposit and the related documents for refund.

2. After the application is received as per subsection 1, the customs officer should decide whether the deposit should be refunded and refund such deposit within three days of the date of decision. In case the deposit need not be refunded, the reasons for this should be notified to the applicant.

3. As per subsection 1, in case the application is not received within the time limit, the customs officer should prepare a list and decide that the deposit will be refunded., in case the application received with evidence later, such deposit should be transferred to the revenue account.

#### **56 Compensation for the goods:**

1. The owner of goods seeking compensation pursuant to rule (69) of the Act, should send application to the customs office or the operator of the go-down stating the clear reasons for compensation along with the documents to prove the claim.

2. In case of receiving application pursuant to sub-rule (1), such application should be examined and if it is found that the compensation needs to be provided, decision should be taken to provide compensation to the total amount of price quoted in the invoice and five percent addition to the price quoted.

3. In case of imported goods deposited in the go-down operated by the other person pursuant to sub-rule (2), and in the condition of compensation provided by such person, the customs duty equivalent amount should be deposited at the concerned customs office within seven days of receiving the compensation.

#### **57 Procedure for recovering penalty or shortfall of the customs duty:**

1. The exporter or importer or their customs agent, in case of shortfall in the amount to be deposited as customs duty because of mathematical error, or due to the difference in the classification head or sub-head, or for other reasons, or the penalty amount due; should be immediately notified by the customs officer to deposit the penalty or the shortfall in the customs duty, as soon as the customs officer knows about it.

2. The person notified pursuant to sub-rule (1) should deposit the amount in the customs office within fifteen days from the date of notification. In case the amount should not be paid or have already been paid, such information should be submitted with documentary evidence to the customs officer within fifteen days from the date of receiving the notice.

3. In case of the receipt of the information regarding the amount should not be paid or have already been paid, pursuant to subsection 2; the customs officer should enquire into the matter and if found justified, should notify accordingly that the amount should not be deposited. If the documentary evidence did not justify the case, the customs officer should notify to deposit the amount within seven days. The concerned person should deposit the amount within the specified time period. In case of not depositing the amount in time, the customs office may stop the customs transaction of such a person or may recover such amount from such person's asset located anywhere in the government office.

4. In case of notification given to the customs agent about the deposit of the penalty amount or the shortfall in the customs duty, the customs agent's duty is to notify the exporter or importer to

recover the penalty or shortfall amount in the given time and make efforts to make the exporter or importer present, if required, at the customs office for the purpose of recovering the amount.

5. In case of non-recovery of the amount pursuant to sub-rule (3), such amount should be treated as due amount to be recovered as government due.

6. In case of the knowledge of the due amount and non-recovery of the due amount and, if the customs official clears goods without the instruction of the chief customs officer, such customs official is liable for disciplinary action.

#### **58 Refund of the excess amount of the customs duty or the penalty:**

1. If the exporter or importer paid more than the due amount of customs duty for the export or import of goods or the penalty, the exporter or importer should apply for the refund of the excess amount at the customs office.

2. In case of receiving application pursuant to subsection 1, such application should be examined and if it is found that the excess amount needs to be refunded, written decision should be taken to refund the excess amount and refund such amount within fifteen days from the date of the application received.

3. In case of refund of the amount pursuant to sub-rule (1), information should be given to Director General with reasons for refund.

4. In case of enquiry into the application pursuant to sub rule (1), if it is found that the excess amount need not be refunded, the reasons for this should be notified to the applicant within fifteen days from the date of application received.

#### **59 Procedure for providing copy of documents to the concerned person:**

1. The concerned person may apply to the customs officer for providing a copy of any documents,

2. Pursuant to sub rule (1), the applicant should specify the description of the documents, the purpose for providing such document, and the evidence for being the concerned person.

3. In case of receiving application pursuant to sub-rule (2), such application should be examined and if it is justified, the customs officer should provide copies of the documents to the applicant by charging fees within three days of the date of application.

4. While providing copy pursuant to sub-rule (3), Rs. 5 per page shall be charged as fee. The customs officer shall arrange to deposit such fee charged to the applicant in the revenue account or shall arrange to fix stamp postage equivalent to the fee and shall fix the seal on the copy.

5. While charging fee pursuant to sub-rule (4), the office should mention in the paper to be provided to the applicant that the cash has been collected or the stamp has been cancelled.

#### **60 Procedure regarding the issue of certificate of import:**

1. The person importing goods attracting sales tax or other taxes in the foreign country, may apply for getting certificate of import in the concerned customs office with the documents proving the import of such goods.

2. In case of receiving application pursuant to sub-rule (1), such application should be examined and if it is justified, certificate should be issued in the format prescribed in schedule 11.

3. While issuing certificate pursuant to sub-rule (2), Rs. 5 per certificate should be charged. The customs officer should put a seal of the office on the certificate by mentioning that the cash has been collected or the stamp postage has been cancelled.

4. The certificate shall not be issued if the application is not received within fifteen days from the date of import of goods for which the certificate is requested pursuant to the rules. If the goods are imported from time to time from the same single invoice, the date of the last clearance of goods is considered the date of import.

**60(a) Special arrangement for the import of goods under the Baggage Rules:**

Notwithstanding the provisions mentioned in the rules, the importer, while importing the personal use goods or importing the goods under the baggage rules, should fill out the summary declaration form as prescribed in Schedule 10 a.

**61 To determine the heading or subheading of the commodity classification:**

1. In order to determine the heading or subheading of the commodity classification pursuant to sub-rule (2) of rule (89) of the Act and for the purpose of advising on the commodity classification to the Director General, a committee will be constituted at the Department:

- a) Department's Deputy Director General or director designated by the Director General Coordinator;
- b) Expert designated by the Director General Member;
- c) Department's section officer responsible for commodity classification as designated by the coordinator Member Secretary.

2. Pursuant to sub-rule 1, the Committee's meeting will be held at the time and place specified by the coordinator.

3. Committee's meeting will be held at the presence of the coordinator and all members.

4. Committee's decision will be made in consensus.

5. The member secretary should inform the applicant within three days of the date of the decision of the committee

**62 Export or Import through the branch customs office:**

1. Following goods may be exported or imported through the branch customs office:

- a. On import, except the customs offices listed in Schedule 12, other customs offices may allow to clear goods valuing up to Rs. 5000/ Except the import of goods that the Director General has approved, other machinery operated vehicles on a permanent or temporary basis are prohibited for import;
- b. On the export, non-processed agriculture goods and the local natural production.

2. While exporting or importing goods pursuant to the rules, export or import of goods other than the immediate neighboring countries are not permitted.

3. Director General may implement procedure to manage the export or import through the branch customs offices.

**63 Private sector may operate Go-down:**

1. With the approval of the government, any person may operate go-down to deposit goods for import or export by constructing the go-down in the premises of the customs office

2. Customs Go-down operator pursuant to sub-rule (1) may charge, with the prior approval of the government, specified rate of rent.

**64 Responsibilities of the private operator of the Warehouse:**

1. The responsibilities of the proprietor of the nongovernmental warehouse are as follows:
  - a) to make arrangement for the safety of goods stored in the warehouse;
  - b) to make necessary arrangements for the maintenance of up to date records indicating the particulars of goods stored in the warehouse;
  - c) not to store goods if the customs office has not allowed to store in the customs go-down;
  - d) to refrain from taking out goods without the prior approval of the custom office;
  - e) goods taken out for the clearance once should not be deposited again without the approval of the customs officer;
  - f) not to open or make arrangement not to open the goods deposited in or intended to deposit in the godown without the approval of the customs office;
  - g) inform the customs office in case of loss or destruction of goods deposited in the go-down;
  - h) submit list of goods which have been deposited in the go-down for more than ninety days to the customs office;
  - i) customs officer should be allowed to inspect godown as and when he wishes to do so and submit information and particulars immediately;
  - j) submit the list of goods deposited in the go-down to the customs office on a daily basis;
  - k) while depositing the goods in the go-down, name of the owner of the goods, address and telephone number and email address should be recorded.

**65 Goods imported through the post office should be deposited at the customs office:**

1. In case any parcel imported in the name of consignee, the concerned post office should send this parcel at the nearest customs office, while at the same time inform the consignee about the arrival of the parcel.
2. In case anyone would like to export goods through a parcel to the foreign country, the post office may export it on the condition that the exporter clears the goods from the nearest customs office and produces the declaration form along with the goods.

**66 Opening or closing of customs office:**

1. The chief of the customs Office shall prescribe the opening or closing hours for his office and affix a notice thereof in the notice board of the office for the information of the public.
2. In case the Chief of the Customs Office feels that there exist special circumstances for the customers interest or excessive work necessitating the release of goods during a public holiday, or when office is closed, the Chief may keep it open and release the goods.
- 3 .In case of providing facilities to the customers or to simplify the procedure relating to export or import, if the local condition warrants, the Chief of customs office, with the prior approval of the Director General, may close the office on the day which is not the public holiday, or open the office on the public holiday.
4. In case of the decision taken on the opening or closing hours for the office pursuant to sub-rule (3), the chief of the customs office shall affix a notice thereof in the notice board of the office and publish it in the national newspaper for the information of the public.
5. Customs Office at Dry Port with the railway service, should make arrangement for the opening or closing of office hours, upon the request of the terminal operator, in such a way that the owner of the goods should not incur additional cost due to demurrage charge from the time of the arrival of the railway and make arrangement of the departure of the railway.

**66 Partial check:**

If the importer or exporter deposits goods in the government operated go-down and requests for partial check of the goods at different time period of the single consignment, the customs office should allow to release goods by charging the customs duty for the released goods only.

**67 Update and change of the Schedule:**

Ministry of Finance, notifying in the Nepal Gazette, may update and change the schedule as and when necessary.

**68 Repeal and Saving:**

1. Customs Rule 2026 is repealed.

2. All acts and actions done and taken in accordance with Customs Rule 2026 shall be deemed to have been done and taken in accordance with this rule.

**Schedule 1  
(Related to sub-rule (2) of rule (3))**

**Forms for the Ministry of Foreign Affairs Recommendation  
for diplomatic privilege or duty privilege.**

**Nepal Government  
Ministry of foreign Affairs  
Department of Customs**

Pursuant to the decision dated ....., Ministry of Foreign Affairs recommends to provide diplomatic privilege/duty privilege to following goods purchased/exported/imported by the following purchaser/exporter/importer:

Name of the purchaser	Item of goods	Quantity	Country to export Country of import	Estimated value	Customs Office of ex Port/import

**Registration No Seal of Ministry of Foreign Affairs Recommendation officer's**

**Date**

**Signature**

**Name**

**Position**

**Date**

-----  
**For Department of Custom's use**  
-----

**Mr/Ms**

**Customs office**

The Department of Customs requests to provide diplomatic privilege/ duty privilege to the goods as recommended by the Ministry of foreign Affairs.

**Registration No Seal of Department of Customs**

**Recommendation officer's**

**Date**

**Signature**

**Name**

**Date**



**Schedule 2  
(Related to rule 20)**

**Forms for the description of the particulars by the Vehicle driver**

**Customs Office .....**

**Nepal**

**Driver's Name**

**Registration No. of Vehicle**

**Type of Vehicle**

**Container No.**

**Date of Entry**

<b>Serial No</b>	<b>Description of Goods</b>	<b>Quantity or Number of Package</b>	<b>Place of Loading</b>

**Driver's Signature**

**Schedule 3  
(Related to rule 2)**

**Customs Declaration Form**

**Schedule 4  
(Related to rule (3))**

**Forms of Notice to the importer relating to the Purchase of goods**

**Nepal Government**

**Ministry of finance, Department of Customs**

..... **Customs Office**

**Mr/Ms.....**

**Pan No.**

**Pursuant to section (31) of the customs rules 2064, this is to inform you that the customs office has decided, as per clause (b) of sub-section (15) of Section 13 Customs Act 2064, to purchase following goods that you have imported.**

**Please collect following amount from this office.**

**Description of the particulars of the goods.**

**LC No. / Date**

**Invoice No/ Date**

**Customs Declaration Form No / Date**

**Description of the particulars of the goods**

**Declared value of the goods**

**Payment for the purchase of goods Rs .....**

**Signature of the customs officer**

**Name**

**Schedule 5  
(Related to sub-rule 2 of rule 37)**

**Application for getting Customs Agent License**

Passport size

Picture

Registration no. and date

Registration office

Applicant's Name: (owner's name in case of firm/company)

Father/Mother's Name

Grandfather/grandmother's name

Permanent Address

Zone

District

VDC/Municipality

Temporary Address

Date of Birth

Citizenship

Telephone No.

Telefax No.

Email

Name of the company

Date of registration

Renew period

PAN NO.

Date of PAN

**Educational Qualification of the Applicant (owner's in case of firm/company)**

Serial No.	Educational Institute	Passed Exam.	Year of Pass	Division

I have applied in compliance with the provisions of sub-section 2 of section 37 regarding the qualification. All the particulars are true. I agree to prosecution accordance with the prevailing law in case of proof that the particulars are untrue.

Date

Thumb print

Right

Left

Signature of the Applicant

**Note:** Enclose true copy of Certificate of Educational qualification, citizenship or passport and in case of firm or company enclose also true copy of certificate of PAN No., firm registration.

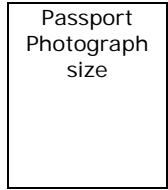
-----  
Entrance letter for the Customs Agent's examination

**Applicant's name and surname:**

**Name of Firm/Company:**

**Role Number**

**Examination Centre**



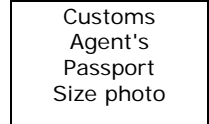
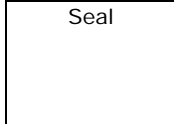
**Replica Signature**

**Schedule 6**  
**(Related to sub-rule 5 of rule 37)**

**Government of Nepal**

**Ministry of Finance**

**Department of Customs/ -----Customs office**



**License serial No.**

**Date**

In accordance with Sub-section (5) of Section (37) of Customs Rule 2064, this Customs Agent license is issued to clear goods for export or import from the customs office or to perform customs related work as customs agent.

**Customs Agent's Name:**

**Person's name in case of firm/company acting as customs agent:**

**Signature**

**PAN NO.**

**Permanent Address**

**Current Address**

**License issuing:**

**Telephone No.**

**Telefax No.**

**Name**

**Email**

**Position**

**Signature**

**Back flip**

**Description of the Renew**

Date of renew	Renew charge	Validity period	Signature of the person

**Schedule 7  
(Related to sub-rule 4 of rule 38)**

**Format of the customs agent's appointment letter**

Appointer's Signature to Touch upon the photo as well
Customs Agents' photo Touch upon the photo as well

**Section A**

**To fill up by the Exporter/Importer**

**Name of the exporter/importer**

**Address**

**PAN No.**

**Registered or not Registered in VAT If Registered, Registration No.**

**Mr. ....Customs Office**

**Subject: Appointment of Customs Agent**

**In compliance with the sub-section (4) of section (88) of the Customs Rule 2064, I/We inform you that I/We have appointed following licensed Customs Agent for the following time period to clear the following consignment of goods for export or import through the land route of your office. I/We abide by the provisions made in the Customs Act 2064 and Customs Rule 2064. Copy of evidence regarding our business and license of the customs agent are enclosed. If deemed necessary, I/We will submit true copy.**

**Name of the Customs Agent:**

**License No.**

**Issued Date**

**Address**

**Time period to work as customs agent from to**

**To clear any consignment: (LC no, date, bank's name, invoice no. and date)**

**Signature of Exporter/Importer**

**Date**

**Telephone No.**

**Name**

**Address**

**Relation with the consignment**

**( include the evidence)**

**Email**

**Seal**

**Fax No.**

**(If a single owner of the goods appoints customs agent several times in the same customs office, such appointer need not affix photo in the subsequent appointment letter)**

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**Section B**

**(To fill up by the customs agent)**

I agree to work as customs agent as mentioned in section (A) above, in compliance with the provisions under customs Act 2064 and customs Rule 2064 I have attached a copy of my customs agent license. If deemed necessary, I will submit true copy.

**Customs Agent's Name**

**Address**

**Signature**

**Telephone No.**

**License No.**

**Issue Date**

**Email**

**Fax no.**

**Seal**

**Date**



**Schedule 8**  
**{ (Related to sub-rule (1) of rule (41)) }**

**Format of the application for the review of the valuation**

**Value Review Committee**

**Date**

**Subject: Request for the Revaluation**

The undersigned submits the application with the facts and the evidence requesting for the review of the decision made on the valuation of the goods by the customs officer of.... . . . . . on the following goods imported by me. I have enclosed the customs declaration form and copy of papers enclosed with the declaration form and copy of the notification by the customs officer for your information.

1. Importer's Name and Address:
2. LC/Bankdraft/TT/DAP no. and date
3. Invoice No. and date
4. Customs Declaration Form no and date
5. Date of clearance of goods
6. Particulars of goods (with specification)  
.....  
.....  
.....
7. Total declared value
8. Value decided by the customs officer
9. Evidence to proof the declared value
10. Basis and reasons for not agreeing with the customs officer's decision:

(In case of shortage of space, may attach additional paper)

**Signature of the applicant**

**Name**

**PAN No.**

**Seal**

**Schedule 9**  
**{ Related to sub-rule (2) of rule (50) }**

**Demurrage Charge**

**(a) International Customs Office:**

**Per day per KG charge 40 paisa up to 30 days, Per day per KG charge 80 paisa from more than 30 days up to 60 days,, Per day per KG charge Rs.1.20 from more than 60 days**

**(b) Other customs offices**

**Per day per KG charge 20 paisa up to 30 days, Per day per KG charge 40 paisa from more than 30 days up to 60 days, Per day per KG charge 60 paisa for more than 60 days.**

**Clarification: For the purpose of demurrage charge, to count the weight, all goods in one customs declaration form or one consignment should be counted for weight. While counting the weight if the remaining goods is less than one KG it will be treated as one KG.**

**Schedule 10**

**{ Related to sub-rule (1) of rule (52) }**

**Format of the notification for the time limit by the customs office**

Notification issued on the time limit in the name Mr/Ms ----- from customs office-----

It is notified to you to be present at the office hour of the customs office within 15 days except the time taken to travel, for the enquiry into the crime committed in accordance with the provisions under the Customs Act 2064. If you are present, your views will be taken into account or if you are not present, the decision will be taken in accordance with the legal provisions. It will not accept the petition later and there will be no amendment in the time limit.

**Date          Year          Month          date          day.**

**Schedule 10 (a)**  
**{ Related to rule (60a) }**

**Summary Customs Declaration Form**

**Nepal Government**

**Ministry of Finance**

**Department of Customs**

**Summary Declaration form**

**Customs Office.....**

**Arrival Room/ Passenger Section**

Importer's Name Address Invoice No. and Date Value of Invoice			Exchange Rate			Registration No of Summary declaration form Date		
Item No	Description of goods	Number of goods	Quantity	Invoice Value (Rs.)	Determined Value	Classification No.	Flat rate or Integrated duty	Duty Amount
1	2	3	4	5	6	7	8	9
1								
2								
3								
4								
5								
6								
7								
<b>Total Duty Rs.( Amount)</b>								
<b>In Words</b>								
<p>The information is true. In case of untrue or false or false information, I am prepared to Face legal prosecution and accept the Decision.</p> <p>This summary customs declaration.</p> <p>Form will not be used for commercial use.</p> <p>Name of the owner of goods</p> <p>Signature _____ Date _____</p>				<p>Cash Receipt No and date</p> <p>Examiner's Signature and date</p> <p>Signature of the customs officer and date</p>				

**Read this before filling out the Summary customs declaration form**

- The Summary customs declaration form should be fill out by the owner of the goods by mentioning the importer's name, address, invoice No. and date, total invoice value and description of goods in column 2 to 4 and sign it with date. Other columns are for the official use of the customs office.**
- The Summary customs declaration form should be used to import goods up to the worth of Rs. 5000 or the goods listed in the notice of the Baggage Rules which can be imported under the flat rate. Goods for Commercial use cannot be imported and this cannot be accepted as evidence for commercial transaction.**

- 3. The Summary customs declaration form should be used for the import of goods mentioned in 2 above by the Arrival Section of the Airport customs office or Passenger section of the land customs office.**
- 4. Two copies of the Summary customs declaration form should be submitted.**

**Schedule 11**  
**{ (Related to sub-rule (2) of rule (20) }**

**Form of Certificate for the import of goods**

**Government of Nepal**

**..... Customs Office**

**TO WHOM IT MAY CONCERN**

**This is to certify that the goods mentioned below have been duly imported into Nepal through this customs office.**

**Importer's Name and Address:**

**Importer's PAN Number:**

**Supplier's Name and address**

**Description of Goods:**

**Invoice Number and Date:**

**Net Value:**

**Total Invoice Amount:**

**Customs Declaration form (Pragyapan Patra) Registration Number**

**Date of Importation:**

**Official Seal**

**Customs Officer's Signature**

**Name:**

**Date**

**Schedule 12**  
**{ (Related to clause(b) of sub-rule (1) of rule (62)) }**

**List of Sub Customs Offices**

- 1. Bhadrapur Sub -Customs Offices**
  - 2. Suthauli Sub -Customs Offices**
  - 3. Prithipur Sub -Customs Offices**
  - 4. Satti Sub -Customs Offices**
  - 5. Darchula Sub -Customs Offices**
-