

## Customs Rules, 2065 (2007)

### Date of publication in Nepal Gazette

2065.1.15 (28 April 2007)

### Amendments:

1. Customs (First Amendment) Rules, 2065 2065.10.27 (9 Feb. 2009)
2. Customs (Second Amendment) Rules, 2066 2066.3.29 (13 July 2009)

In exercise of the powers conferred by Rule 92 of Customs Act, 2065 (2007), Government of Nepal has framed the following Rules.

### Chapter-1

### Preliminary

1. **Short Title and commencement** : (1) These Rules may be called “Customs Rules, 2064 (2007)”.  
(2) These Rules shall come into force immediately.
2. **Definition**: Unless the subject or context otherwise requires, in these Rules,-
  - (a) “Act” means Customs Act, 2064 (2007).
  - (b) “Third country” means foreign countries other than India,
  - (c) “Valuation Review Committee” means Committee constituted under the Sub-section (2) of Section 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-section (1) of Section 9 of the Act, those institutions, officials or persons., who are entitled to diplomatic privilege or duty privilege, shall apply in the Ministry of Foreign Affairs declaring the descriptions of the goods, price and quantity in order to avail of such privileges.

(2) While making inquiry on the application received, pursuant to Sub-rule (1), if the Customs privilege or duty privilege need to be granted, the Ministry of Foreign Affairs shall forward two copies of recommendation form as prescribed in Schedule to the Department.

(3) Upon the receipt of the recommendation form pursuant to Sub-rule (2), the Department shall forward one copy of recommendation form for execution to the Customs office or Duty Free Shop.

(4) Upon the receipt of the recommendation form pursuant to Sub-rule (3), concerned Customs office or Duty Free Shop shall 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 shall 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 shall be kept for record in the office.

(6) For the purpose of this Rule, the Ministry of Foreign Affairs shall provide at a prior date the specimen signature of the authorized

official to the Department, who shall 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 shall submit declaration form containing full particulars to the concerned Customs office. Such declaration form shall also clearly specify the Customs office from which the goods reenter into Nepal.

(2) In case a declaration form as referred to 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) Upon making an inquiry the case of a declaration form as referred to in Sub-rule (1), 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/she 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 shall 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 shall allow the import of such goods without charging Customs duty by noting in the declaration form. The Customs office shall inform and send one copy of declaration form to the Customs office authorizing for export within Thirty 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 shall 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 shall allow the import by depositing the customs duty equivalent.

(6) Upon the receipt of the information pursuant to 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. Provision 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 shall 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 referred to 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 permission is granted pursuant to the Sub-rule (2), the owner of the goods shall submit the declaration form with description of goods and the permission letter before the concerned Customs office. The name of the Customs office from which the goods are to be re-exported shall be mentioned clearly in such declaration form.

(4) In case a declaration form as referred to 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 referred to in Sub-rule (4) is received, the Customs office, if the papers are found valid upon scrutiny 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 Three days.

(6) After receiving the declaration form, the import allowing Customs office shall release the 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 anything contained in this Rule, 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. Provision relating to 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 shall submit goods and Four copies of application form in a format as prescribed by the Department and the declaration form in the concerned Customs office.

(3) On the scrutiny of the declaration form and prescribed form as referred to in Sub-rule (2) is found to be not containing the banned goods (contrabands), the Customs Office shall permit the movement of such goods within a period up to Fifteen days of 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 shall be sealed, and the forms shall be certified. One copy of the certified form shall be handed over to the owner of goods, one copy shall be kept for office record and two copies of the forms shall be sent to the exporting Customs point.

(4) Upon receiving the goods by the export permitting Customs office, such office shall certify the forms pursuant to 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 pursuant to Sub-rule (3) using the transit of Nepal to another foreign country within the time period, the owner of goods shall apply before 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 shall pay the due Customs duty as well as additional hundred percent Customs duty.

(7) While sending goods from one foreign country to another foreign country through Nepalese territory as per this Rule, sealed container shall be used.

**7. Provisions relating to 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 referred to 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 chargeable on the expenses involved in such repair or on the price of the spare parts which are replaced shall be deducted accordingly from the amount of the Customs deposit furnished and the balance of the



deposit shall 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/she 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 shall 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 shall extend the time period accordingly.

(5) If the goods exported for repair pursuant to this Rule are not brought back within the time limit prescribed under Sub-rule (3) and (4) rather 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 charged 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 referred to 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 <sup>②</sup>Six months for the export of such goods.

(8) If, the goods imported for repair is returned within <sup>②</sup>Six months time limit pursuant to Sub-rule (7), and the documentary evidence is presented for the payment of repair, the Customs duty deposited at the time of import shall be refunded. In case goods are not returned or the specification of the goods does 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 shall be for a maximum period of Six months. If the engine is exported within the period, the bank guarantee shall be released. If the engine is not exported within the period, the Customs duty shall be charged treating the engine as a fresh import.

(10) Notwithstanding anything contained in this 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,

---

<sup>②</sup> Amended by Second Amendment.

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 <sup>①</sup>Six months from the date of re-export of goods, the concerned Customs officer shall 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.

Provided that, in case the goods are re-exported after the lapse of the time limit, the Customs duty paid earlier shall not be refunded.

(5) In case it becomes necessary to export or import any goods

---

<sup>②</sup> Amended by Second Amendment.

<sup>①</sup> Amended by First Amendment.

for the purpose of sale or display at any seasonal market (*Haat Bazar*), 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 Thirty days excluding time consumed for transportation after the end of fair or exhibition.

(8) Except otherwise provided in this Rule, the Customs officer may release the goods without duty and keeping record only, in case the goods are exported or imported pursuant to this Rule and on the recommendation of the Government of Nepal or fully owned or majority owned government enterprises or the diplomatic mission. 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 shall pay the duty chargeable on the amount of goods consumed.

(9) In the course of export or the import of goods pursuant to this Rule it shall be done from the same Customs office.

(10) In case the import or the export of goods cannot take place

from the same customs office pursuant to Sub-rule (9), the concerned person shall apply, stating the reasons thereof, at the Department. If the reasons stated in the application is found to be appropriate, 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 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.

Provided that, if the user of the goods who has contained in the container can transfer those good into any other container, this facility shall 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 shall apply to the Customs officer specifying the reasons.

+(13) In case such application is received pursuant to 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

---

+ Inserted by First Amendment.

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 shall 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 shall 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 shall 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 shall 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 shall 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

---

✦ Inserted by First Amendment.  
✦ Inserted by First Amendment.  
✦ Inserted by First Amendment.  
✦ Inserted by First Amendment.  
✦ Inserted by First Amendment.

shall 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 shall 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 shall 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 shall 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.

---

✚ Inserted by First Amendment.

✚ Inserted by First Amendment.

## Chapter 3

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

#### **9. Provision relating to license of the Bonded Warehouse: (1)**

Following Industry or person intending to avail of the facilities of bonded warehouse shall 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 period in Rule (a) above, other industries exporting at least <sup>①</sup>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) shall submit certificate stating that the industry qualifies as per Rule (a), (b) or (c).

Provided that, In case the industry which has not crossed on year after its operation, intends to get license for the bonded warehouse shall not need to submit certificate if it submits conditional contract paper (*Kabuliyatnama*) with the export plan and conformity of its export to third country or exports to India of its production at least <sup>①</sup>Fifty percent.

(3) If the application received pursuant to Sub-rule (1) is found to be appropriate to issue the license, the Department may issue license to

---

<sup>+</sup> Inserted by First Amendment.

<sup>①</sup> Amended by First Amendment.

<sup>①</sup> Amended by First Amendment.



the industry by charging <sup>①</sup>Six Thousand Rupees as a license fee. .

(4) The validity period for the license as per Sub-rule (1) shall be valid for One year. The licensee shall get the license renewed from the Department by paying renewal fee of <sup>①</sup>Three Thousand Rupees before the next fiscal year starts, if licensee intends to renew the license for the next fiscal year.

(5) If the licensee fails to renew the license pursuant to Sub-rule (4), the licensee shall pay additional fee of <sup>①</sup>Three Thousand Rupees for each fiscal year for the renewal of the license.

(6) Notwithstanding anything contained in Sub-rule (5), the licensee shall be deprived of the bonded warehouse facilities accorded to the licensee for the period failing to renew the license.

**10. Facilities to be received to the licensee of the Bonded Ware**

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

(2) While furnishing Bank Guarantee pursuant to Sub-rule (1) one shall be furnished on amount equivalent to the total of chargeable Customs duty in addition to Twenty Five percent on such Customs duty.

(3) The time period of the bank guarantee to be issued pursuant to Sub-rule (1) shall be from Six months to One year. In case of Six

---

<sup>①</sup> Amended by First Amendment.  
<sup>①</sup> Amended by First Amendment.  
<sup>①</sup> Amended by First Amendment.

months bank guarantee, if an extension is required beyond Six months, it may be extended upto Six months in maximum.

Provided that, in case the time period extended pursuant to Sub-rule (13), Bank Guarantee time period shall also be extended accordingly.

(4) In case of packing materials not produced in Nepal, the Department shall 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.

<sup>②</sup>(5) The owner who received the license of bonded warehouse to operate the duty free shop, shall 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, an approval of the list of goods and their quantity shall be received from the Department.

<sup>+</sup>(5a) The goods imported pursuant to Sub-rule (5), the liquor and cigarette shall 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 referred to in Sub-rule (2) of Rule 3.

(6) Industry licensed to operate bonded warehouse pursuant to an agreement with the foreign buyer to buy its product under buyback agreement and with the recommendation of Department of Commerce may import raw materials and auxiliary raw materials under bank

---

<sup>②</sup> Amended by Second Amendment.

<sup>+</sup> Inserted by Second Amendment.

guarantee equivalent to Customs duty without opening of Letter of Credit. The product under this agreement shall 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), shall submit the recommendation letter of the Department of Commerce specifying the necessary procedures and the terms and condition for 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 pursuant to this Rule, the bank guarantee shall be issued only by the Bank or the financial institution permitted to do so under the prevailing law.

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

(1) Airline companies may 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 or prefers to buy such goods from bonded warehouse or duty free shop, the airlines may 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.

12. **Terms and conditions to be followed by the industry or person having bonded warehouse facility:** (1) The industry with bonded warehouse facility shall export the goods through Letter of Credit or banking documents.

(2) The industry with bonded warehouse facility shall 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 shall be <sup>①</sup>Ten percent over the value as determined by the Customs office Customs.

(4) While evaluating the percentage of value addition pursuant to Sub-rule (3) the cost determined by the customs at the time of imports pursuant to Rule 10 on the production of such goods shall be deducted from the FOB cost and the residual amount shall be divided by value determined by the Customs at the time of import of materials used in the finished product and the amount so derived from division is multiplied by Hundred, which shall be the rate of value added in this case.

(5) The person who has received the license of bonded warehouse, shall 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.

---

<sup>①</sup> Amended by First Amendment.

(6) The textile industry importing yarn pursuant to Sub-rule (2) of Rule 11 shall sell 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 may be extended:** If the person applies for the time extension at the Department with the reasons for not being able to export or sell the product within the allowed time period pursuant to Sub-rule (2), (5), and (6) of Rule (12), the Department may extend the time period by Three months if the reasons thereof are found to be appropriate.

**14. Application to be submitted for the release of Bank Guarantee or deposit :** (1) The industry with the bonded warehouse facility shall apply for the release of the bank guarantee before the concerned Customs office within the time period as referred to in Sub-rule (12) or extended time period of Sub-rule (13) along with the following documents:-

- (a) Document relating to import of goods pursuant to 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 sell the goods from the Duty Free Shop, shall apply for the release of the bank

guarantee or cash deposit in the bank guarantee or cash guarantee deposited Customs office pursuant to the time period as referred to in Sub-rule (12) or extended time period of Sub-rule (13) along with the documents relating to the sales received from the Duty Free Shop.

(3) The Airline company shall apply for the release of the bank guarantee or the cash deposit pursuant to 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 shall apply for the release of Bank Guarantee at the Customs office where the bank guarantee is deposited pursuant to Sub-rule (2) of Rule 11 along with the 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 <sup>①</sup>Ten percent value addition, sales agreement between the textile purchasing garment industry and the yarn importing textile industry, yarn consumption ratio certified by concerned agency and bank guarantee paper issued on the recommendation of the textile purchasing garment industry equivalent to the chargeable Customs duty on the import of yarn.

<sup>+</sup>(4a) Notwithstanding anything contained 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 exports the garment. In such a situation, the textile industry shall apply for the release of the bank guarantee within Twenty Two months from the date of import of yarn with the attachment of documents as referred to in Sub-rule (4), documents certifying the export of garment with the minimum ten percent value addition by the garment industry,

---

<sup>①</sup> Amended by First Amendment.

<sup>+</sup> Inserted by First Amendment.

documents relating to the ratio of consumption certified by the concerned agency, and foreign exchange earning certificate.

(5) Export oriented industry which has purchased textile from the industry importing yarn by furnishing bank guarantee pursuant to Sub-rule (2) of Rule 11, shall submit an application along with the documents relating to export of garments manufactured from textile purchased from the yarn importing industry with the minimum <sup>①</sup>Ten percent value addition within eleven months from the date of purchase and certificate of foreign exchange earning authenticated by the concerned bank; and Certificate of ratio of consumption for the purpose of release of the bank guarantee pursuant to Sub-rule (4) of Rule 11.

(6) In order to release the bank guarantee furnished as per Sub-rule (6) of Rule 10, one should submit application with the documents such as- 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 referred to Sub-rule (5) of Rule 12 or within the extended time period as referred to in 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 anything contained in this Rule, the exporter who has exported the products within the time limit and has fulfilled all requirements except submission of the certificate of foreign exchange earnings he/she may submit application with adequate reasons in this regard and the Department may extend time period maximum of Three

---

<sup>①</sup> Amended by First Amendment.

months to submit such certificate.

- 15. Release of Bank Guarantee and the deposit** : (1) Upon the scrutiny of the application received pursuant to Rule 14 if it is found that the applicant has fulfilled all the terms and condition referred to in that Rule, the Customs office shall 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 partial use of materials imported under the bonded warehouse facility in the manufacturing of the product which is exported or partial sale of the goods from the Duty Free Shop within the time limit or yarn imported under Sub-rule (2) of Rule 11 is partially used in the manufacturing of textile by the export oriented garment industry or locally purchased such textile is partially used by the export oriented garment industry for the manufacturing of the garment and export of such garment, if found.

- 16. To recover Customs duty from the bank guarantee and the deposit**: (1) If the importer importing goods pursuant to Rule 10 or 11 does not comply with the terms and conditions as specified in Rule 12 and does not application pursuant to Sub-rule (14), chargeable Customs duty shall be recovered from the furnished bank guarantee, if any and chargeable Customs duty shall be transferred to the revenue account from the deposit account if such amount was deposited.

(2) While recovering customs duty from the bank guarantee pursuant to Sub-rule (1), it shall be recovered 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 pursuant to Sub-rule (2) of Rule 15, chargeable customs duty to be recovered from the bank guarantee on the materials not used shall 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 anything contained in this Rule, while collecting duty upon transferring deposit into the revenue account or collecting duty from the bank guarantee or deposit for the duty free shop being unable to sale the goods within the prescribed time period; in such case, only the custom duty shall be recovered.

**17. The amount of Bank Guarantee shall be paid on Customs**

**office's demand:** (1) On the request of the customs office, the bank guarantee issuing Bank or financial institution shall pay the amount equivalent to the bank guarantee amount to the requesting customs office in whose favour the bank guarantee has been issued within Fifteen days of the date of such request.

(2) Until the payment pursuant to 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 shall not be accepted.

<sup>+</sup>(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.

---

<sup>+</sup> Inserted by Second Amendment.

**18. Provisions relating to the sale of goods and 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, shall apply at the customs office for the refund of the customs duty within <sup>①</sup>Sixty days of the date of import along with 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) Upon receipt of application pursuant to Sub-rule (1), if the chief of the customs office finds, on the scrutiny of the application so received, the refund of the customs duty is appropriate, it shall fully or partially within Thirty days from the date of such application.

(3) If the chief of the customs office finds, on the scrutiny of the

---

<sup>①</sup> Amended by First Amendment.

application received pursuant to Sub-rule (2), that the refund-full or partial-of the customs duty is not justified, the applicant shall be notified in writing 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 pursuant to Sub-rule (1), and the foreign exchange receipt against the export of such finished product, the bank guarantee pursuant to Clause (f) of Sub-rule (1) shall be released.

(5) Notwithstanding anything contained in Sub-rule (1), in case the seller has sold the goods by adding the customs duty in the import price, such customs duty shall not be refunded.

## **Chapter-4**

### **Provisions relating to the inspection of the Customs**

#### **Declaration form and goods destroying the 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) The procedure to send description through electronic medium pursuant to Sub-rule (1) shall be as determined by the department.
20. **Particulars to be furnished by the driver of the vehicle:** The driver of the vehicle while submitting the particulars of the goods pursuant to Section 17 of the Act, shall submit in the format as provided in Schedule-2.
21. **Attachment of the documents with the declaration form:** (1) A person importing or exporting goods pursuant to Section 18 of the Act,

while submitting declaration form to the customs officer, shall submit the 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 (FEC) 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 Clauses (1), (2), (3), 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 (D.R.P.), documents mentioned in Clauses (1), (2), (3) and Nepal Invoice (D.R.P. Form)

**Explanation:** 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 anything contained in Sub-rule (1), if the firm or industry is exporting or importing for the first time, such firm or industry shall 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 shall be as provided in Schedule-3.

**23. Goods may be returned:** (1) In case the goods have to be returned pursuant to Sub-section (4) of Section 30 of the Act, the importer of the goods shall apply before 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 request for other papers relating to import as well.

(2) Upon the receipt of application pursuant to Sub-rule (1), the customs officer shall forward in writing to Director General with the description and along with his/her opinion.

(3) In case of receiving a letter from the customs officer, if the Director General is satisfied after an inquiry that the goods shall be allowed to return, the Director General shall instruct the customs officer accordingly. After receiving such instruction, the customs officer shall allow the importer to return goods to the supplier of foreign country within <sup>①</sup>Thirty days.

(4) While allowing the goods to be returned pursuant to Sub-rule (3),

the customs officer shall cause the importer to sign a bond stating that the importer shall remit the foreign currency paid at the time of import within a reasonable time.

(5) If the importer does not submit the certificate of foreign exchange within the time limit pursuant to Sub-rule (4), the customs officer shall write to the concerned agency to take action against the importer on the foreign exchange deflection as per prevailing law.

**24. Provisions relating to inspection of goods on the spot :**<sup>①</sup>(1) An exporter or importer may apply to the customs officer pursuant to Section 31 of the Act, 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) While making inspection of exportable goods in the production centre or go-down or inspecting imported goods outside of the customs area as per the application submitted pursuant to Sub-rule (1), an amount of One Thousand Rupees shall be charged as a fee for each consignment.

(3) Upon inspection of exporting goods pursuant Sub-rule (2), the inspection officer shall seal such goods in the container in his/her presence and at the time of export, the customs office shall 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 pursuant to Sub-rule (1), the exporter or importer shall 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**

---

<sup>①</sup> Amended by First Amendment.

<sup>①</sup> Amended by First Amendment.

**used:** (1) Chief of the customs office shall make a 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) The goods imported and abandoned and handed it over to the government by the importer pursuant to Section 7 of the Act, which can not be used or condition of the goods is such that which can not be auctioned.
- (b) The goods, upon the laboratory test, found to be harmful for health or environment or found to be adversely affecting health or environment pursuant to Section 30 of the Act, 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 , shall be destroyed or left to rot or worn out pursuant to Sub-section (9) of Section 50 of the Act.

(2) In accordance with the decision made under Sub-rule (1) above, the customs office shall 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 pursuant to Sub-rule (2), the chief customs officer shall certify such an act and write off the goods from the list and inform the same to the Department accordingly.



(4) Notwithstanding anything contained in this Rule, in the customs office shall follow the instruction in the case of destroying of goods causing adverse affects to the public health or environment or poisonous product or heavy equipment or vehicles accordingly.

## Chapter-5

### **Arrangement for Post Clearance Audit**

**26. Importers need to keep the documents safely:** The importers shall keep the following documents and papers relating to the import for the purpose of post clearance audit pursuant to Section 34 of the Act, for a period of 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-section (2) of Section 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 of the methods as stipulated in Section 13 of the Act.

(2) For the purpose of Sub-section (2) of Section 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 shall notify the concerned importer about the date and time of audit in advance, to the extent practicable.

**28. Power to demand documents:** (1) The Director General or the customs Officer who conducts Post Clearance Audit, 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 shall be the duty of the concerned bank, financial institution or other agencies to make available the documents as requested pursuant to Sub-rule (1).

(3) Department may frame and implement procedure to manage and simplify post clearance audit and the procedure so framed shall not contravene the provisions of the Act and these Rules.

## **Chapter-6**

### **Purchase of under invoiced Goods**

**29. Arrangements for the purchase of goods imported under invoicing:** (1) If the declared price of the goods by the importer pursuant to Clause (b) of Sub-section (15) of Section 13 of the Act 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 shall not be freezed.

(2) The amount in the fund as referred to in Sub-rule (2), shall be as determined by the Ministry of Finance.

(3) There shall be a Committee to manage and operate the Fund, as referred to in 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) shall manage its procedure by itself.

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

(1) The goods purchased from the fund created pursuant to Rule 29, may be auctioned following the procedure laid down in Chapter 7 or use may be for the government purpose.

(2) The government shall 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 shall notify in writing, in the format of Schedule 4, to the importer or his/her 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 shall be cleared** : (1) The owner of the goods shall arrange for clearance of goods within 90 days from the date of deposit of such goods in the customs go-down.

Provided that, 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 go-down 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 pursuant to Section 47 of the Act.

(2) The Manager of the go-down managed by the other person, shall 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 details under Sub-rule (2), the chief of the customs office shall take action immediately pursuant to Section 47 of the Act.

33. **No auction without written order**: Without the written order of the Customs Officer, any goods seized under the Act or goods to be auctioned under Sub-section (2) of Section 74 of the Act, shall not be auctioned.

34. **Minimum value shall be fixed**: (1) In case of auctioning of the goods, Customs officer shall 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-section (15) of Section 13 of the Act, the minimum value determined by the committee under Rule 54 shall be the minimum value, for other goods other

than mentioned above, the value declared at the time of deposit at the customs office shall be the minimum value for that purpose.

**35. Procedure for auction:** (1) The customs office shall invite bid for the auction of the vehicles, or heavy equipment which carries more than minimum value of One Hundred Thousand Rupees, by notifying the public giving a Notice of Twenty One 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 Twenty 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 can not 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 Ten 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 referred to in Sub-rule (1), the other goods shall 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 shall 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), and (h) 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 shall 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), The person bidding either for sealed quotation or open bidding through the notice published pursuant to Sub-rule (1) or (2) shall deposit Ten percent of the accepted value of the auction, which

shall not be less 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 find that there is parking problem or can not be protected, the customs officer shall arrange for the committee as referred to 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 pursuant to Rule 35, shall be opened at the time and place mentioned in the public notice and the customs officer shall prepare comparative chart of bidding amount or shall 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 shall be approved. In case of number of bidders who have quoted more than the minimum price, the bidding of highest price shall be approved.

(3) After the approval of the bidding amount pursuant to Sub-rule (2), the bidder shall be given Seven days notice to deposit the balance amount and clear the goods.

(4) If the bidder does not deposit the balance amount and does not clear the goods within the specified period pursuant to Sub-rule (3), the deposit amount shall be confiscated and may award the tender to the Second, Third or Fourth lowest bidder respectively. In case of the approval of the lowest bidder, if the auction is not realized, the deposit shall be confiscated and re-tender for the sale shall be processed.

(5) In case of re-tendering pursuant to Sub-rule (4), the Seven

days notice for second bidding, sealed quotation, or public auction shall be given.

(6) In case the goods could not be sold at the minimum value even in the second time tendering, as per Rule 54, the committee shall revalue the minimum price and fix the revised minimum price and notice for re-tender in the manner mentioned in the Rule 35, shall be issued. In case the goods could not be sold through bidding in the revised minimum price, the customs officer may 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 pursuant to Sub-rule (6), with the approval of the Director General, the customs officer shall struck off the records of such goods from the customs record and destroy such goods in the manner as referred to in Sub-rule 25.

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

(9) Notwithstanding anything contained in these Rules, the customs office shall sell the gold, silver, diamonds and other precious stones and ornaments and other articles made there from, to the Nepal Rastra Bank at current market price confiscated or government property not cleared by the owner 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 Hundred Thousand Rupees or through bidding in case the minimum value of such articles is more than One Hundred Thousand Rupees.

(10) Notwithstanding anything contained in these Rules, in case of selling of goods by taking approval pursuant to the prevailing law, such goods shall be sold to the licensee only.

(11) Notwithstanding anything contained in these 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 shall sell such goods negotiating directly at the price not less than the fixed minimum price or more than the minimum price.

(12) Notwithstanding anything contained in this Chapter, in case the goods confiscated or seized by the customs office under the Act or purchased under Clause (b) of Sub-section (15) of Section 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 can not 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 this Sub-rule.

(13) In case there is no position of the customs officer and which may hamper the bidding process, the Director General may make appropriate arrangement for this purpose.

**Explanation:** For the purpose of this Chapter, "Customs Officer" means Chief of Customs office of the Gazetted rank or in his/her absence,

the officiating chief of the customs office.

†(14) Notwithstanding anything contained in these Rules out of the Ten percent amount collected out of the auction of the goods or commodities stored in the go-down or places which are in the ownership of the Terminal Management Company or the amount collect from the go-down rent, the amount which so ever is lesser, shall be returned to the Terminal Management Company.

## 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 license.

(2) After the Notification is published pursuant to Sub-rule (1), persons interested 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 a format mentioned in Schedule-5.

- (a) Who has completed Twenty One years of age,
- (b) Who has a minimum qualification of certificate level or 12<sup>th</sup> grade pass or equivalent,
- (c) Who does not have any outstanding due to be paid to the government,
- (d) Who has convicted by court in any criminal offence.

(3) Notwithstanding anything contained in Sub-rule (2), any person

---

† Inserted by First Amendment.

† Inserted by First Amendment.

who has worked as a representative of the customs agent for more than Two years till *Bikram Sambat 2065 Baishakh 14* and it 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) shall not be necessary for such person.

(4) The Department shall select the appropriate persons to issue license for customs agent from among the applicants through written examination and interview.

(5) Person selected as per Sub-rule (4), shall pay customs agent license fee of Three Thousand Rupees and a deposit of Three Hundred Thousand Rupees in cash or a bank guarantee of the equivalent amount. In such case, the applicants applying in the Department or the customs offices, the respective offices shall issue license in a format as mentioned in Schedule-6.

(6) The license issued pursuant to Sub-rule (5) shall remain valid for One fiscal year. In order to renew the license, the interested licensee shall apply to the license issuing authority by paying Three Thousand Rupees as renew charge before the new fiscal year begins and shall enclose following documents.

- a) Certificate of income tax payment,
- b) In case of bank guarantee, the due date of the bank guarantee shall be for the period for which the customs agent license is to be renewed.

Provided that, 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 fails to renew the license pursuant to Sub-rule (6), the agent may renew it within One year from the date of expiry of the license by paying additional Three Thousand Rupees as late fee. If any licensee does not renew the license within this period, the license shall be automatically cancelled.

(8) Notwithstanding anything contained in Sub-rule (7), the customs agent shall not be permitted to work as customs agent for the period failing to renew the license.

(9) The licensee shall normally be present in person at the customs office. In case of his/her absence, he/she shall 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 pursuant to Sub-rule (9) is received. After getting permission from the customs office, the customs agent shall nominate the representative to work in the specific customs office to work on the customs agent's behalf and such nomination paper shall be certified from the chief of customs office.

(11) In case of customs agent appointing one representative, no additional deposit or bank guarantee as per Sub-rule (5) shall be required. 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 shall deposit additional cash or bank guarantee in accordance with Sub-rule (5),

before the chief of customs office approves the nomination of the representative.

Provided that, the customs agent shall not 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 may work only in the designated customs office.

(13) Customs agent shall 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 prior to 2064 *Baishak* 14 shall be considered as the license issued under this Rule.

(16) Notwithstanding anything contained 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) shall not be necessary for such person.

- 38. Appointment of customs agent:** (1) Any exporter or importer may clear the goods or other works relating to customs being present in the customs office in person.

(2) In case the exporter or importer is a 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 or body may decide to appoint its staff to be present at the customs office to clear the goods or do any other customs related function.

<sup>①</sup>(3) In case the exporter or importer is any legally registered firm, company, organized body or institution; the Director or partner or the Chief Executive officer or administrative chief of such firm, company, organized body or institution may decide to appoint an officer level staff of the firm, company, organized body or institution to be present at the customs office to clear the goods or do any other customs related function.

<sup>①</sup>(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.

<sup>①</sup>(5) In case a customs agent is appointed in accordance with Sub-rule (4), the exporter or importer shall make available the documents such as- appointment letter; renewed customs agent's license, evidence to prove that the signature to appoint the customs agent is that of the legally registered exporter or importer, 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

---

<sup>①</sup> Amended by First Amendment.  
<sup>①</sup> Amended by First Amendment.  
<sup>①</sup> Amended by First Amendment.

true copy of the documents through the customs agent to the chief of the customs office from where the import or export takes place.

Provided that,

- (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 shall not be required to be submitted.
- (b) If the importer or exporter is a natural person, such person shall 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.

<sup>①</sup>(6) The customs agent shall submit the appointment letter pursuant to 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.

<sup>①</sup>(7) Upon the enquiry into the customs agent's appointment letter pursuant to 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 shall allow the customs agent to fill in the particulars with his/her signature and keep the record of the appointment letter and certify accordingly.

<sup>①</sup>(8) Upon the enquiry into the customs agent's appointment

---

① Amended by First Amendment.  
① Amended by First Amendment.  
① Amended by First Amendment.

letter pursuant to Sub-rule (6) and the attached documents, if customs agent is found not to be qualified for working the customs related job, the chief of customs office shall cancel the appointment and inform in writing to the importer or exporter accordingly through the same customs agent.

\*(9) Customs agent appointed before the implementation of these Rule shall comply with the provisions made in Sub-rules (5), (6) and (7) within Thirty days from the date of implementation of these Rule. If customs agent does not comply with the process, such agent shall not be allowed to work as custom agent.

39. **Training of the customs agent**: The Department by itself or through other institutions may, from time to time, organize training programme for the licensee of the customs agent who have not yet started the work, or those agents who are providing the service.
40. **Revocation of the custom agent license**: The customs agent's license may be revoked under the following circumstances:
- a) If someone receives license submitting false particulars or false papers,
  - b) If a court convicts in a criminal offence.

## Chapter-9

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

41. **Application for the review of valuation**: A person who is not satisfied with the decision made or order issued by the customs officer pursuant to Section 13 of the Act, may apply for receives to the Valuation Review Committee in the format as prescribed in Schedule-7.



The copy of the application shall also be forwarded to the concerned customs office within Seven days from the date of such application.

**42. The function, duty and authority of the chairperson and the members of the Valuation Review Committee:** (1) The function, duty and authority of the Valuation Review Committee's shall be as follows:

- (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) The decision made by the Valuation Review Committee's shall 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 shall be submitted to the Ministry of Finance within Seven days of the expiry of the month.

**43. Procedure to be followed by the Valuation Review Committee's:** (1) All the Three members of the committee shall exercise their authority collectively and the majority decision shall be considered as the committee's decision.

---

✚ Inserted by First Amendment.

(2) At the time of Valuation Review Committee's final decision on the application on the review of the valuation, the presence of Chairperson and the Two members shall be necessary.

44. **Period for the final decision** : Valuation Review Committee shall take final decision within Ninety days from the date of registration of the application.

45. **Remuneration for the Chairperson and the members of the Valuation Review Committee**: (1) The Chairperson shall receive Eight Thousand Rupees per month and members shall receive Six Thousand Rupees per month as allowance.

(2) If any member of the Valuation Review Committee is not the government employee, such member shall receive remuneration equivalent to the basic salary of the gazetted second class officer in addition to the allowance referred to in Sub-rule (1) every month.

46. **Ministry of Finance to make necessary arrangement**: Ministry of Finance shall make arrangement for the Valuation Review Committee's office, physical facilities and necessary staff.

## Chapter-10

### **Arrangement for Informer and Prize**

47. **Arrangement for reward**: (1) Anybody who capture person(s) smuggling or seeking to smuggle goods or furnish information relating thereto, shall be granted reward at the rate as mentioned below, in case it is proved that such goods have been smuggled or have been sought to be smuggled reward 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.

Provided that, if such goods are gold, silver and ornaments (*Jawarahat*), Twenty percent of auctioned value.

- (c) For persons who only seize and produce goods being smuggled, Twenty percent of auctioned value.

(2) If the reward for informer has to be given to the government employee pursuant to this Rule, receipt of payment and the copy of the identity card shall be enclosed in the record. If the informer is not the government employee rather any other individual, receipt of payment and the copy of the identity card of the individual shall be enclosed in the record.

(3) If the individuals getting reward pursuant to Sub-section (1), are more than one persons, the amount of reward shall be distributed equally.

(4) Notwithstanding anything contained in these Rules, the reward shall not be paid if the informer does not comply with these Rules.

**Explanation:** 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.

**48. Informer’s report or information** : (1) Informer’s report or information on export smuggling or import smuggling shall be received before the

goods are seized. The information shall not be accepted after the seizure of the goods.

(2) The Informer's report or information shall be provided to Chief of the Customs office or Director General.

(3) When the Director General receives informer's report or information pursuant to Sub-rule (2), he/she shall keep the record in writing with his/her own hand and shall 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, shall keep record confidentially noting the date and time in writing his /her own hand. If the informer's report or information is received from the person other than Director General, the record shall be maintained as per this procedure in the Rule and inform the same to the Director General immediately.

(4) Director General, after receiving the information as per Sub-rule (3), shall 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 shall be honored and the rest shall be noted accordingly 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 shall immediately submit the real name and a copy of evidence of proof (Citizenship certificate, identity card or passport) to the Chief of the Customs office. After receiving the evidence, the chief of the customs office shall certify it and put the informer register number and the date and seal it in an envelope with the informer registration number and the date only.

**49. Particulars to be included in the information:** (1) Following information shall 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 shall 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 shall register it in the informer's registration book and take action to seize goods. Afterward the informer's proof of real identity shall be sought and it shall be sealed in an envelope with the informer registration book number pursuant to Sub-rule (6). When the Director General receives informer's such information, he/she shall keep the record and shall send them to the chief of the customs office for immediate action.

**Explanation:** For the purpose of this chapter, "Chief of the Customs Office" also includes the officiating staff of the customs office in case of absence of chief 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 as referred to in Sub-rule (1) the demurrage shall be charged from the eighth day at a rate as referred to 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 proof the claim to the chief of the customs office.

(2) The Chief of the customs office may decide in writing along with the reasons thereof subject to the provisions as provided in 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/she is satisfied that there exist specific reasons for granting such remission.

(3) In case of remission of the demurrage the following officers may grant remission upto the following amount:

- a) Upto Twenty Five Thousand Rupees if non-gazetted staff is the chief of the customs office;
- b) Upto One Hundred Thousand Rupees if third class gazetted officer is the chief of the customs office;
- c) Upto Three Hundred Thousand Rupees 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 shall be granted over and above the amount within his/her authority, the chief shall write to the Director General with his/her recommendation along with the concerned documents including application made therefor pursuant to Sub-section (1).

(5) Upon conducting an enquiry into the documents pursuant to Sub-rule (4), if the Director General is satisfied that either partially or in full remission shall be granted, he/she may approve or may instruct the chief of the customs office accordingly.

(6) After the approval from the Director General pursuant to Sub-rule (4), the chief of the customs office may grant the amount of remission.

## **Chapter-12**

### **Provision relating to service of Notice and time limit**

#### **(Mayad)**

**52. Procedure for time limit (Mayad) :** (1) In order to provide initial time limit in the context of accused, pursuant to Sub-section (1) of Section 81 of the Act the authorized customs officer shall issue a Notice of Fifteen days in addition to the travel time for the accused in a format as prescribed in Schedule-10.

(2) In order to issue Notice to the accused pursuant to Sub-rule (1) above, the Notice shall be served to the accused or member of his/her family who are of the legal age limit. In case of the accused or his/her members of the family are not available or the accused or his/her family members refuse to accept Notice, the notice server shall stick the Notice at the door of their home or rented house with the Two witnesses signing the notice and notify the reasons accordingly.

(3) If the notice server does not find the accused person or member of his/her family in the home address or rented house address, he/she shall 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 office 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 body or representative or Two witnesses. In such a situation, such a notice shall be considered legally served.

(4) In case of serving the Notice to the firm, company or corporate body, the Notice shall be served to the member of the board, or administrator, or chief of such corporate body or legally authorized person of such corporate body. In case such person is not available or the person refuse to accept the notice, the notice server upon, noting the particulars thereof shall stick the notice at the door of their office with



the two witnesses signing the notice. In such a situation, such a notice shall be considered legally served.

(5) Notwithstanding anything contained in this Rule, the notice served to any person through registered post in the stated address, or in such person's telefax or email address shall be considered to have been legally served.

(6) The notice server should serving notice, pursuant to Sub-rule (2), (3) or (4), shall serve it within Three days in addition to the travel time.

(7) In case of receiving report stating that notice could not be served as referred to in Sub-rule (2),(3), (4) or (5); the notice may be served through radio, television, website 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 shall be considered legally served after Five days of such broadcast or publication.

(8) The customs office shall charge and collect the expenditure incurred to the service of Notice pursuant to Sub-rule (7) from the person concerned as government due.

- 53. Procedure to issue notice:** In case of issuing notice to the person related to the customs activities or the person who may be so related customs pursuant to Section 82 of the Act, it shall be given Seven days notice in addition to the travel time and the notice shall be issued in accordance with the procedure as prescribed in Sub-rule (2), (3) or (4), (5), (6) or (7).

Provided that, in the case of notice issued pursuant to this Rule, the Sub-rule (8) of Rule 52 shall be applicable.

**\*53A. Notice for the rightful claim:** (1) If the owner of the goods deposited in the customs office pursuant to Section 46 of the Act has been not identified, before the goods are confiscated, a notice shall be published in the notice board of the customs office, if anyone has rightful claim on the goods, to be present with the application attaching the evidence of claim within Seven days from the date of notice in addition to the time to be taken for the journey.

(2) Such a notice as referred Sub-rule (1), shall 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 publish it as a public notice.

## **Chapter-13**

### **Miscellaneous**

**54. Valuation Committee:** (1) There shall be Valuation Committee, as following, determine the value of vehicles and means of transportation deposited in the customs office, goods to be auctioned as per these Rules, and the goods under the Sub-section (3) of Section 71 of the Act.

- (a) Chief of the Customs Office or in  
his/her absence officiating Chief                      Coordinator
- (b) Representative from the concerned  
District Administration Office                      Member
- (c) Representative from the concerned  
Federation of Industry and                      Member

---

\* Inserted by First Amendment.

Commerce

- (d) Representative from the concerned  
Treasury Office Member
- (e) Mechanical technician in case of  
vehicle and means of transportation Member

(2) The Committee formed under Sub-rule (1), while making valuation, shall also 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-section (15) of Section 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 shall also be taken into consideration.

(3) The Valuation Committee formed under Sub-rule (1) may invite other persons to the meeting if the committee considers appropriate.

(4) The quorum of committee shall deem to be constituted under Sub-rule (1), if the Coordinator and other Two members are present and the majority opinion shall be considered the decision of the Committee.

(5) The meeting allowance for the committee members for participating in the meeting shall be determined by the Ministry of Finance.

- 55. Procedure relating refund of the deposit:** (1) Anybody who deposited any amount in the customs office pursuant to the Act or these Rules, shall apply for the refund, to the customs officer, within One year after the purpose for which the fund is deposited is realized. The

application shall specify the reasons and the amount of refund. The application shall be enclosed with receipt of deposit and the related documents for refund.

(2) Upon receipt of application pursuant to Sub-rule (1), the customs officer shall decide whether the deposit shall be refunded or not and refund such deposit within Three days of the date of decision if it is so to be refused. In case the deposit need not be refunded, the reasons thereof shall be notified to the applicant.

(3) In case an application is not received within the time limit pursuant to Sub-rule (1), the customs officer shall prepare a list of the deposit manual and decide that the deposit shall be refunded in case the application received with evidence later to the date and for this purpose he/she shall transfer such deposit.

**56. Compensation for the goods:** (1) The owner of goods seeking compensation pursuant to Section 69 of the Act, shall submit an application, to the customs office or the operator of the go-down stating the clear reasons thereof, for compensation along with the documents to prove the claim.

(2) Upon receiving the application pursuant to Sub-rule (1), such application shall be examined and if it is found that the compensation needs to be provided, decision shall 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 a condition of compensation provided by such person, an amount equivalent to the customs duty shall 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; shall 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 so notified pursuant to Sub-rule (1) shall deposit the amount in the customs office within Fifteen days from the date of such Notification. In case the amount is not be paid or has already been paid, such information shall be submitted along 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 not be paid or has already been paid pursuant to Sub-section (2); the customs officer shall enquire into the matter and if found justified, shall notify accordingly that the amount need not be deposited. If the documentary evidence does not justify the case, the customs officer shall notify to deposit the amount within Seven days. The concerned person shall deposit the amount within the specified time period. In case of not depositing the amount in time, the customs office may hold the customs transaction of such a person or may recover such amount from such person's asset located anywhere in the government office.

<sup>①</sup>(4) In case of Notification issued to the customs agent about the deposit of the penalty amount or the shortfall in the customs duty, the

customs agent shall notify it to 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 <sup>①</sup>Sub-rule (3), such amount shall 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 such customs official clears goods without the instruction of the chief customs officer, such customs official shall be liable for departmental action.

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

(1) If the exporter or importer has paid more than the due amount of customs duty for the export or import of goods or the fine, the exporter or importer shall apply for the refund of such excess amount at the customs office.

(2) In case of receiving application pursuant to Sub-rule (1), such application shall be examined and if it is found that the excess amount needs to be refunded, a written decision with justifications thereof shall 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 shall 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

---

<sup>①</sup> Amended by First Amendment.

<sup>①</sup> Amended by First Amendment.

shall 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 (Sarokarwala):** (1) The concerned person may apply to the customs officer for providing a copy of any document.

(2) While submitting an application pursuant to Sub-rule (1), the applicant shall specify the description of the document, the purpose for providing such document, and the evidence for being the concerned person.

(3) In case of receiving an application pursuant to Sub-rule (2), such application shall be examined and if it is found appropriate, the customs officer shall provide copies of the documents to the applicant by charging fees as referred to in Sub-rule (4) within Three days of the date of application.

(4) While providing a copy of the document pursuant to Sub-rule (3), Five Rupees 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 shall mention in the paper to be provided to the applicant that the cash has been collected or the stamp has been cancelled.

**60. Procedure relating to the issuance 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 along with the documents proving the import of such goods.

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

(3) While issuing certificate pursuant to Sub-rule (2), Five Rupees per certificate shall be charged. The customs officer shall put a seal of the office on the certificate by mentioning that the cash has been collected or the postage stamp 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 these Rules. If the goods are imported from time and again from the same single invoice rather at a time, the date of the last clearance of goods shall be considered to be the date of import.

**\*60A. Special arrangement for the import of goods under the Baggage**

**Rules:** Notwithstanding anything contained in these Rules, the importer, while importing the personal use goods or importing the goods under the baggage Rules, shall fill up the summary declaration form as prescribed in Schedule- 10a.

**61. Power to determine the heading or subheading of the commodity:**

(1) In order to determine the heading or subheading of the commodity classification pursuant to Sub-section (2) of Section 89 of the Act and for the purpose of advising on the commodity classification to the Director General, a committee shall be framed at the Department:

- a) Department's Deputy Director  
General or director designated  
by the Director General Coordinator

---

\* Inserted by First Amendment.



- (5) The member secretary shall inform the applicant within Three days of the date of the decision of the committee.

**Office (Chhoti Bhansar):** (1) Following goods may be exported or imported through the Branch Customs Office:

- Provided that, except the import of goods with the approval of the Director General, other machinery operated vehicles on a permanent or temporary basis are prohibited for import.

- (2) While exporting or importing goods pursuant to this Rule, export

or import of goods other than the immediate neighboring countries are not permitted.

(3) Director General may issue procedures 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 of Nepal, any person may operate go-down to deposit goods for import or export by constructing go-down in the premises of the customs office

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

**64. Responsibilities of the private operator of the Warehouse:** (1) The responsibilities of the proprietor of the nongovernmental warehouse shall be as follows:

- (a) to make arrangement for the safety of the 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 the 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 shall 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 go-down 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 shall be allowed to inspect go-down as and when he/she 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 shall be recorded.

**65. Goods imported through the post office shall be deposited at the**

**customs office:** (1) In case any parcel is imported in the name of consignee, the concerned post office shall send such parcel at the nearest customs office, and at the same time inform the consignee about the arrival of the parcel.

(2) In case someone is interested 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 of the 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 manage to 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, shall 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 shall 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.

†**66A. 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 shall allow to release goods by charging the customs duty for the released goods

---

† Inserted by First Amendment.  
† Inserted by First Amendment.  
† Inserted by First Amendment.  
† Inserted by First Amendment.

only.

**67. Alteration and change of the Schedule:** Ministry of Finance, notifying in the Nepal Gazette, may alter and change the schedule as and when necessary.

**68. Repeal and Saving:** (1) Customs Rule, 2026 is, hereby, repealed.

(2) All acts done and actions taken in accordance with Customs Rule, 2026 shall be deemed to have been done and taken in accordance with these Rules.

NEPAL LAW COMMISSION

## \*Schedule 1

( Related to sub- Rule (2) of Rule (3) )

### **Forms for the Ministry of Foreign Affairs's Recommendation for diplomatic privilege or duty privilege**

Government of Nepal  
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/exporter/importer	Item of goods	quantity	Country to export Country of import	Estimated value	Customs Office of export/import

Registration No      Seal of Ministry of Foreign Affairs      Recommending officer's  
Date  
Signature Name  
Position  
Date

For the use of Department of Custom

.....Customs office/.....

\* Inserted by First Amendment.

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

<u>Registration No</u>	<u>Seal of Department of Customs</u>	<u>Recommending Officer's</u>
Date		Signature
		Name
		Date

NEPAL LAW COMMISSION

## 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

Serial No	Description of Goods	Quantity or Number of Package	Place of Loading

Driver's Signature



### Schedule 3

( Related to Rule 22 )

#### Customs Declaration Form

Government of Nepal  
Ministry of Finance, Department of Customs  
Customs Declaration Form (Page 1)

		1. Declaration		Office of declaration		
2. Exporter ..... .....	Number	Import	Export	Office Code		
				Name		
		3 Page No.	4. CTD No.	Manifest No.		
		5. Items	6. total package	7. Declaration No.		
8. Importer ..... ..... Permanent Account No. VAT Regd. Yes <input type="checkbox"/> No. <input type="checkbox"/> VAT Regd. date (if registered)	Number	9. Airway bill/ B I No. and date DRP red circle no. Invoice no / DRP no and date				
		10. Country of export	11. trading country	12. value details	13. Warehouse	
14. Declarant Agent/ Representative no		15. Country of export	15. Country of export code	17. Country of destination code		
			A	B	A	B
		16. Country of origin		17. Country of destination		
18. Flight or vehicle no.	19. Container	20. Delivery terms				
	21					
		22 Cur and total invoice amount	23. exchange rate	24. Nature of transaction		
25. Mode of transport at boarder	26	27 Place of discharge	28. Banking data code Terms of payment			
29.	30.					
		Bank Name		File no		
		Branch				

31. Packages and description of goods	No of package Kinds				32. Item no.	33. HS Code	
	Description of goods					34 Co. Code A   B	35 Gross weight
					36 Preference		
					37. Procedure	38. Net weight	39. Indian Excise rate
				40. Indian Excise amount			
				41. Supply units		42 Item Value	43 V.M Code
44. Other information of doc produced	License no. DV DQ				A.I. Code 45 Adjustment		
	Additional document no.						
Dispatch no.				46. Statistical Value			
L/C no. and date							
47. Duty Calculation	Type	Tax Base	Rate	Amount	MP	48 Differed Payment	
						49 Identification of Warehouse	
						Account Detail	
						Mode of payment	
						Assessment no Date	
						Receipt no. Date	
					Guarantee Date		
					Declaration fee		
Total of this form					Total Amount		
					Total Amount in words		
50 (A) Any other information that the declarant needs to notify					50 (B) I hereby certify that the information contained in all pages of this document submitted are true and correct and I know that any untrue and discrepancy submitted would be sufficient for legal action against me.		
					Signature Date		
					Name Address		
50 (C) Physical verification			Remarks				

Date entry operator's sign & date  
Name

Inspector's sign & date  
Name

Customs officer's sign & date  
Name

**Government of Nepal**  
**Ministry of Finance, Department of Customs**  
**Customs Declaration Form (Page 2)**

	2. Exporter ..... .....	Number	1. Declaration		Office of declaration		
			Import	Export	Office code		
					Name		
			3. Page No.	4. CTD No	Manifest No.		
					Regd. No		
			5. Items		6. Total Package		7. Declaration No.
31. Packages and description of goods	No of package Kinds		32. Item no.		33. HS Code		
	Description of goods		34 Co Code A   B		35 Gross weight	36 Preference	
			37. Procedure		38. Net weight	39. Indian Excise rate	
			40. Indian Excise amount				
			41. Supply units		42 Item Value	43 V.M Code	
			44. Other information of doc. produced		A.I. code		45 Adjustment
License no. Additional document no. Dispatch no. L/C no. and date		DV                      DQ  Currency and Amount		46. Statistical Value			
31. Packages and description of goods	No of package Kinds		32. Item no.		33. HS Code		
	Description of goods		34 CO Code A   B		35 Gross weight	36 Preference	
			37. Procedure		38. Net weight	39. Indian Excise rate	
			40. Indian Excise amount				
			41. Supply units		42 Item Value	43 V.M Code	
			44. Other information of doc. produced		A.I. code		45 Adjustment
License no. Additional document no. Dispatch no. L/C no. and date		DV                      DQ  Currency and Amount		46. Statistical Value			

44. Other information of doc produced	License no. DV					DQ					A.I code		45 Adjustment			
	Additional document no.															
31. Packages and description of goods	Dispatch no.										46. Statistical Value					
	L/C no. and date					Currency and Amount										
	No of package					32. Item no.					33. HS Code					
	Kinds										34 CO Code A B		35 Gross weight		36 Preference	
	Description of goods					37. Procedure					38. Net weight		39. Indian Excise rate			
					40. Indian Excise amount											
44. Other information of doc produced	License no. DV					DQ					A.I. code		43 V.M Code			
	Additional document no.												45 Adjustment			
47. Other information of doc produced	Dispatch no.										46. Statistical Value					
	L/C no. and date															
47. Other information of doc produced	Type	Tax Base	Rate	Amount	MP	47. Duty Calculation	Type	Tax Base	Rate	Amount	MP					
Total of first item of this form						Total of second item of this form										
47. Duty calculation	Type	Tax Base	Rate	Amount	MP	Type	Total Amount of this Declaration form		MP		Signature of declarant					
Total of third item of this form						Grand Total										

Date entry operator's sign & date  
Name

Inspector's Sign & date  
Name

Customers officer's sign & date  
Name

## Schedule 4

(Related to Rule 31)

### Forms of Notice to the importer relating to the

#### Purchase of goods

Government of Nepal

Ministry of finance, Department of Customs

..... Customs Office

Date:

Subject: Purchase of goods.

Mr./Ms.....

.....

Pan No.....

Whereas, this office has decided to purchase the following goods that you have purchased pursuant to Clause (b) of Sub-section (15) of Section 13 of Customs Act, 2064, therefore, it is, hereby, notified to you pursuant to Rule 31 of Customs Rules, 2064, Please collect following amount from this office.

#### Description of the particulars of the goods

1. LC No. and Date
2. Invoice No. and Date
3. Customs Declaration Form No. and Date
4. Description of the particulars of the goods
5. Declared value of the goods
6. 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

Registration no. and date	<input type="text"/>	Registration office	<input type="text"/>	<div>Passport Size Photo</div>
---------------------------	----------------------	---------------------	----------------------	--

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 am submitting this application in compliance with the provisions of Sub-rule (2) of Rule 37 of Customs Rule, 2064. All the particulars mentioned above are true. I shall be responsible accordance with the prevailing law in case of proof that the particulars are false.

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 card for the Customs Agent's examination

Applicant's name and surname:

Name of Firm/Company:

Roll Number:

Examination Centre:

Passport Size  
Photograph

Replica Signature

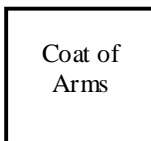
## Schedule 6

( Related to Sub-rule 5 of Rule 37 )

Government of Nepal

Ministry of Finance

Department of Customs/ -----Customs office



License no.

Date :

### License of the Custom Agent

In accordance with Sub-rule (5) of Rule 37 of Customs Rules, 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

Telephone no.

Telefax no.

Email

License issuing:

Name

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

**Section A**

(To fill up by the Exporter/Importer)

Appointers  
Signature to  
Touch upon the  
photo as well

Customs  
Agent's  
Photo  
Touch upon the  
photo as well

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-rule (4) of Rule 88 of the Customs Rules, 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 Rules, 2064. Copy of evidence regarding

+ Inserted by First Amendment.

our business and license of the customs agent are enclosed. If deemed necessary, I/We shall 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, appointer need not affix photo in the subsequent appointment letter)

#### Section B

(To fill up by the customs agent)

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

Valuation 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/Bank draft/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. Grounds and reasons for not agreeing with the customs officer's decision:

Signature of the applicant

Name

Seal

PAN no.

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

## **Schedule 9**

(Related to Sub-rule (2) of Rule 50)

### **Rate of Demurrage Charge**

- (a) Airport Customs Office: Per day per KG charge Forty *Paisa* up to Thirty days, Per day per KG charge Eighty *Paisa* from more than Thirty days up to Sixty days, Per day per KG charge One Rupee Twenty *Paisa* from more than Sixty days
- (b) Other customs offices : Per day per KG charge Twenty *Paisa* up to Thirty days, Per day per KG charge Forty *Paisa* from more than Thirty days up to Sixty days, Per day per KG charge Sixty *Paisa* for more than Sixty days.

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

## Schedule 10

(Related to Sub-rule (1) of Rule 52)

### **Format of the notification for the Notice by the customs office**

Notice issued 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 Fifteen days except the time taken to travel, for the enquiry into the crime committed as referred to in Customs Act, 2064. If you appear, your views shall be taken into account or if you do not present, the decision shall be taken in accordance with the legal provisions. No complaint may be filed later on No. date could be extended relating to this Notice.

Date.....Year.....Month.....date.....day.

## **+Schedule -10a**

(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 (Rs.)	Classification No.	Flat rate or Integrate Ed. duty	Duty Amount
1	2	3	4	5	6	7	8	9
1								
2								
3								
4								
5								
6								
7								
Total Duty Rs. (Amount)								
In Words:								

+ Inserted by First Amendment.

<p>All these particulars are true. In case of false information, I shall be liable for punishment in accordance with the prevailing law. This summary customs declaration form shall not be used for commercial use:</p> <p>Signature _____ Date _____</p>	<p>Cash Receipt No. and Date:</p>
	<p>Examiner's Signature and Date:</p> <p>Signature of the customs officers and Date:</p>

NEPAL LAW COMMISSION

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

1. The Summary customs declaration form shall be fill up 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.
2. The Summary customs declaration form shall be used to import goods up to the worth of Five Thousand Rupees or the goods listed in the notice of the Baggage Rules which can be imported under the flat rate. Goods for Commercial use can not be imported and this can not be accepted as evidence for commercial transaction.
3. The Summary customs declaration form shall be used for the import of goods mentioned in S.N. 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 shall 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 Claus (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

NEPAL LAW COMMISSION