

Customs Regulation, 2007

In exercise of the powers conferred by Section 92 of Customs Act, 2064 (2007), Government of Nepal has framed the following Rules.

Chapter 1 Preliminary

1 Short Title and commencement:

- (1) These rules may be cited as Customs Regulation 2064 (2007)
- (2) This regulation shall commence at once.

2. Definition:

Unless the subject or context otherwise requires, in this Regulation

- (a) "Act" means Customs Act,
- (b) "Third country" means foreign countries other than India,
- (c) "Valuation Review Committee" means Committee constituted under the subsection (2) of section 61 of the Act,
- (d) "Owner of Goods" means the owner of any goods to be exported or imported.

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, should apply in the Ministry of Foreign Affairs declaring the descriptions of the goods, price and quantity in order to avail of such privileges.
- (2) The application received, under sub rule (1), should be scrutinized and, if the Customs privilege or duty privilege need to be granted, the Ministry of Foreign Affairs should forward two copies of recommendation form as prescribed in Schedule 1.
- (3) Upon the receipt of the recommendation form as per sub rule (2), the Department should forward one copy of recommendation form for execution to the Customs office or Duty Free Shop.
- (4) Upon the receipt of the recommendation form as per sub rule (3), concerned Customs office or Duty Free Shop should grant diplomatic privilege or duty privilege to the concerned institution, official or person as recommended in the form.
- (5) Concerned Customs office or Duty Free Shop should submit the description form of diplomatic privileges or duty privileges as per sub rule (4) to the Department and one copy of such description form should be kept for record in the office.
- (6) For the purpose of this sub-rule, the Ministry of Foreign Affairs should provide at a prior date the specimen signature of the authorized official to the Department, who will recommend the diplomatic privilege or the duty privilege.

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

- (1) In case of sending Goods from one part of Nepal to another part of Nepal through foreign territory, the owner of goods should submit declaration form containing full particulars to the concerned Customs office. Such declaration form should also clearly specify the Customs office from which the goods reenter into Nepal.
- (2) In case a declaration form as mentioned in sub rule (1) is received, the Chief of the Customs Office shall not permit the movement of such goods through foreign territory if cheaper or more convenient means of transport are available for carrying them through the territory of Nepal itself or that it is advisable to send such goods through the territory of Nepal itself from the viewpoint of the Customs administration also.
- (3) In case a declaration form as mentioned in sub rule (1) is received, the Chief of the Customs Office shall permit the movement of such goods through foreign territory by keeping record of the duty or Customs duty on deposit, specifying such goods, affixing Customs seal, recording the transit time on the declaration and submitting the same declaration to the owners of the goods, if he is satisfied that cheaper or more convenient means of transport are not available for carrying them through the territory of Nepal itself or that it is advisable to send such goods from the viewpoint of the Customs administration also,
- (4) In case of goods banned to import in foreign country needs to be transported from one part of Nepal to other part of Nepal through their territory, the owners of the goods should follow the prescribed rules as incorporated in the Transit Treaty or Agreement between Nepal and the foreign country if there is any such Treaty or Agreement in effect.
- (5) The Customs office receiving the declaration form of the Customs office authorizing to export goods as per sub rule (3) and the goods declared in the declaration form and transport document and found the

goods as per the description in the declaration form should allow the import of such goods without charging Customs duty by noting in the declaration form. The Customs office should inform and send one copy of declaration form to the Customs office authorizing for export within 30 days. Nevertheless, if the declaration form as issued by the Customs office to export is not presented to the Customs office, the importing Customs office should allow the import by depositing the Customs duty equivalent.

Nevertheless, if the declaration form as issued by the Customs office allowing export is not presented to the customs office, the importing customs office should allow the import by depositing the customs duty equivalent.

- (6) Upon the receipt of the information as per sub rule (5), the export authorizing Customs office may allow the refund of the Customs duty or reconciled the record, if the circumstances warranted such action.

Provided that in case the goods permitted for the import of which has been granted are found to have been partially imported, such amount of the Customs duty as is due on the goods which are not imported shall be deducted from the amount of the deposit. In case the goods are released keeping duty on record, such amount shall be collected from the owner of the goods within seven days.

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

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

- (2) In case the application as mentioned in sub-rule (1) is received, the Department of Customs, after the scrutiny of the application, shall permit the movement of such goods through Nepalese territory if the Department is satisfied. The Department may seek recommendation letter from the concerned Embassy or Diplomatic office located in Nepal, before granting such permission.
- (3) In case of permission granted as per the sub-rule (2), the owner of the goods should submit the declaration form with description of goods and the permission letter in the concerned Customs office. The name of the Customs office from which the goods are re-exported should be mentioned clearly in such declaration form.
- (4) In case a declaration form as mentioned in sub-rule (3) is received, the Customs Office, after certifying the description of goods with the seal of the office, shall permit the movement of such goods from one part of foreign territory to another part of foreign territory through Nepalese territory as per the decision of the Department inserting condition to reach in the specified place of exit within seven days in the declaration form and submitting such declaration form to the owner of the goods.
- 5) In case the declaration form, the particular of goods and the transit permission as mentioned in sub-rule (4) is received, the Customs office, after the scrutiny of the papers are found valid and after noting in the declaration form shall release such goods for export and a copy of such declaration form shall be notified to the import allowing Customs office within 3 days.
- (5) After receiving the declaration form, the import allowing Customs office shall release any deposit of Customs duty in case such duty is deposited.

Provided that in case the goods permitted for the import of which has been granted are found to have been partially exported such amount of the Customs duty as is due on the goods which are not exported shall be deducted from the amount of the deposit. In case the goods are

permitted without keeping duty on deposit, the duty shall be collected from the owner of the goods.

- (6) 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 Formality to be fulfilled for sending goods from one foreign country to another foreign country through Nepalese territory:

- (1) The Department may specify the Customs offices for the purpose of sending goods from one foreign country to another foreign country through Nepalese territory.
- (2) In case of sending goods from one foreign country to another foreign country through Nepalese territory, the owner of goods should submit goods and the four copies of application form prescribed by the Department and the declaration form in the related Customs office.
- (3) On the scrutiny of the declaration form and prescribed form as mentioned in sub-rule (2) is found to be not containing the banned goods, the Customs Office shall permit the movement of such goods within a period up to fifteen days transit period through Nepalese territory to the foreign country by charging service fee as determined by the Government of Nepal. The container with the goods should be sealed, and the forms should be certified. One copy of the certified form should be handed over to the owner of goods, one copy should be kept for office record and two copies of the forms should be sent to the exporting Customs point.
- (4) Upon receiving the goods by the export permitting Customs office, such office shall certify the forms as per sub-rule (2) and permit the export of such goods and send a copy of the certified copy to the

import allowing Customs office.

- (5) In case the goods are not exported as per sub-rule (3) using the transit of Nepal to another foreign country within the time period, the owner of goods should apply in the Department for the extension of the time period stating the reason for the delay. Upon receiving the application and if the reason is found satisfactory, the Department may extend the time period.
- (6) In case such imported goods are not exported within the prescribed time period and sold or used in Nepal, the owner of goods should pay the due Customs duty as well as additional hundred percent Customs duty.
- (7) As per this rule, for sending goods from one foreign country to another foreign country through Nepalese territory, sealed container should be used.

7. Export or Import of goods for repair

- (1) In case it becomes necessary to send any goods to a foreign country from Nepal for the purpose of repair or to bring such goods into Nepal from abroad after repair thereof, full particulars regarding the number, and size and specification of such goods, as far as possible, shall be filled up in the declaration form and submitted to the Customs officer.
- (2) In case any declaration form as mentioned in sub rule (1) is received, Customs officer may allow passage for such goods, after receiving guaranty of airlines operator without any cash deposit for aeroplane, helicopter and engines thereof, and after receiving deposits equivalent to 0.5 percent of the value of goods for spare parts of aeroplane and helicopter and 5 percent of the value for the other goods.
- (3) Goods exported to foreign country for repair shall have to be brought back within three months and Customs duty is chargeable on the expenses involved in such repair or on the price of the spare parts

which are replaced. The chargeable Customs duty will be deducted from the amount of the Customs deposit furnished and the balance of the deposit will be refunded.

- (4) In case time limit prescribed in sub rule (3) for bringing back such goods after repair is inadequate, an application accompanied with documentary evidence of such inadequacy shall be submitted to the Customs officer. The Customs officer may, if he so deems appropriate, extend the time limit by a period not exceeding three months. In case the additional time limit is inadequate, the Customs officer should write to the Director General of the Department of Customs with the reasons and in case the Director General approves the extension of the time limit, the Customs officer should extend the time accordingly.
- (5) As per this rule, the goods exported for repair are not brought back within the time limit prescribed under sub-rule (3) and (4) but brought back after the lapse of time limit, the deposited amount shall be seized and such goods shall be treated as fresh import and Customs duty shall be chargeable accordingly.
- (6) In case it becomes necessary to bring any goods from a foreign country to Nepal for the purpose of repair or to send back such goods from Nepal to abroad after repair thereof, full particulars regarding the number, specification and size of such goods shall be filled up in the declaration form and submitted to the Customs officer.
- (7) In case any declaration form as mentioned in sub-rule (6) is received, Customs officer may allow passage for such goods, after receiving deposits equivalent to the chargeable Customs duty and noting the time limit of six months for the export of such goods.
- (8) As per sub-rule (7), the goods imported for repair is returned within three months time limit and the documentary evidence is presented for the payment of repair, the Customs duty deposited at the import time shall be refunded. In case goods are not returned or the specification of

the goods did not match with the goods that is presented for export or documentary evidence for the payment is not presented, such goods and the deposited amount at the time of importation shall be seized.

- (9) In case airline company registered to operate airlines have to export engines of airplane or helicopter for repair and during the period of repair if the airway company has to import engine on rent from the foreign country, the company may import engine on bank guarantee equivalent to Customs duty in the Customs office and such import should be for maximum period of six months. If the engine is exported within the period, the bank guarantee will be released. If the engine is not exported within the period, the Customs duty should be charged treating engine as fresh import.
- (10) Notwithstanding 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 the chief of Customs office may release duty free such goods for re-export within a period of ninety days from the date of import or from the date of arrival at the Customs office on the condition that the similar goods are imported as replacement or the remittance of foreign exchange in Nepal in case payment in foreign exchange is already made on the import of such goods.
- (2) If the goods have been re-exported as per sub-rule (1), and the goods for replacement have not been imported or the foreign exchange paid for the goods have not been remitted within six months from the date of re-export of goods, the concerned Customs officer should write to the concerned office to take action in accordance with prevailing law of

the land.

- (3) In case the supplier has supplied the goods as replacement, before re-exporting the goods within the time limit as per sub-rule (1), the Customs officer may release the goods levying the Customs duty after the scrutiny of the application of the importer and the documentary evidence of goods imported.
- (4) In case the goods have been received as replacement as per sub-rule (3), the goods to be re exported shall not attract the Customs duty or if the Customs duty was paid before, such Customs duty shall be refunded.

But, in case the goods is re-exported after the lapse of the time limit, the Customs duty paid before shall not be refunded.

- (5) In case it becomes necessary to export or import any goods for the purpose of sale or display at any seasonal market, or at any fair or exhibition inside or outside of Nepal the owner thereof shall indicate in the declaration form the purpose of such export or import and produce such goods at the Customs office.
- (6) A deposit equivalent to the amount of the Customs duty due on the import or export of goods under sub rule (5) shall be collected.
- (7) In case of goods exported or imported after sale at a seasonal market, fair or exhibition, the Customs office shall forthwith refund the deposit after deducting the amount which are not re-imported or re-exported as the case may be; provided such goods are brought in the customs offices the following day after the seasonal market, and within 30 days excluding time consumed for transportation after the end of fair or exhibition.
- (8) Notwithstanding anything contained in this rule, the Customs officer may release the goods without duty and keeping record only, in case the goods are exported or imported according to this rules and on the

recommendation of the fully owned or majority owned government enterprises or the diplomatic missions. In case the goods exported are consumed in the foreign country or goods imported are consumed in Nepal, the concerned importer or exporter of goods should pay the applicable duty on the amount of goods consumed.

- (9) Importation and exportation of goods pursuant to this rule should be made through the same customs office.
- (10) In case the import or the export of goods cannot take place as per sub-rule (9), the concerned person should apply stating the reasons at the Department. If the reason stated in the application is found to be justifiable, the Department may allow the import or export of goods from different Customs office.
- (11) In case of containers supplied for the use and transportation of such goods, for the repeated use of such goods, and as long as it is used the container cannot be emptied, the Customs officer may release such container without charging Customs duty due after the furnishing of the bank guarantee for the Customs duty equivalent, and noting in the declaration form the time period for the return of such container. If the container is not returned within the specified time period, the Customs duty shall be deducted from the bank guarantee. If the user of the goods in the container can be transferred to other container by pouring such goods, this facility will not be granted under this rule.
- (12) If any industry intend to export the empty container as per sub rule (11) for importing the goods by fulfill such empty container for the industry's own use, such industry should apply to the Customs officer specifying the details.
- (13) In case such application is received as per sub rule (12), the Customs officer may permit the export of container on the conditions that five percent of the value of empty container is deposited in cash or bank guarantee equivalent to the amount valid for six months is furnished

and the container is imported with the goods within three months.

- (14) If the container is not imported within the specified time period as per sub-rule (13), the industry should apply stating the reasons for the extension of time period .In case of such application, if the Customs officer found the reason justified, the chief of Customs office may extend the time period by one month.
- (15) If the container is imported within the specified time period as per sub-rule (14), by loading the goods by the industry, the Customs officer should collect the chargeable Customs duty and refund the cash deposited earlier or release the furnished bank guarantee as per sub-rule (13).
- (16) In case the container is not imported within the specified time period as per sub-rule (14) by the industry, the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions. In case such container is imported after the elapse of the time period, the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions and the goods contained in the container should be cleared by charging the Customs duty.
- (17) Any importer or the local purchaser of the chassis for the bus or truck would like to export such chassis for the purpose of building the body should apply to the Customs officer enclosing the copy of import declaration form or Invoice of local purchase within the three months from the date of import or local purchase.
- (18) If the application is received as per sub-rule (17), the Customs officer may permit the export of chassis on the condition that five percent of the value of the chassis is deposited in cash or bank guarantee equivalent to the amount is furnished and the chassis with body is imported within six months.

- (19) If the chassis with body is imported within the specified time period as per sub-rule (18), the Customs officer should collect chargeable Customs duty on the expenditure made on the making of the body and refund the cash deposit or release the bank guarantee whatever the case may be.
- (20) In case the chassis with body is not imported **by the person concerned** within the specified time period as per sub rule (18), the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions. In case of re- import of chassis after the elapse of time period, the Customs officer should transfer the deposited cash amount in the revenue account or forfeit the bank guarantee from the bank or the financial institutions and clear bus or truck by collecting duty on the value of making body of such bus or truck.
- (21) Any Nepali contractor who get contract to work in foreign country would like to take motor vehicle, machinery, equipment and parts thereof for the purpose of such work should apply to the chief of the customs office along with the required evidence.
- (22) Upon receiving of application as per sub rule (21), chief of the customs office may examine the case, and if found justifiable, shall allow to export such goods to the foreign country without charging any duty. No duty shall levy on the goods exported under this provision while return back after completion of the work.
- (23) In case it becomes necessary to export the goods, produced in Nepal, for quality test, the chief of the Custom Office may allow to export by keeping a deposit which shall be five percent of the value of such goods.
- (24) If the goods, exported for quality test pursuant to sub-rule (23), is returned back within three months, previously deposited amount shall

be refunded after imposing the chargeable duty on the expenses involved in such testing.

- (25) If the goods, exported for the quality test pursuant to sub-rule (23), is returned back after three months, the duty shall be imposed as imported as new goods.

Chapter 3
Provision relating to Bonded Warehouse, Bank Guarantee, and Special
Economic Zones

9. Arrangements for the license of the Bonded Warehouse:

- (1) Following Industry or person intending to avail of the facilities of bonded warehouse should apply at the Department for the license:
 - (a) Industry exporting garment to foreign country,
 - (b) Industry exporting its product to third country,
 - (c) Except the Industry mentioned in clause (a), other industries exporting at least fifty percent of its production to India,
 - (d) Person who is importing goods to sale through the government licensed duty free shop
- (2) Industry applying under sub rule (1) should submit certificate stating that the industry qualifies as per clause (a), (b) or (c) of sub rule (1).

In case the industry which is not operating for more than a year, intends to get license for the bonded warehouse should not need to submit certificate if it submits conditional contract paper with the export plan and conformity of its export to third country or exports to India of its production at least fifty percent.

- (3) If the application as per sub-rule (1) is found to be justified to issue the license, the Department may issue licensee to the industry by charging Rs. six thousand as a license fee. .
- (4) The time period for the license as per sub-rule (1) will be valid for one year. The licensee can get the license renewed from the Department by paying renewal fee of Rs. Three thousand before the next fiscal

year starts, if licensee intends to renew the license for the next fiscal year.

- (5) If the licensee failed to renew the license as per sub-rule (4), the licensee should pay additional fee of Rs. three thousand for each fiscal year for renewal of the license.
- (6) Notwithstanding the provision mentioned in the sub-rule (5), the licensee is deprived of the bonded warehouse facilities accorded to the licensee for the period failing to renew the license.

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

- (1) As per rule 9, the licensee of the bonded ware house, may import necessary raw materials and the auxiliary raw materials (including the packaging materials not produced in Nepal) with the furnishing of the bank guarantee equivalent to the chargeable Customs duty for the purpose of producing goods for export or sale in Nepal in convertible foreign currency. .
- (2) As per sub-rule (1) the Bank Guarantee should be furnished to the amount equivalent to the total of chargeable Customs duty in addition to 15 percent on such Customs duty.
- (3) As per sub-rule (1), time period of the bank guarantee should be from six months to twelve months. In case of six months bank guarantee, if the extension is required beyond 6 months, it can be extended from 6 months to 12 months. In case of time extended as per rule 13, Bank Guarantee time period should be extended accordingly.
- (4) In case of packing materials not produced in Nepal, the Department will provide bonded warehouse facilities on the recommendation of the Department of Industry stating that the packing materials are not produced in Nepal and bonded warehouse facility be extended.
- (5) The owner who received the license of bonded warehouse to operate

the duty free shop should furnish the bank guarantee equivalent to the chargeable Customs duty for the import of goods to sale from the duty free shop. In order to import such goods, the Department should approve the list of goods and their quantity.

- (5a) The goods imported as per sub-rule (5), the liquor and cigarette should be sold to the person and organization specified to receive diplomatic and Customs duty privilege on the recommendation of Ministry of Foreign Affairs , Government of Nepal as incorporated in sub-rule (2) of rule 3.
- (6) Customs Industry licensed to operate bonded warehouse as per agreement with the foreign buyer to buy its product under buyback agreement and with the recommendation of Department of Commerce can import raw materials and auxiliary raw materials under bank guarantee equivalent to Customs duty without opening of Letter of Credit. The product under this agreement should be made of the raw materials and auxiliary raw materials of no value sent by the foreign buyer charging only the cost of production incurred during production process and the profit and exported to same buyer or other buyer if recommended by Ministry of Commerce.
- (7) The importer who is importing as per sub rule (6) should submit the recommendation letter of the Department of Commerce specifying the necessary procedures and the terms and condition for the import without letter of credit agreement with the foreign buyer, and invoice of value for the Customs purpose only with the declaration form.
- (8) In order to furnish the bank guarantee pursuant to this rule, the bank guarantee should be issued only by the Bank and the financial institution permitted to do so according to the prevailing law.

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

- (1) Airline companies can import goods for catering services and for in-flight duty free shop in the international flight by furnishing bank guarantee or cash deposit equivalent to the chargeable Customs duty. In case the airlines import such goods by itself and prefer to buy such goods from bonded warehouse or duty free shop, the airlines can buy such goods from bonded warehouse or duty free shop designated by the Department.
- (2) If the Nepali textile industry intends to sale its product to the export oriented garment industry, the yarn needed for the production of such product may be allowed to import by furnishing bank guarantee equivalent to the chargeable Customs duty on the recommendation of Textile Industry Association. Customs

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

- (1) The industry with bonded warehouse facility should export the goods through Letter of Credit or banking documents.
- (2) The industry with bonded warehouse facility should export, or sell in homeland against convertible foreign currency, 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 raw materials or auxiliary raw materials (including packing materials not produced in Nepal), imported as per rule 10 by the industry with bonded warehouse facility, the value addition should be ten percent over the value as determined by the Customs.
- (4) The rate of value addition as per sub-rule (3) is calculated as:

The amount, obtained by subtracting the value of materials used in the production of goods to be exported determined by the Customs at the time of import of the materials imported pursuant to rule 10, from FOB price of the goods to be exported, is divided by value determined by the Customs at the time of import of materials used in the finished product, and the amount so derived is multiplied by hundred is the percentage of value addition.

- (5) The person getting the license of bonded warehouse should sale the goods from the duty free shop in one year from the date of import as imported for the sale in duty free shop.
- (6) The textile industry importing yarn as per sub-rule (2) of rule 11 should sale its textile made from such yarn to the export oriented garment industry within eleven months from the date of import of yarn.

13 Time period extension:

If the concerned person applies for the time extension with the reasons for not being able to export or sale the product within the time period mentioned in sub-rule (2),(5), and (6) of rule 12, and such reason appears to be reasonable, the chief of the customs office may extend the maximum time period by six months.

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

- (1) The industry with the bonded warehouse facility should apply for the release of the bank guarantee in the concerned Customs office as per the time period of rule 12 or extended time period of rule 13 with the attachment of the following documents;
 - (a) Document relating to import of goods as per rule 10,
 - (b) Document relating to the export of finished product,
 - (c) Certificate of foreign exchange earning issued by the concerned

bank,

- (d) Certificate of consumption ratio of use of raw materials and the auxiliary raw materials from the concerned agency.
- (2) The person with the bonded warehouse facility to sale the goods from the Duty Free Shop, should apply for the release of the bank guarantee or cash deposit in the bank guarantee or cash guarantee deposited Customs office as per the time period of sub rule (5) of rule 12 or extended time period of rule 13 with the documents relating to the sales from the Duty Free Shop.
- (3) The Airline companies should apply for the release of the bank guarantee or the cash deposit as per sub (1) of rule 11 in the bank guarantee or cash guarantee deposited Customs office with the documents relating to the use of the goods at the international flight.
- (4) The Textile Industry should apply for the release of Bank Guarantee at the Customs office where the bank guarantee is deposited as per sub rule (2) of rule 11 along with the certificate of sales of textile to the garment industry made from the yarn within eleven months from the date of import of yarn with minimum ten percent value addition, 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.
- (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 exported the garment. In such a situation, the textile industry should apply for the release of the bank guarantee within twenty two months from the date of import of yarn with the attachment of the documents as mentioned in sub rule (4), documents certifying the export of garment with the

minimum ten percent value addition by the garment industry, documents relating to the ratio of consumption certified by the concerned agency and foreign exchange earning certificate certified by the concerned bank.

- (5) Export oriented garment industry which purchased textile from the industry importing yarn by furnishing bank guarantee as per sub rule (2) of rule 11, should submit application for the purpose of release of the bank guarantee furnished by yarn importing industry as per sub rule (4), along with the evidence relating to export of garments manufactured of the textile purchased from yarn importing industry, with minimum ten percent value addition within eleven months from the date of purchase; certificate of foreign exchange earning authenticated by the concerned bank; and certificate of ratio of consumption of textile certified by concerned authority.
- (6) In order to release the bank guarantee furnished at the time of import as per sub rule (6) of rule 10, should submit application to the customs office in which the bank guaranty is furnished along with the evidence of the export of garments manufactured with the value addition as prescribed by the Department of Commerce, 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 authenticated by the concerned authority, within the time limit as specified in sub rule (5) of rule 12 or within the extended time period in accordance with rule 13.
- (7)

15. Release of Bank Guarantee and the deposit:

- (1) Upon the scrutiny of the application received as per rule 14 and it is found that the applicant has fulfilled all the terms and condition mentioned in that rule, the Customs office should release the bank

guarantee and the deposit within one month.

- (2) The bank guarantee or the deposit equivalent to the duty shall be partially released to the extent of partial use of materials imported under the bonded warehouse facility in the manufacturing of the product exported or sell in homeland against convertible foreign currency or partial sale of the goods from the Duty Free Shop within the time limit or the yarn imported pursuant to sub rule (2) of rule 11 is partially used in the manufacturing of textile sold to the export oriented garment industry or locally purchased of such textile is partially used by the export oriented garment industry for the manufacturing of the garment and export of such garment.

16. To recover Customs duty from the bank guarantee and the deposit

- (1) If the importer, who imported goods pursuant to rule 10 or 11, do not comply with the terms and conditions mentioned in rule 12 and such importer not submitting application as per rule 14, chargeable Customs duty will be recovered from the furnished bank guarantee and chargeable Customs duty will be transferred to the revenue account from the deposited amount if such amount was deposited.
- (2) The customs duty that will be recovered from the bank guarantee as per sub-rule (1) will be equivalent to the sum of the customs duty chargeable on the day of import and fifteen percent addition on such customs duty.
- (3) In case of partial use of materials as per sub-rule (2) of rule 15, chargeable customs duty to be recovered from the bank guarantee on the materials not used will be equivalent to the sum of the customs duty chargeable on the day of import and fifteen percent addition on such customs duty.
- (4) Notwithstanding anything contained elsewhere in this rule, customs duty only will be recovered in case of transfer of deposit in the revenue

account, and the duty free shop not able to sale the products within the time limit from the bank guarantee or deposit.

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

- (1) On the request of the customs office, the bank guarantee issuing Bank or financial institution should pay the amount equivalent to the bank guarantee amount to the requesting customs office in whose favor the bank guarantee is issued within fifteen days of the date of request.
- (2) Until the payment as per sub-rule (1) is made by the Bank or Financial Institution to the customs office, the bank guarantee subsequently issued by the Bank or Financial Institution should not be accepted.
- (3) The Bank or Financial Institution which issued the bank guarantee in favor of the customs office, is not immune from the liability of payment equivalent to the amount mentioned in the bank guarantee, unless the bank or the financial institution receive letter notifying the release of the concerned bank guarantee by the customs office.

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

- (1) On the prior approval of the Department, if the importer sales imported goods to the industry located in the Special Economic Zone, such importer, in case of payment of customs duty at the time of import, should apply at the customs office for the refund of the customs duty within sixty days of the date of import along with the attachment of the following documents:
 - (a) Invoice, Customs declaration form and cash receipt at the time of import;
 - (b) Sales Agreement between the purchaser industry and the seller importer;

- (c) Receipt of sales of goods
 - (d) Certified copy of the ledger for the purchase of goods by the purchasing industry;
 - (e) Documents relating to the payment for the purchase by the purchasing industry; and
 - (f) Bank Guarantee issued in favor of the customs office equivalent to the customs duty on behalf of the purchasing industry or the sales importer.
- (2) If the chief of the customs office found, on the scrutiny of the application received as per sub-rule (1), that the refund of the customs duty is justified, refund full or partial- should be made within thirty days from the date of application received.
- (3) If the chief of the customs office found, on the scrutiny of the application received as per sub-rule (2), that the refund, full or partial, of the customs duty is not justified, the applicant will be notified accordingly.
- (4) If the industry located in the Special Economic Zone submits the documents relating to the sales of finished product manufactured from the goods sold as per sub-rule (1), and the foreign exchange receipt against the export of such finished product , the bank guarantee as per clause (f) of sub-rule (1) will be released.
- (5) Notwithstanding 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 will not be refunded.

Chapter 4

Arrangement for the inspection of the Customs Declaration form and goods and destruction of not usable goods

19. Details may be sent through electronic medium:

- (1) Any exporter or importer may send particulars of the goods for export or import to the customs officer through electronic medium.
- (2) As per sub-rule (1) the procedure to send description through electronic medium shall be determined by the department.

20. Particulars to be furnished by the driver of the vehicle:

As per section 17 of the Act, the driver of the motor vehicle should submit the particulars of the goods in the format prescribed in Schedule 2.

21. Attachment of the documents with the declaration form:

- (1) As per section 18 of the Act, the person importing or exporting goods, while submitting declaration form to the customs officer, should submit following documents:
 - (a) For importation from third country
 - (1) Banking document regarding payment procedure
 - (2) Invoice
 - (3) Packing list
 - (4) Bill of Lading or Airway Bill
 - (5) Certificate of Origin
 - (6) Foreign exchange Control Form
 - (7) Customs transit document in case of import through India transit

- (8) Airlines Delivery order in case of import through Airway
- (9) Terminal Management's delivery order in case of customs office managing the terminal
- (10) Documents which are required as per prevailing law regarding the recommendation, license, or certificate from any institution

(b) For importation 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 inbond, in addition to the documents mentioned in sub clause (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.

Explanation: For the purpose of this clause, "inbond" means import from India by paying foreign exchange as specified in the procedure issued by Nepal Rastra Bank.

(c) For exportation

- (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.

However Certificate of Origin shall not be mandatory for the export in which G.S.P. certificate is required.

- (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 should submit certified documents relating to the firm registration license in case of firm, the certificate of registration in case of industry, PAN number in case of both firm and industry.

22. Format of Declaration Form:

Format of Customs Declaration Form shall be as prescribed in Schedule 3.

23. Goods may be returned:

- (1) As per section 30 of the Act in case the goods have to be returned, the importer of the goods should apply with the customs officials and attach documents relating to invoice, letter of credit in case import is done through letter of credit, bill of lading ,or airway bill and copy of packing list. Depending upon the nature of product, customs officer may ask for other papers relating to import as well.
- (2) After the application is received as per sub-rule (1), the customs officer should write to Director General with the description and his opinion.
- (3) In case of receiving a letter from the customs officer, if the Director General is satisfied after investigation that the goods should be allowed to return, the Director General should instruct the customs officer accordingly. After receiving such instruction, the customs officer should allow the importer to return goods to the supplier of foreign country within thirty days.

- (4) While allowing the goods to be returned, the customs officer should ask the importer to sign a bond stating that the importer will remit the foreign currency paid at the time of import within a reasonable time.
- (5) As per sub-rule (4), if the importer did not submit the certificate of foreign exchange within the time limit, the customs officer should write to the concerned agency to take action against the importer on the foreign exchange deflection as per prevailing law.

24. Arrangement to inspect goods on the spot:

- (1) Pursuant to section 31 of the Act, any exporter or importer may apply to the customs officer attaching declaration form and other documents as per rule 21 for the inspection of exportable goods in the production centre or go-down in case of export or inspection of imported goods outside the customs area in case of import.
- (2) As per application in sub-rule (1), in case of inspection of exportable goods in the production centre or go-down in case of export or inspection of imported goods outside the customs area in case of import, Rs. 1000 fee will be charged for each consignment.
- (3) In case of export of goods as per sub-rule (2) above, the inspection officer should seal the goods in the container in his presence after the inspection of the exportable goods and at the time of export the customs office should check the seal and allow to export after the customs office is satisfied.
- (4) In case of inspection of the goods going outside the customs area, as per sub rule (1), the exporter or importer should make arrangement for the vehicle, in case the inspector needs to use vehicle for this purpose.

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

- (1) Chief of the customs office should make written decision giving reasons for the removal or destroying of the goods and also specify the procedure

for carrying out the decision in case of following goods :

- (a) As per section 7 of the Act, the goods imported and abandoned and handed it over to the government by the importer, which cannot be used or condition of the goods is such that which cannot be auctioned.
 - (b) As per section 30 of the Act, goods, upon the laboratory test, found to be harmful for health or environment or found to be adversely affecting health or environment, the exporter did not return the goods, despite the instruction issued by the customs officer to return such goods.
 - (c) Goods which could not be auctioned or which could not be used , should be destroyed or left to rot or worn out as per sub section (9) of section 50 of the Act.
- (2) In accordance with the decision made under sub-rule (1), the customs office should publicly destroy or remove the goods by making the list of items in the presence of two representatives of the two offices either from District Administration Office or District Treasury Office or nearby government office, representative of the local Federation of Nepalese Industry and commerce, if available; and customs Officer.
 - (3) After the destroying or removing of goods as per sub-rule (2) the chief customs officer should certify such act and write off the goods from the list and inform the Department accordingly.
 - (4) Notwithstanding anything contained elsewhere in this rule, the customs office should follow the instruction in case the destroying of goods or poisonous product or heavy equipment or vehicles adversely affect the people's health or environment.

Chapter 5
Arrangement for Post Clearance Audit

26. Importers need to keep the documents safely:

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

- (a) Import Declaration form, customs receipt, and 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 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 should notify the concerned importer about the date and time of audit in advance, to the extent practicable.

28. Power to demand documents:

- (1) Post Clearance Auditor, the Director General or the customs Officer may ask for the documents as required, for the purpose of auditing from the bank, financial institution, any person or institution relating to the importer's business transaction or goods regarding the payment, Bank deposit, profit and loss account, tax returns, invoices, and other documents etc.
- (2) It is the duty of the concerned bank, financial institution or other agencies to make available the documents as per sub-rule (1).
- (3)

Chapter 6

Purchase of under invoiced Goods

- 29. Arrangements for the purchase of goods imported under invoicing:**
Government of Nepal shall provide the fund to the Department for the purpose of purchase of the goods pursuant to clause (b) of sub section (15) of section 13 of the Act.
- 30. Purchased goods may be auctioned or may be used for the government:**
The goods purchased pursuant to clause (b) of sub section (15) of section 13 of the Act may be auctioned following the procedure laid down in Chapter 7 or may be used for government purpose.
- 31. Information to be given to importer:**
The customs officer should notify in writing, in the format of Schedule 4, to the importer or their customs agent in case the goods are being purchased pursuant to clause (b) of sub section (15) of section 13 of the Act.

Chapter 7

Confiscation of goods and the auction procedure

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

- (1) The owner of the goods should arrange for clearance of goods within sixty days from the date of deposit of such goods in the customs go-down.

But the chief of the customs office may notify the owner of the Goods to clear goods within a reasonable time limit before the expiry of the date on the ground that the goods are harmful, perishable, not appropriate to keep in the 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 under section 47 of the Act.

- (2) The Manager of the go-down managed by the other person should notify the customs office immediately the list of goods not cleared by the owner of the goods under sub-rule (1).
- (3) After receiving the list under sub-rule (2), the chief of the customs office should take action immediately as per section 47 of the Act.

33. No auction without written notice:

Without the written notice of the Customs Officer, any goods seized under the Act or goods to be auctioned under sub section (2) of section 74 of the Act, should not be auctioned.

34. Minimum value should be fixed:

- (1) In case of auctioning of the goods, Customs officer should fix minimum value of such goods for the purpose of auctioning.
- (2) In order to fix minimum value under sub-rule (1), in case of vehicles, heavy equipment and the goods abandoned to be owned by the Government of Nepal pursuant to sub-Section (1) of Section 7 or

purchased pursuant to Part (b) of sub-Section (15) of the 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 should invite bid for the auction of the vehicles, or heavy equipment which carries more than minimum value of rupees one hundred thousand, by notifying the public giving notice of 21 days in the National level daily newspaper with the following particulars:
 - (a) Vehicles or transportation vehicle's particulars, engine number, chassis number or year of production;
 - (b) Matters that in case of vehicles which is more than Ten years old from the date of production or not revealed engine number or chassis number or year of production or removed most of spare parts or not suitable to repair and operate on cost point of view, the re-registration of such vehicle cannot be done as vehicle after auction
 - (c) Minimum value;
 - (d) Bid sending procedure; fee for tender document; bid opening time, date and place; bank accounts for depositing 10 percent of the bidding price by the bidder and the true copy of the voucher of deposit;
 - (e) Any tax or fee to be charged on the auctioned amount;
 - (f) Time period to take away the auctioned goods;
 - (g) Place and time for the inspection or observation of the goods;
 - (h) Any other particulars

- (2) Except the goods mentioned in sub-rule (1), the other goods should be auctioned by giving notice of fifteen days with the following particulars mentioned in the notice displayed in the Public Notice Board of the customs office for the sealed quotation or open bidding. Such notices should be circulated to the District Administration Office, District Land Revenue Office, District Development Committee, District Treasury office and office of the District Federation of Nepalese Chamber of Commerce and Industry requesting them to display in the Public Notice Board.
- (a) particulars mentioned clause (a), (b), (c), (e), (f), (g) 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 should make arrangement for the sale of the sealed quotation document or taking cash deposit, in case of sealed quotation or open bidding as per sub-rule (1) or (2).
- (4) Notice published as per sub-rule (1) or (2), the person bidding either for sealed quotation or open bidding should deposit 10 percent of the accepted value of the auction, more than the minimum value, in the bank designated by the customs office or attach the true copy thereof.

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

36. Tender Approval or Re-tendering

- (1) The application of bidding or quotation received as per rule 35, should be opened at the time and place mentioned in the public notice and the customs officer should prepare comparative chart of bidding amount or should prepare the evidence for the highest price bidding amount in case of public auction.
- (2) On the basis of comparative chart or higher bidding amount as per sub-rule (1), the bidder bidding the minimum price or more than the minimum price should be approved. In case of number of bidders who have quoted more than the minimum price, the bidding of highest price should be approved.
- (3) As per sub-rule (2), after the approval of the bidding amount, the bidder should be given 7 days notice to deposit the balance amount and clear the goods.
- (4) If the bidder did not deposit the balance amount and did not clear the goods within the specified period as per sub rule (3), the deposit amount should be confiscated and may award the tender to the second, third or fourth lowest bidder. In case of the approval of the lowest bidder, if the auction is not realized, the deposit should be confiscated and re-tender for the sale.
- (5) As per sub rule (4), in case of re-tendering, the seven days notice for second bidding, sealed quotation, or public auction should be given.
- (6) In case the goods could not be sold at the minimum value in the second time tendering also, as per rule 54, the committee should

revalue the minimum price and fix the revised minimum price and notice for re-tender in the manner mentioned in the rule 35, should be issued. In case the goods could not be sold through bidding in the revised minimum price, the customs officer could sale the goods directly at the minimum price fixed in the presence of the representative of concerned District Administration Office and District Treasury Office.

- (7) If the goods could not be sold as per sub-rule (6), with the approval of the Director General, the customs officer should struck off the records of such goods from the customs record and destroy such goods in the manner mentioned in rule 25.
- (8) In case of auctioning of the vehicles which is more than Ten years old from the date of production or not revealed engine number or chassis number or year of production or removed most of spare parts or not suitable to repair and operate on cost point of view; the vehicle shall be destroyed in the successful bidder's expense with intention that it couldn't be used again as vehicle and it shall be mentioned in the customs declaration form.
- (9) Notwithstanding anything contained elsewhere in this regulation, the customs office should sell to the Nepal Rastra Bank at current market price confiscated or government property not cleared by the owner gold, silver, diamonds and other precious stones and ornaments and other articles made there from, if the Nepal Rastra Bank is willing to purchase them. If Nepal Rastra Bank is not willing to purchase them or if any quantity is left over after it does so, such articles, with the approval of the Department, and the minimum value fixed pursuant to this regulation shall be sold by public auction in case the minimum value of such articles is up to rupees one hundred thousand or through bidding in case the minimum value of such articles is more than rupees one hundred thousand.
- (10) Notwithstanding anything contained elsewhere in this regulation, in

case of selling of goods by taking approval, such goods should be sold to the licensee only;

- (11) Notwithstanding anything contained elsewhere in this regulation, in case the National Trading Limited, Salt Trading Corporation, Sajha Bhandar limited, Tara Gaon Bikash Samiti or cooperatives show willingness to purchase goods to be auctioned, the customs officer should sell such goods negotiating directly at the price not less than the fixed minimum price or more than the minimum price.
- (12) Notwithstanding anything contained elsewhere 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 cannot be preserved in the customs office because of lack of space or animals or birds , these shall be sold by auction on the day they reach the customs office or on the following day by putting notice in the Notice Board. The highest price of open bidding may be approved by the customs officer for the goods auctioned as per this sub rule.
- (13) In case there is no position of the customs officer hampering the bidding, the Director General should make appropriate arrangement for this purpose.
- (14) Notwithstanding anything contained in this regulation, on the auction of the goods stored in the warehouse or similar places owned by terminal management company, ten percent of the amount proceeds of the auction of such goods or warehouse rental amount, whichever is lesser, shall be given to the terminal management company.

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

Chapter 8
Arrangement for Customs Agent

37. License for the customs agent:

- (1) For the purpose of appointing the customs agent, the Department may call application by issuing public notice from time to time from the persons interested to get customs agent license
- (2) After the notification is published as per sub-rule (1), interested persons to get license and with the qualification as mentioned below may apply by paying the fixed fee in the Department or the customs offices in accordance with the format mentioned in schedule 5.
 - (a) Who is more than twenty one years of age,
 - (b) Who has a minimum qualification of bachelor level pass or equivalent from recognized teaching institution with computer basic training of at least three months,
 - (c) Who has no outstanding payment due to the government,
 - (d) Who has not been proved offender from the court in any criminal offence.
- (3) Notwithstanding the provisions in sub-rule (2), any person who has worked as representative of the customs agent for more than two years until Bikram Sambat 2065 Baishakh 14 and is certified by the chief of the customs office on the basis of the record, such person may apply for the customs agent and qualification mentioned in clause (b) of sub-rule (2) is not necessary for such person.
- (4) The Department will select the appropriate persons to issue license for customs agent from among the applicants through interview or written examination.
- (5) Person selected as per sub-rule (4), should pay customs agent license

fee of Rs. seven thousand and deposit seven hundred thousand in cash or the bank guarantee of the equivalent amount. In such case of the applicants applying in the Department or the customs offices, the respective offices should issue license in the format as mentioned in schedule -6.

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

(a) Certificate of income tax payment;

(b) In case of bank guarantee, the due date of the bank guarantee should be for the period for which the customs agent license is to be renewed.

But, in case the customs agent wish to renew the license for three fiscal years, the agent may apply for renew by paying sum of the license fee for three fiscal years.

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

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

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

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

(11) In case of customs agent appointing one representative as per sub rule (10), there is no need of additional deposit or bank guarantee as per sub-rule (5). If a customs agent wants to appoint more than one representative, can appoint one representative having the qualification stipulated in sub-rule (2) under the provision laid down in sub-rule (10) for each customs office, provided only one representative has been appointed in a single customs office. If such representative is to be appointed, the customs agent should deposit additional cash or bank guarantee in accordance with sub-rule (5), before the chief of the customs office approves the nomination of the representative. The chief of the customs office should give the details of such nomination of representative pursuant to sub rule (10) or this rule to the Department.

But the customs agent cannot nominate another representative in the customs office in which 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 this rule can work only in the designated customs office.

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

(14) The Department may frame and implement a manual relating to grade, code of conduct, procedure to conduct examination, syllabus and other

matters of customs agent in a manner that such manual is not contrary to the Act and this Regulation.

- (15) The customs agent license issued before 2064 Baishakh 14 will be considered as the license issued under this Regulation.
- (16) Notwithstanding anything contained elsewhere 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 it is certified by the chief of the customs office on the basis of the record, such person may be appointed as per sub rule (10) or (11) as representative and qualification mentioned in clause (b) of sub-rule (2) is not necessary for such person.

38. Appointment of customs agent:

- (1) Any exporter or importer, being present in the customs office, may clear the goods or other works relating to customs.
- (2) In case the exporter or importer is government institution, fully or partially owned public enterprises or institution, the Board of Director or the Chief Executive officer or administrative chief of such institution may decide to appoint a staff of the institution to be present at the customs office to clear the goods or do some other customs related function.
- (3) In case the exporter or importer is any legally registered firm, company, organized institution; any employee of such form, company or institution designated by the Director or partner or the Chief Executive officer or administrative chief can be present at the customs office to clear the goods or do some other customs related function.
- (4) In case the exporter or importer would like to clear the goods or do some other customs related function through the custom agent, the exporter or importer may appoint the customs agent in the format as prescribed in Schedule 7.

- (5) In case a customs agent is appointed in accordance with sub-rule (4), the exporter or importer should make available the 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, certified copy of certificate of registration and Permanent Account Number in case of firm, company or organized institution. The chief of the customs office may ask to produce the true copy of the documents In order to establish the authenticity of the documents if needed.

But,

- (a) If the importer or exporter has to reappoint the same customs agent in the same customs office, among the documents mentioned in this rule, the documents of non renewable nature should not be submitted;
- (b) If the importer or exporter is a natural person, such person should submit certified copy of renewed copy of license, citizenship certificate, PAN number if the person is liable to take PAN ,along with the appointment letter of the customs agent.
- (6) The customs agent should submit the appointment letter as per sub-rule (5), and the attached documents to the Chief of the customs office from where the import or export of the goods takes place.
- (7) Upon the enquiry into the customs agent's appointment letter as per sub rule (6) and the attached documents, if customs agent is found to be qualified to work in the customs related job, the chief of the customs office should allow the customs agent to fill in the particulars with his signature and keep the appointment letter for record and certify accordingly.
- (8) Upon the enquiry into the customs agent's appointment letter as per sub- rule (6) and the attached documents, if customs agent is found not

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

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

39. Training of the customs agent:

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

40.

Chapter 9
Arrangement for the review of Valuation

41. Application for the review of valuation:

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

42. Function, duty and authority of the chairman and the members of the Valuation Review Committee:

- (1) Function, duty and authority of Valuation Review Committee shall be as follows:
 - (a) To examine into the evidence presented by the applicant,
 - (b) To approve the decision of the customs officer or revoke the decision and take decision on behalf of the customs officer,
 - (c) To ask to the applicant for submitting additional documents or evidence,
 - (d) To collect necessary information for valuation of the goods.
- (2) Valuation Review Committee's decision should be communicated within seven days from the date of the decision to the applicant, Department and concerned customs offices.
- (3) Monthly progress report of the Valuation Review Committee should be submitted to the Ministry of Finance.

43. Valuation Review Committee's work procedure:

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

44. Period for the final decision:

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

45. Remuneration for the Chairperson and the members of the Valuation Review Committee:

The remuneration for the Chairperson and the members of the Valuation Review Committee shall be as fixed by the Ministry of Finance.

46 Ministry of Finance to make necessary arrangement:

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

Chapter 10
Arrangement for Informer and Prize

47. Arrangement for Prize:

- (1) Anybody who capture person(s) smuggling or seeking to smuggle goods, except the goods exempted from customs duty and value added tax, or furnish information relating thereto, shall be granted rewards at the rates mentioned below in case it is proved that such goods have been smuggled or have been sought to be smuggled. The 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,
 - (b) For persons seizing goods being smuggled and producing the same along with the smuggler, twenty percent,
 - (c) For persons who only seize and produce goods being smuggled, ten percent.
- (2) According to this rule, if the reward for informer has to be given to the government employee, receipt of payment and the copy of the identity card must be enclosed in the record. If the informer is not the government employee but an individual, receipt of payment and the copy of the identity card of the individual must be enclosed in the record.
- (3) If the individuals getting reward as per sub rule (1) are more than one person, the amount of reward will be equally distributed.
- (4) Notwithstanding anything contained elsewhere in this regulation, the reward will not be paid if the informer does not comply with the regulation.

- (5) Notwithstanding anything mentioned in Sub-Rule (1), in order to grant reward to the person who gives clue and submits the goods along with arresting with or without person in the case of gold, silver or ornament, the reward shall be granted ten percent of the amount received through auction or sale or one million rupees whichever shall be less.

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 should be received before the goods are seized. The information will not be accepted after the seizure of the goods.
- (2) The Informer’s report or information should be provided to Chief of the Customs office or Director General.
- (3) When the Director General receives informer’s report or information pursuant to Sub-rule (2), he/she shall immediately 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.
- (4)
- (5) Before the seizure of the goods, if more than one informer’s report or information is received, the first report or information should be honored and the rest should be noted and filed.
- (6) Informer may submit report or information in the fictitious name instead of real name. In case of information given 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), which will reveal his/her real name and clear identification, to the Chief

of the Customs office. After receiving the evidence, the chief of the customs office shall certify it and keep record confidentially.

49. Particulars to be included in the information:

- (1) In order to give information in case of export or import smuggling through airplanes, airplane's flight number, to the extent possible, the export or import smuggler's name or passport number or physical features and name of the goods being smuggled and the mode of bringing or carrying through hidden process should be revealed.
- (2) In case of export or import smuggling through land route, name of the goods being smuggled, place, date and time of smuggling, type of vehicle and number, mode of bringing or carrying through hidden process and to the extent possible, the export or import smuggler's name or physical features should be revealed.

Chapter 11
Arrangement for Demurrage

50. Arrangement for demurrage:

- (1) No demurrage shall be charged for seven days from the date on which goods are stored in the customs office operated warehouse.
- (2) In case goods are not cleared within the time limit prescribed in sub-rule (1) the demurrage shall be charged from the eighth day at a rate mentioned in Schedule 9. The demurrage shall not be more than the customs value of goods.

51. Remission for the demurrage

- (1) If the owner of the goods has reasonable ground for the remission of the demurrage, the owner may apply for the remission with the evidence and documents to prove the claim to the chief of the customs office.
- (2) Upon receiving of the application pursuant to sub rule (1), chief of the customs office may decide in writing within the limitation granted under sub rule (3) and (6) to grant remission from demurrage either partially or in full in respect of goods to be exported or imported, in case he is satisfied that there exist specific reasons for granting such remission.
- (3) In case of remission of the demurrage; following officers can grant remission to the following amount:
 - a) Up to Rs. 25000/ if non-gazetted staff is the chief of the customs office;
 - b) Up to Rs 1, 00,000/ if third class gazetted officer is the chief of the customs office;
 - c) Up to Rs 3, 00,000/ if First or Second class gazetted officer is the chief of the customs office.

- (4) If the chief of the customs office is satisfied that the remission should be granted over and above the amount within his authority as per sub rule (3), the chief should write to the Director General with his recommendation along with the relevant documents as per sub rule (1).
- (5) Upon the enquiry into the recommendation as per sub rule (4), if the Director General is satisfied that either partially or in full remission should be granted, he should approve and instruct the chief of the customs office.
- (6) After the approval from the Director General as per sub rule (4), the chief of the customs office should grant the amount of remission.

Chapter 12

Arrangement for the notice and time limit

52. Procedure for summons:

- (1) In order to provide initial time limit in the context of accused, as per sub section (1) of section 81 of the Act the authorized customs officer should give notice of fifteen days time limit in addition to the travel time for the accused in a format as prescribed in Schedule 10.
- (2) In order to give notice to the accused as per sub rule (1), the notification should be served to the accused or member of his family who are of the legal age limit. In case of the accused or his members of the family not available or the accused or his family members refusing to accept notice, the notice server should stick the notice at the door of their home or rented house with the two witnesses signing the notice.
- (3) If the notice server did not find the accused person or member of his family in the home address or rented house address, he should state the same particulars and stick the notice, in case of Village Development Committee, in the village development committee office and in case of municipality, in the municipality ward where the house or rented house is located, in the absence of such offices in the public place , in the presence of person of the local entity or representative or two witnesses. In such a situation, such a notice is considered legally notified.
- (4) In case of serving the notice to the firm, company or organized sector, the notice should be served to the member of the board, or administrator, or chief of such institution or legally authorized person of such institution. In case of such person not available or the person refusing to accept the notice, the notice server while noting the particulars should stick the notice at the door of their office with the two witnesses signing the notice. In such a situation, such a notice is considered legally notified.

- (5) Notwithstanding anything contained elsewhere in the regulation, the notice served to any person through registered post in the stated address, or in such person's fax or email address is considered legally notified.
- (6) The notice server should serve notice in accordance with sub rule (2), (3) or (4) should serve notice within 3 days in addition to the travel time.
- (7) In case of receiving report stating that notice could not be served as per sub rule (2),(3), (4) or (5); the notice could be served through radio, television, 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 is considered legally served after five days of such broadcast or publication.
- (8) The expenditure incurred to serve notice as per sub- rule (7), the customs office should charge such expenditure to the accused.

53. Procedure to issue notice:

In case of issuing notice to the person related to the customs work or the person concerned with the customs as per section 82 of the Act, should provide fifteen days notice in addition to the travel time and the notice should be issued in accordance with the procedure as prescribed in sub rule (2), (3), (4), (5), (6) or (7) of rule 52.

However, regarding the notice issued as per this rule, sub rule (8) of rule 52 is not applicable.

53A. Notice for the rightful claim:

- (1) If the goods deposited in the customs office as per section 46 of the Act has owner not identified, before the goods are confiscated, notice should be issued in the notice board of the customs office if anyone

has rightful claim on the goods. The claimant should be present with the application attaching the evidence of claim within **fifteen days** from the date of notice in addition to the travel time.

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

Chapter 13
Miscellaneous

54. Valuation Committee:

- (1) The following valuation committee is formed to determine the value of vehicles and means of transportation deposited in the customs office, goods to be auctioned as per this regulation, and the goods under the sub section (3) of section 71 of the Act.
 - (a) Chief of the Customs Office or in his absence officiating Chief-Coordinator
 - (b) Representative from the concerned District Administration Office-Member
 - (c) Representative from the concerned Federation of Industry and commerce -Member
 - (d) Representative from the concerned Treasury Office -Member
 - (e) Mechanical technician in case of vehicle and means of transportation- Member
- (2) The Committee constituted under sub rule (1), should consider physical condition, local demand, usefulness, usable 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 should be considered.
- (2a) Notwithstanding anything contained in sub rule (1), the customs officer can determined the value of the goods, except motor vehicles, for auction purpose considering the conditions stipulated in sub rule (2), presented to customs office which to be auctioned as per this rule,

bearing the value up to fifty thousand. If the customs officer considers that the value of the goods is mentioned in the report unusually high while presenting the goods to the customs office for auctioning, he or she can auction such goods by determining the value by the valuation committee as per sub rule (1).

- (3) The Valuation Committee constituted under sub rule (1) may invite other people to the meeting if the committee considers appropriate.
- (4) The quorum of committee constituted under sub rule (1), is fulfilled if the Coordinator and other two members are present and the majority decision is considered the decision of the Committee.
- (5) The remuneration of the committee members is as determined by the Ministry of Finance.

55. Refund of the deposit:

- (1) Anybody who deposited fund in the customs office as per Act or this regulation should apply for the refund to the customs officer within one year after the purpose for which the fund is deposited is realized. The application should specify the reasons and the amount of refund. The application should be enclosed with receipt of deposit and the related documents for refund.
- (2) After the application is received as per sub rule (1), the customs officer should decide whether the deposit should be refunded and refund such deposit within three days of the date of decision. In case the deposit need not be refunded, the reasons for this should be notified to the applicant.
- (3) In case the application is not received within the time limit as per sub rule (1), the customs officer should prepare a list and decide that the deposit will be refunded in case the application received with evidence later, such deposit should be transferred to the revenue account.

56. Compensation for the goods:

- (1) The owner of goods seeking compensation pursuant to section 69 of the Act, should send application to the customs office or the operator of the go-down stating the clear reasons for compensation along with the documents to prove the claim.
- (2) In case of receiving application pursuant to sub rule (1), such application should be examined and if it is found that the compensation needs to be provided, decision should be taken to provide compensation to the total amount of price quoted in the invoice and five percent addition to the price quoted.
- (3) In case of imported goods deposited in the go-down operated by the other person pursuant to sub rule (2), and in the condition of compensation provided by such person, the customs duty equivalent amount should be deposited at the concerned customs office within seven days of receiving the compensation.

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

- (1) The exporter or importer or their customs agent, in case of shortfall in the amount to be deposited as customs duty because of mathematical error, or due to the difference in the classification head or sub-head, or for other reasons, or the penalty amount due; should be immediately notified by the customs officer to deposit the penalty or the shortfall in the customs duty, as soon as the customs officer knows about it.
- (2) The person notified pursuant to sub rule (1) should deposit the amount in the customs office within fifteen days from the date of notification. In case the amount should not be paid or have already been paid, such information should be submitted with documentary evidence to the customs officer within fifteen days from the date of receiving the notice.
- (3) In case of the receipt of the information regarding the amount should not be paid or have already been paid, pursuant to subs rule (2), the

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

- (4) In case of notification given to the customs agent about the deposit of the penalty amount or the shortfall in the customs duty, the customs agent's duty is to notify the exporter or importer to recover the penalty or shortfall amount in the given time and make efforts to make the exporter or importer present, if required, at the customs office for the purpose of recovering the amount.
- (5) In case of non recovery of the amount pursuant to sub rule (3), such amount should be treated as due amount to be recovered as government due.
- (6) In case of the knowledge of the due amount and non recovery of the due amount and, if the customs official clears goods without the instruction of the chief customs officer, such customs official is liable for disciplinary action.

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

- (1) If the exporter or importer paid more than the due amount of customs duty for the export or import of goods or the penalty, the exporter or importer should apply for the refund of the excess amount at the customs office.
- (2) In case of receiving application pursuant to sub-rule (1), such application should be examined and if it is found that the excess amount needs to be refunded, written decision should be taken to

refund the excess amount and refund such amount within fifteen days from the date of the application received.

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

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

- (1) The concerned person may apply to the customs officer for providing a copy of any documents,
- (2) Pursuant to sub rule (1), the applicant should specify the description of the documents, the purpose for providing such document, and the evidence for being the concerned person.
- (3) In case of receiving application pursuant to sub rule (2), such application should be examined and if it is justified, the customs officer should provide copies of the documents to the applicant within three days of the date of application by charging fees as per sub rule (4).
- (4) While providing copy pursuant to sub rule (3), Rs. 5 per page shall be charged as fee. The customs officer shall arrange to deposit such fee charged to the applicant in the revenue account or shall arrange to fix stamp postage equivalent to the fee and shall fix the seal on the copy.
- (5) While charging fee pursuant to sub- rule (4), the office should mention in the paper to be provided to the applicant that the cash has been collected or the stamp has been cancelled.

60. Procedure regarding the issue of certificate of import:

- (1) The person importing goods attracting sales tax or other taxes in the

foreign country, may apply for getting certificate of import in the concerned customs office with the documents proving the import of such goods.

- (2) In case of receiving application pursuant to sub rule (1), such application should be examined and if it is justified, certificate should be issued in the format prescribed in schedule 11.
- (3) While issuing certificate pursuant to sub rule (2), Rs. 5 per certificate should be charged. The customs officer should put a seal of the office on the certificate by mentioning that the cash has been collected or the stamp postage has been cancelled.
- (4) The certificate shall not be issued if the application is not received within fifteen days from the date of import of goods for which the certificate is requested pursuant to this rules. If the goods are imported from time to time from the same single invoice, the date of the last clearance of goods is considered the date of import.

60A. Special arrangement for the import of goods under the Baggage Rules:

Notwithstanding anything contained in this regulation, the importer, while importing the goods of personal use or importing the goods under the baggage rules, should fill out the summary declaration form as prescribed in Schedule 10A.

61.

62. Export or Import through the branch customs office:

- (1) Following goods may be exported or imported through the branch customs office:
 - (a) On import, except the customs offices listed in Schedule 12, other customs offices may allow to clear goods valuing up to Rs. 5000/ except the import of goods that the Director General has

approved, other machinery operated vehicles on a permanent or temporary basis are prohibited for import.

- (b) On the export, unprocessed agriculture goods and the local natural production,
- (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 frame and implement the procedure to manage the export or import through the branch customs offices.

63. Private sector may operate warehouse:

- (1) With the approval of the government, any person may operate warehouse to store goods for import or export by constructing the warehouse in the premises of the customs office
- (2) Customs warehouse operator pursuant to sub rule (1) may charge, with the prior approval of the government, specified rate of rent.

64. Responsibilities of the private operator of the Warehouse:

- (1) The responsibilities of the proprietor of the non- governmental warehouse are as follows:
 - (a) To make arrangement for the safety of goods stored in the warehouse,
 - (b) To make necessary arrangements for the maintenance of up to date records indicating the particulars of goods stored in the warehouse,
 - (c) Not to store goods if the customs office has not allowed to store in the customs go-down,

- (d) To refrain from taking out goods without the prior approval of the custom office
- (e) Goods taken out for the clearance once should not be deposited again without the approval of the customs officer.
- (f) Not to open or make arrangement not to open the goods deposited in or intended to deposit in the 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 sixty days to the customs office,
- (i) Customs officer should be allowed to inspect go- down as and when he wishes to do so and submit information and particulars immediately,
- (j) Submit the list of goods deposited in the go-down to the customs office on a daily basis,
- (k) While depositing the goods in the go-down, name of the owner of the goods, address and telephone number and email address should be recorded.

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

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

produces the declaration form along with the goods.

66. Opening or closing of customs office:

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

66A. Partial clearance:

- (1) If the importer wishes to make partial clearance of goods imported with a single invoice and stored in the customs warehouse may submit an application to the Customs Officer.

- (2) If an application received as per sub rule (1), the customs officer shall make clearance of goods which is wished to be cleared, by charging the duty only on the quantity of goods to be cleared, provided no any reason that obstructs making partial clearance.
- (3) If any goods, out of the imported goods listed in a single invoice, are found restricted by laboratory test, the customs officer shall, except such restricted goods, make clearance of rest of the goods by charging the duty only on the goods to be cleared.

66B. Missing Cargo to be returned back:

If any goods mistakenly received in wrong address through the air-routes and if the concerned party submitted an application with the reason for taking back, the chief of the customs office, if found reasonable after conducting necessary investigation, may allow the applicant to take back such goods.

66C. Provision on clearance of goods and duty of the goods imported with having damaged or low quantity:

- (1) If the goods are imported having damaged or broken or low quantity pursuant to sub-section (3) of section 7 of the Act, the goods-owner shall make an application to the Custom Officer by mentioning the same content before conducting clearance of the goods.
- (2) In order to make application pursuant to Sub-rule (1), clear reason for importing goods of such condition and insurance surveyor's report to verify the same fact, certification document of authorized body, event spot inquiry or other relevant and subjective evidence should be included.
- (3) If application and documentary evidence have been received pursuant to Sub-rule (1) and (2), Customs Officer shall conduct necessary investigation and details physical examination and found that there was loss or the goods was valueless or imported in less quantity, he/she shall mention details in declaration form about aforementioned content

and other contents that the goods can be used in other alternative way despite not using as main goods or the same goods can be reused as scrap or whether can be used as business purpose on other any way or not.

- (4) After ascertaining real condition of the goods pursuant to Sub-rule (3), the Customs Officer may make clearance of such goods by receiving duty to be imposed in the goods imported as correct condition or actual form.
- (5) The Customs Officer shall make clearance of goods by receiving duty by determining estimated customs value through separate declaration on the goods that said goods can be used in alternative way pursuant to Sub-rule (3) despite that the goods is imported with breaking.
- (6) In case more duties have been recovered than reasonable duty pursuant to Sub-rule (3) due to paying duty before entering the goods in Customs office and if the concerned person makes application requesting to refund excess amount of the duty, the Customs Officer shall refund such excess amount of duty to the concerned person after making a written decision.
- (7) If the goods have been cleared or duty has been refunded pursuant to this Rule, the Customs Officer shall immediately inform about detailed information thereof to the Director General through quick medium.

67. Update and change of the Schedule:

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

68. Repeal and Saving:

- (1) Customs Regulation, 2026 is hereby repealed.
- (2) All acts done and actions taken under the Customs Regulation, 2026 shall be deemed to have been done and taken under this Regulation.

Schedule- 1
 (Related to sub- rule (2) of rule 3)
**Forms for the Ministry of Foreign Affairs Recommendation for
 diplomatic privilege or duty privilege.**

Government of Nepal
Ministry of foreign Affairs

To the 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 | Estimated value | Customs Office of ex Port/import |
|---|---------------|----------|-------------------|-----------------|----------------------------------|
| | | | | | |

Registration No
Date

Seal of Ministry of Foreign Affairs

Recommendation officer's

Signature
Name
Position
Date

For Department of Custom's use

To Customs Office,

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

Registration No
Date

Seal of Department of Customs

Signature
Name
Date

Schedule 2
(Related to rule 20)

**Forms for the description of the particulars to be submitted by the driver of motor
Vehicle**

.....Customs Office,
....., NEPAL

Driver's Name:

Registration No. of Vehicle:

Type of Vehicle

Container No.:

Date of Entry

| S.No. | Description of goods | Quantity or no. 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

| | | | | | | | | | | | |
|--|-------------------------|-------------------------|------------------|---|------------------|----|-----------------------------------|----------|------|--------|----|
| 2 Exporter Name: _____ Address: _____ | | 1 How to open Closed | | Office of declaration Office Code: _____ Main Manifest No. Regd No. | | | | | | | |
| | | 3 Type of cargo | 4 U. I. D. No. | | | | | | | | |
| | | 5 Date | 6 Total packages | | 7 Electronic No. | | | | | | |
| 31 No. of packages Type Description of goods | 32 Item No. | | 33 HS Code | | | | | | | | |
| | 34 CC Code | 35 Gross weight | 36 Net weight | | | | | | | | |
| | 37 Procedure | | 38 Net weight | 39 Tariff Code rate | | | | | | | |
| | 40 Total Declared value | | 41 Item value | | | | | | | | |
| 44 Origin Additional declaration Goods to LC no and date | | Country of origin | | | | | | | | | |
| 31 No. of packages Type Description of goods | 32 Item No. | | 33 HS Code | | | | | | | | |
| | 34 CC Code | 35 Gross weight | 36 Net weight | | | | | | | | |
| | 37 Procedure | | 38 Net weight | 39 Tariff Code rate | | | | | | | |
| | 40 Total Declared value | | 41 Item value | | | | | | | | |
| 44 Origin Additional declaration Goods to LC no and date | | Country of origin | | | | | | | | | |
| 31 No. of packages Type Description of goods | 32 Item No. | | 33 HS Code | | | | | | | | |
| | 34 CC Code | 35 Gross weight | 36 Net weight | | | | | | | | |
| | 37 Procedure | | 38 Net weight | 39 Tariff Code rate | | | | | | | |
| | 40 Total Declared value | | 41 Item value | | | | | | | | |
| 44 Origin Additional declaration Goods to LC no and date | | Country of origin | | | | | | | | | |
| 47 | | Type | Tax Base | Rate | Amount | MF | Type | Tax Base | Rate | Amount | MF |
| Total of first item of this form | | | | | | | Total of second item of this form | | | | |
| 47 | | Type | Tax Base | Rate | Amount | MF | Total Amount to be collected (MF) | | MF | | |
| Total of third item of this form | | | | | | | Grand Total | | | | |

Exporter's sign & date
Name

Inspector's sign & date
Name

Custom officer's sign & date
Name

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

**Government Of Nepal
Ministry Of Finance, Department Of Customs
Customs Declaration Form**

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| 1. Importer's Name ***** ***** ***** | | | | 1. Description Origin: _____ Origin: _____ 3. Page No. 4. P/D No. | | Office of destination Office Code _____ Ward _____ Muzar No. _____ Page No. _____ | |
| 2. Receiver's Name ***** ***** ***** Importer's account No. _____ VAT Regd. Yes <input type="checkbox"/> No <input type="checkbox"/> VAT Regd. in IT category <input type="checkbox"/> | | | | 5. Commercial Invoice No. ERP No. _____ Invoice No. ERP No. _____ | | 6. Total package 7. Total weight (kg) | |
| 14. Country of origin 15. Trading country 16. Manufacturer 17. Manufacturer's code | | | | 18. Country of origin 19. Country of export 20. Country of destination code | | 21. Country of origin 22. Country of export 23. Country of destination | |
| 18. Importer's name 19. Country | | | | 24. Country of origin 25. Country of export | | 26. Country of destination | |
| 27. Name of importer at border 28. Type of commodity | | | | 29. Handling tax code | | 30. Exchange rate 31. Value of the invoice | |
| 32. Invoice no. 33. Invoice date | | | | 34. CC code 35. Description 36. Payment | | 37. Invoice date 38. Invoice type 39. Invoice code | |
| 34. Invoice no. 35. Invoice date | | | | 40. Invoice type 41. Invoice code | | 42. Invoice code 43. Invoice type | |
| 44. Invoice no. 45. Invoice date | | | | 46. Invoice code 47. Invoice type | | 48. Invoice code 49. Invoice type | |
| 50. Any other information | | | | 51. Verify that the information contained in all pages of this document submitted is true and correct and, to the best of my information and belief, is correct and true. | | Signature _____ Date _____ Name _____ Address _____ | |
| 52. Physical verification report | | | | Remarks | | Remarks | |

**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: Goods to be purchased.

To

Permanent Account Number:

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

Description of the particulars of the goods to be purchased.

LC No. / Date:

Invoice No/ Date:

Customs Declaration Form No / Date:

Description of the particulars of the goods:

Declared value of the goods:

Payment for the purchase of goods Rs

Signature of the customs

officer:

Name:

Schedule 5
(Related to sub- rule (2) of rule 37)
Application for getting Customs Agent License

Passport
size photo

Regd. no. and date Regd. office

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

Father/Mother's Name: _____ Grandfather/grandmother's name: _____

Permanent Address..... ZoneDistrict VDC/Municipality, ward no.

Temporary Address: _____ Date of Birth: _____ Nationality: _____

Telephone no: _____ Tele fax no: _____

Email id: _____

Name of the firm/ company: _____ Date of registration Renew valid period: _____

Permanent Account Number (PAN): _____ Date of getting PAN: _____

Academic qualification of the applicant (*owner's in case of firm/company*)

| S.N. | Name & Address of Educational Institute | Passed Exam | Year of Pass | Division |
|------|---|-------------|--------------|----------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

I have applied in compliance with the provisions of sub-section (2) of section 37 of Customs Regulation, 2064 regarding the qualification. All the aforementioned particulars are true. I agree to prosecution accordance with the prevailing laws in case of proof that the particulars are untrue.

Date _____ Thumb print
Right Left

Signature of the Applicant

Note: Enclose certified copy of Certificate of Educational qualification, citizenship or passport and in case of firm or company enclose also certified copy of certificate of PAN registration certificate and firm registration certificate.

Entrance Card for the Customs Agent's examination

Applicant's name and surname:

Name of Firm/Company:

Examination Centre

Role Number:

Replica Signature

**Passport
size
photo**

Govt

Schedule 6
(Related to sub- rule (5) of rule 37)
Government of Nepal
Ministry of Finance
Department of Customs/ ----- Customs office

Passport
size

License serial no.

Date

License of Customs Agent

In accordance with Sub-section (5) of Section 37 of Customs Regulation, 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 id:

Issuing officer

Designation:

Signature:

Back flip

Renewal Details

| Date of renewal | Renewal charge | Validity period | Signature of renewal officer |
|------------------------|-----------------------|------------------------|-------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

Schedule 7
(Related to sub- rule (4) of rule 38)
Format of the customs agent's appointment letter
Part (A)
To fill up by the Exporter/Importer

Appointer's photo
Signature to
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

Customs
Agent's photo
Signature Touch
upon the photo
as well

Subject: **Appointment of Customs Agent.**

In compliance with the sub-rule (4) of rule 38 of the Customs Regulation,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 Regulation, 2064. Copy of evidence regarding our business and license of the customs agent are enclosed. If deemed necessary, I/We will submit the true copy.

Name of the Customs Agent :

License no. License Issued Date:

Time period to work as customs agent from. To ...

To clear specific consignment only: (please mention LC no, date, bank's name, invoice no. and date)

.....

Signature of Exporter/Importer Date: Phone no:

Name: Address:

Relation with the business:

(Please include the evidence) Email id:

Seal: Fax no:

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

Part (B)

(To fill up by the customs agent)

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

To Value Review Committee

Date:

Subject: Request for 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..... customs office 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. Supplier'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. Basis and reasons for not agreeing with the customs officer's decision:
.....

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

Signature of the applicant:

Name:

PAN no:

Seal

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

Rate of Demurrage

- (a) In the International Airport Customs Office:
Per day per KG 40 paisa for first 30 days, Per day per KG 80 paisa for more than 30 days up to 60 days, Per day per KG Rs.1.20 for more than 60 days.
- (b) Other customs offices
Per day per KG 20 paisa for first 30 days, Per day per KG 40 paisa for more than 30 days up to 60 days, Per day per KG charge 60 paisa for more than 60 days.

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

Schedule 10

(Related to sub- rule (1) of rule 52)

Format of the summons to be issued by the customs office

**Summons issued in the name Mr./Ms. from
customs office**

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

Issued Date:

Schedule 10A
{Related to rule 60A
Abbreviated Customs Declaration Form

Government of Nepal
Ministry of Finance
Department of Customs
Abbreviated Declaration form
Customs Office.....(Arrival Room/ Passenger Section)

| Importer's Name Address: Invoice No. and Date: Total Invoice Value: | | | Exchange Rate: | | | Regd. No of abbreviated declaration form: Date: | | |
|--|----------------------|-----------------|----------------|---------------------|--|--|-----------------------------------|-------------|
| Item No | Description Of goods | Kind of package | Quantity | Invoice Value (Rs.) | Determined Value (Rs) | Classification Subheading | Flat rate or Integrated duty Rate | Duty Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| Total Duty Rs.(Amount): In Words: | | | | | | | | |
| The information is true. In case of untrue or false information, I am prepared to face legal prosecution and accept the decision. This summary customs declaration form will not be used for commercial use. Name of the owner of goods: Signature: Date: | | | | | Cash Receipt No and date: Examiner's Signature and date: Customs Officer's Signature and date: | | | |

Read this before filling out the abbreviated customs declaration form

1. The abbreviated customs declaration form should fill out by the owner of the goods by mentioning the importer's name, address, invoice no. and date , total invoice value and description of goods only in column 2 to 4 and sign it with date. Other columns are for the official use of the customs office.
2. The abbreviated customs declaration form should be used to import goods up to the worth of Rs. 5000 or the goods listed in the notice of the Baggage Rules which can be imported by paying the duty in flat rate. Goods for Commercial use cannot be imported by using this form and cannot be accepted as evidence for commercial transaction.
3. The abbreviated customs declaration form should be used for importing of goods mentioned in 2 above by the Arrival Section of the Airport customs office or Passenger section of the land customs office.
4. Two copies of the abbreviated customs declaration form should be submitted.

Schedule 11

(Related to sub- rule (2) of rule 60)

Format of Certificate for the importation 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:

Nett Value:

Total Invoice Amount:

Customs Declaration form (Pragyapan Patra) Registration Number:

Date of Importation:

Official Seal

Customs Officer's Signature

Name:

Date

Schedule 12

(Related to clause (a) of sub- rule (1) of rule 62)

List of Sub Customs Offices

1. Bhadrapur Sub -Customs Offices
2. Suthauli Sub -Customs Offices
3. Prithbipur Sub -Customs Offices
4. Satti Sub -Customs Offices
5. Darchula Sub -Customs Offices
6. Maheshpur Sub -Customs Offices
7. Bhiswa Sub -Customs Offices
8. Thadi Sub -Customs Offices
9. Gulariya Sub -Customs Offices