

# NEPAL BUDGET 2077-78 (2020-21) HIGHLIGHTS FROM TAX PERSPECTIVE





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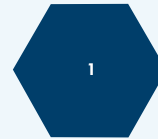
**GOVERNMENT'S LONG TERM OBJECTIVE**

**PROSPEROUS NEPAL, HAPPY NEPALESE**

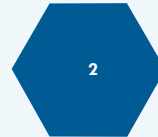
**सम्बृद्ध नेपाल, सुखी नेपाली**



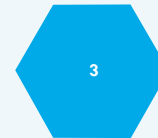
## OBJECTIVES OF BUDGET



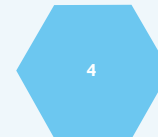
Protection against Contagious and all types of diseases for ensuring easy and healthy life of citizens.



Optimum utilization of resources, opportunity and capacity for the rapid Economic development and upliftment.



Protection and fulfilment of citizens fundamental rights and privileges .



Development of Social, Economic and Physical Infrastructure for the uplifted, improved, Independent, prosperous and Socialist Economy .

## PRIORITIES OF BUDGET 2077/78

1

Enhance the scope of Health Services and establishment of strong public health infrastructure to protect the citizens against Covid-19 and all types of diseases.



3

Development of employment opportunities, safe accommodation and lifetime of Social Security for citizens .



5

Achieve Social, Economic and Infrastructural Development by establishing Quality and Sustainable Education system, drinking water facilities and Communication system .



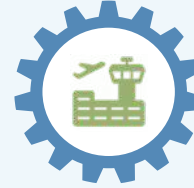
2

Upliftment of all the affected sectors including Agriculture, Industry, Tourism, Construction due to Covid-19.



4

Implementation of incomplete ongoing projects for rapid return on development .



6

Implementation of federalism, qualitative and accessible social services and reinforcement of accountable and transparent governance .



## SUMMARY OF BUDGET

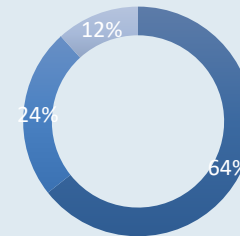


### Allocation of Budget

Current Expenditure	948.94
Capital Expenditure	352.91
Financial Management	172.79
Total Budget Allocated	1474.64

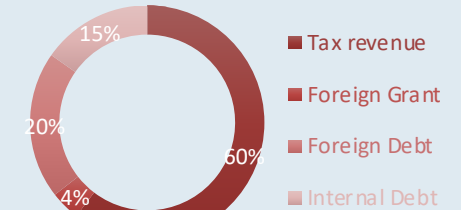
# Amount in Billions

■ Current Expenditure  
■ Capital Expenditure  
■ Financial Management

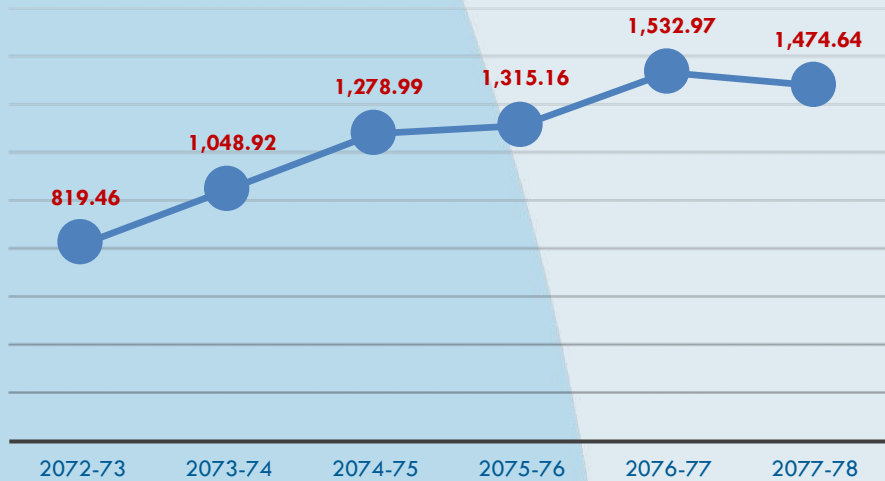


### Source of Revenue

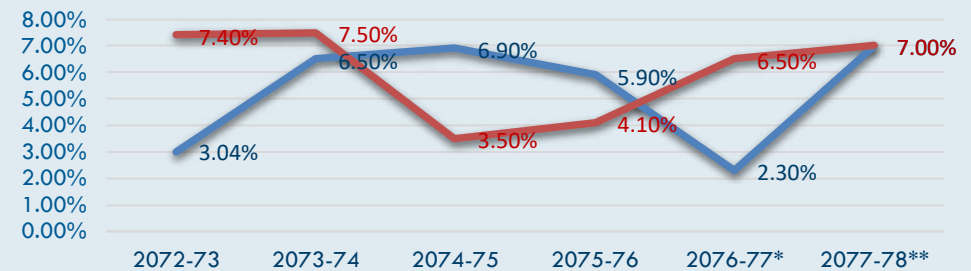
Tax Revenue	889.62
Foreign Grant	60.52
Foreign Debt	299.50
Internal Debt	225.00



### Total Budget (in Billions NPR)



### Economic Growth & Inflation



■ Growth Rate ■ Inflation Rate \*2076-77 Estimate \*\*2077-78 Projection

- Per capita Income: US \$1,085
- Export has increased by 12.9%
- Import has decreased 7.5%

## BUDGET SUMMARY

- Due to the rise of Corona virus pandemic health system has been focused in the Budget 2077-78. Government has committed to establish efficient health system in the country in coming years. To stop the further transmission of Covid-19 pandemic and to minimize the shortage of additional medicines, medical tools and equipment NPR 6 Billion budget has been allocated.
- To protect and motivate the people working as medical workers and lab technicians, Personal Protective Equipment (PPE) and free health insurance of NPR 0.5 Million will be provided.
- Allocated the budget of NPR 12.46 Billion for health infrastructure development and NPR 14.27 Billion to build new hospitals. Ministry of Health & Population budget increased to NPR 90.69 Billion.
- Health insurance to be ensured for everyone within three years. By the end of next year, 40% of population of every local level will be provided health insurance. For this purpose, budget of NPR 7.5 Billion has been allocated.
- The government has made an arrangement to provide 50% subsidy on the premium payable for the corona collective insurance of NPR 0.1 million. Government will bear the insurance premium fee of the health workers, women health volunteers and others people.

## Major Highlights of Budget 2077/78

- To create a fund of NPR 50 Billion to provide loan at the rate of 5% to the cottage, small and medium industries and corona virus affected tourism industries.
- To create a fund of NPR 1 Billion to provide loan at the rate of 5% to corona virus affected agriculture, cottage, small and medium industries, manufacturing industry, hotel, tourism and various other affected industries.
- Small household electricity consumers are provided 100% rebate for consuming electricity up to 10 units, 25% rebate for consuming electricity up to 150 units, and 15% rebate for consuming electricity up to 250 units. Further, manufacturing industries affected by corona virus will be provided 100% rebate in electricity use during lockdown and 50% rebate in electricity use during low demand period.
- The Government of Nepal has made arrangements to contribute the amount to be deposited by the employer and the employee in the Social Security Fund in the organized sectors during the lockdown period.
- Provided relief to corona affected construction, transportation, public media, cinema and other affected industries through rebate in Letter of Permission Fees and Equipment Renewal Fees, extension for payment of renewal fee on Working Capital Loan, Contract and Bank Guarantee till the lockdown period.

## BUDGET SUMMARY

- "Building our village on our own" program to be encouraged. Laborer of affected sectors by Corona virus pandemic will be provided training in local and provincial level from which 100,000 people will be employed. For this purpose, budget of NPR 2 Billion has been allocated.
- To create a fund of NPR 0.5 Billion for providing loans at the rate of 2% to help entrepreneurs launch their startup company.
- Allocated the budget NPR 11.60 Billion to Prime Minister Employment Programme (PMEP) which will provide employment to 200,000 people in the country.
- Under the concessional loan program provided by banks and financial institutions, the Commercial Bank has to provide concessional loans to at least 10 people and the Development Bank to at least 5 people. Necessary arrangements will be made through Nepal National Bank to create additional employment.
- NPR 3.6 Billion has been allocated for providing the credit facilities through Co-operatives and Microfinance Institution to those involved in Agriculture and Small Business with the objective of generating the employment opportunities and encouraging the people including those returned from foreign employment to enter into organic agriculture business.

## Major Highlights of Budget 2077/78

- To combat the effect of corona virus pandemic on education, virtual classroom, online education system shall be established. Further, 1,800 School Buildings, 88 affiliated Campus Buildings, 2,520 classes, 1,000 Science and Computer Laboratories and Libraries shall be constructed.
- Anti-dumping and Countervailing duties shall be levied on import to protect the domestic Industries. Quarantine facility shall be established at all the international borders to prevent the import of Food and beverages not meeting the quality standards to be set.
- Concessional Loan at the rate of 5% will be provided by Bank and Financial Institution and concession up to 50% on total premium will also be provided for such credit security and Insurance. Budget of NPR 13.96 Billion has been allocated for such purpose.
- To promote private investment "One Point Service Center" will be started to provide simple and quality facilities to the private investors. Company registration, renewal or cancellation process will be decentralized with the help of Information Technology. To make foreign investment more user friendly "Nepal National One Window Process" will be developed and launched.



## BUDGET SUMMARY

- Budget of NPR 6 Billion is allocated for President Educational Improvement Program and NPR 2.70 Billion for providing scholarship program to 2.6 Million children from various deprived sectors as well as to gifted and talented students. Budget has also been allocated for reconstruction of 1,800 school buildings and 38 extended arm campus buildings, 2,520 classrooms and establishment of one thousand science laboratories, library and computer lab each in the coming fiscal year.
- Government is focused on developing Science & Technology for competitive and advance economy. Hence, a budget of NPR 1.25 Billion is allocated to build foundation and start education program of Madan Bhandari Science & Technology University to provide world class study and research in the field of Science & Technology. Ministry of Education, Science and Technology has been allotted budget of NPR 171.71 Billion.
- To initiate the second phase work of the Melamchi Water Project NPR 5.46 Billion has been allocated. Further, NPR 5.89 billion has been allocated for water and sewerage management of Kathmandu Valley.
- In the coming year, Upper Tamakoshi, Rasuwagadhi, Upper Sanjen, Middle Bhotekoshi, and other small & medium projects sponsored by private investors are expected to complete which will further enhance the Nation Transmission System by 1300 MW.

## Major Highlights of Budget 2077/78

- All households of Nepal will have access to renewable electricity within next two years. Budget of NPR 4 Billion allotted for Rural Electrification and NPR 4.13 Billion allotted for alternative energy production.
- Allocated the budget of NPR 12.21 Billion for the upgradation of East-west highway to 4 Lane Secure Express Highway according to the requirements of Asian Highway Standard within 3 years for which work to be commenced in next financial year. Further, budget of NPR 8.27 Billion allocated for completion of Puspahal Highway in next 3 years.
- Budget of NPR 7.1 Billion allocated for completion of much awaited Postal Highway in Terai Region within next 3 years. Further, allocated budget of NPR 3.7 Billion for completion of Madan Bhandari Highway in next 5 years.
- In order to minimize the impact on the transportation business due to corona virus, the Government has made provision for concession in bank loan, tax exemption and exemption of route permit fee.
- NPR 8.66 Billion budget allocated for construction and conducting a feasibility study of the of the Electric Railway. Also, NPR 19.42 Billion allocated for the construction and upgradation of four international Airport.

## BUDGET SUMMARY

- The under construction Dharara, Rani Pokhari and the main building of Singha Darwar including post-earthquake reconstruction work will be completed in the coming Fiscal Year. For the reconstruction of private residences, archeological heritage, school buildings, health institutions and government buildings and other damaged structures, NPR 55 Billion has been allocated.
- Digital Nepal Framework will be implemented. Introduction of information, tele-communications and existing broadband policy will be done and the fiber to the home program and reliable broadband internet service will be available in all locations in Nepal within 2 years. The 4G service will be expanded nationwide within next year.
- In the current Fiscal Year, the broadcasters, which had been exempted from renewal, operating from the community, private and co-operative sectors have made an arrangement to waive the additional fee and penalty, if the license till Poush, 2077 is renewed.
- Necessary budget will be allocated to protect the border, prevent criminal activities in the border areas and control smugglers. For this purpose, 39 additional Border Outposts of the Armed Forces will be built and Information Technology on Immigration System will be used. Emphasis will be placed on professional intelligence and research to develop the capacity of the National Research Department.

## Major Highlights of Budget 2077/78

- Only front workers involved in Corona pandemic will be provided allowances. Travel allowance, fuel, furniture, new vehicles purchase as well as repair will face cut in budget. Motivation allowances, overtime allowances, meeting allowances, lunch allowances and other types of allowances will be dismissed.
- Currently least unnecessary public forms and departments will be shut down considering their responsibilities. NPR 0.1 Million corona virus insurance to be provided for free of cost for temporary and permanent government staff.
- Preparation of National Census 2078 will be expedited. For Census, Living Standards Measurement Survey, Industrial Census, Agriculture Census and State Happiness Survey the budget of Rs. 3 Billion has been allotted.



## TAXES - GENERAL

### Health Risk Tax

Bidi	25 Paisa per Stick
Cigarette & Cigar	50 Paisa per Stick
Khaini, Surti, Pan Masala, Gutkha	40 Rupee Per KG

### Education Service Fees

While exchanging foreign currency by the students going abroad for studies.

2%

### Infrastructure Development Tax

Import of Petrol and Diesel at customs point	NPR 10 Per Liter
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### Casino Royalty

To General Casino	40 Million Per annum
To Casino using Modern Machine Equipment	10 Million Per annum

50% of the Additional fee and annual additional fee of the FY 2075/76 shall be waived to a person or organization licensed to operate a casino, if it pays the remaining 100% royalty and 50% additional fee as well as annual additional fee for the FY 2075/76 and 100% royalty, additional fee and annual additional fee for the year 2076/77 within the end of Chatira, 2077.

## TAXATION - GENERAL

## Major Highlights of Budget 2077/78

- **Road Maintenance and Improvement Fee** shall be levied at the customs point for road maintenance and improvement at the rate of NPR 4 per Litre for Petrol and NPR 2 per Litre for diesel imported respectively.
- **Pollution Control Fee** will be levied at the rate of NPR 1.50 per Liter for the purchase and distribution of petrol and diesel in Nepal.
- **Cinema Development Fee shall be charged to cinema houses and halls as follows:**
  - 15% on entry fee for all categories of foreign films
  - 20% on entry fee for all categories of foreign films shown from cabins.
  - The cinema house and halls have to issue tickets through electronic system (e-ticket system) and connect with the Central Cinema Management System by the end of Poush, 2077.
- **Telecommunication Service Charge** to be levied at 13% which will be imposed by telecom industries on the telecommunication charges made to the customer.
- **Telephone Ownership Fee** of NPR 500 will be charged from every customer for every telephone connection. In case of change of ownership of telephone, the same fee will be charged from the person claiming ownership of telephone. However, in the case of mobile telephones, Telephone Ownership Fee will be charged at the rate of 2% of each SIM card and recharge fee.
- The government has abolished the **15% Forest Production Fee** levied on sale of Sal and Khayar Timber to person other than to Timber Consumer Groups from the date of budget. In order to protect the Domestic Furniture Industry, excise duty has been imposed on the import of all types of furniture.

## INCOME TAX

### General Tax Relief

## CORONA RELIEF



20% exemption in income tax for airline, transport service, hotel, naval and regional entrepreneurs affected by the corona virus having transaction above NPR 1 Crore.

25% exemption in income tax to any Person having transaction up to NPR 1 Crore

Person has profit upto Rs 2 Lacs and turnover upto 20Lacs and not registered in VAT

- a. Metropolitan or Sub Metropolitan- Rs 1875
- b. Municipality- Rs 1,000
- c. Other than a and b- Rs 625

Arrangements of filing VAT return on quarterly basis to the businesses operating in tourism, transportation and cinema industries.

## SLAB RATE



NO CHANGE



## GENERAL TAX RATE - ENTITY

# 25%



## EXEMPTIONS TO REGULARIZE TAX COMPLIANCES

1

Any Person having taxable income in previous years but had not paid Income Tax on such Income, if takes PAN and files income tax return and pays Income tax pertaining to income of Financial year 2074-75 and 2075-76 by Falgun End 2077, then interest and fees of such financial years and tax and interest prior to such financial years shall be waived.

2

Natural Person having annual turnover up to 50 Lakhs who had obtained PAN in previous years but had not paid tax, if files income tax return of FY 2073/74, 2074/75 and 2075/76 and Pay Income tax along with 25% of applicable interest by Falgun End 2077, then the person shall be waived off from filling of return and payment of tax and interest of the financial years prior to 2073/74 and remaining interest (i.e, 75% of applicable interest) of the financial years 2073/74, 2074/75 an 2075/76.

3

Natural Person or Entity having annual turnover more than Rs 50 Lacs and who have obtained PAN but had not submitted Income Tax Return prior to and including FY 2073/74, if file return , pay tax and 25% of applicable interest within Falgun end, 2077 then such natural person or entity shall be waived off from applicable fee and remaining 75% interest.

## RELIEFS

### Relief to the person who wants to get off from the burden of pending cases:

If the case (other than the case of fake invoices) for which the tax or excise duty was determined during tax assessment by Ashadh End, 2075 in accordance with the Income Tax Act, 2058 or VAT Act, 2052 or Excise Act, 2058 is pending at Inland Revenue Department for administrative review or at revenue tribunal or at any competent court due to dissatisfaction of tax payer in the verdict of the department and the tax payer withdraws cases and pay assessed taxes and duty so determined along with interest by Falgun End, 2077, then such person shall be waived off from fee, additional fee and penalties under the related acts.

### Transfer of fund to Social Security Fund:

If any contributor transfer his contribution from approved retirement fund to social security fund established under Contribution Based Social Security Fund Act, 2074 within Chaitra End, 2077 then no TDS shall be applicable under section 88 on such amount.

### Relief to Drinking Water and Sanitation Consumer Group:

The tax, fee and interest determined by Inland Revenue Office till financial year 2075-76 an remaining unpaid and any due of tax, fee and interest on the income pertaining to Financial year 2076/77 and before of Drinking Water and Sanitation Consumer group established under Water Resources Act,2049 shall be waived.

### Accelerated Depreciation for special industries:

Any Entity in operation of industry under Section 11 for full year, or any entity which operated Road, Bridge, Tunnel Ropeway, Railway or Sky Bridge after their construction or any entity which operated Tramp or Trolley bus shall be eligible for accelerated depreciation of one third of rate mentioned in Schedule 2 Section 1 of pool of assets 'A', 'B', 'C' and 'D'.

### Rebate on rate of taxes for FY 2076/77 to tax payer affected by COVID-19

Tax Payer	Annual Transaction Volume ( In Rs)	Tax Rebate
Person paying tax u/s 4(4)	Up to 20 Lakhs or Income up to Rs 2 Lakhs	75%
Person paying tax u/s 4(4ka)	More than 20 Lakhs, up to 50Lakhs	50%
Any Person	Up to 1 Crore	25%
Hotel, Trekking, Travels, Transportation and Air Transport Service	More than 1 crore	20%

**INCOME TAX**
**SLAB RATE**
**For Resident Person**

	Particulars	FY 2077/78		FY 2076/77		
		Rs.	Tax Rate	Rs.	Tax Rate	
<b>Assessed as Individual</b>						
	First Tax slab	4,00,000	1%	First Tax Slab	4,00,000	1%
	Next	1,00,000	10%	Next	1,00,000	10%
	Next	2,00,000	20%	Next	2,00,000	20%
	Next	13,00,000	30%	Next	13,00,000	30%
	Balance Exceeding	20,00,000	36%	Balance Exceeding	20,00,000	36%
<b>Assessed as Couple</b>						
	First Tax Slab	4,50,000	1%	First Tax Slab	4,50,000	1%
	Next	1,00,000	10%	Next	1,00,000	10%
	Next	2,00,000	20%	Next	2,00,000	20%
	Next	12,50,000	30%	Next	12,50,000	30%
	Balance Exceeding	20,00,000	36%	Balance Exceeding	20,00,000	36%

**For Non-Resident Person**

S. N.	Nature of transaction	FY 2077/78	FY 2076/77
1.	Income earned from normal transactions.	25% flat rate	25% flat rate
a.	Income earned from providing shipping, air transport or telecommunication services, postage, satellite, optical fiber project.	5%	5%
b.	Income earned providing shipping, air transport of telecommunication services through the territory of Nepal.	2%	2%
c.	Repatriation by Foreign Permanent Establishment.	5%	5%



1. Natural person working at remote areas are entitled to get deduction from taxable income to a maximum of Rs. 50000.
2. Social Security Tax shall not be applicable for natural person having pension income.
3. Incapacitated natural person shall be entitled to get deduction from taxable income an additional 50% of amount prescribed under first tax slab.
4. A Resident natural person who has procured life insurance and paid premium amount thereon shall be entitled to a deduction of actual annual insurance premium or Rs. 25000 whichever is less from gross taxable income.
5. A Resident natural person who has procured Health Insurance and paid premium amount thereon shall be entitled to a deduction of actual annual insurance premium or Rs. 20000 whichever is less from gross taxable income.
6. In case of the employee employed at the foreign diplomatic mission of Nepal only 25% of the foreign allowances are to be included in the income from salary.
7. In case of the employee posted outside Nepal is getting foreign allowance will get 75% rebate of such allowance.
8. In case of the female employee whose taxable income is only from employment than 10% rebate is allowed on tax liability.
9. **If any person has contributed to the Corona Infection, Prevention, Control and Treatment Fund established by Central, Provincial or Local Government, then such contribution shall be deductible as expenses while calculating taxable income.**



**INCOME TAX**
**The major changes brought forward by finance bill 2077/78 relating to Income Tax**

Section	Amended Provision	Existing Provision
10(Ta)	The Income earned by Drinking Water and Sanitation Consumer Committee as per its objectives, registered as per Water Resources Act, 2049 shall be exempt.	New Provision introduced by finance bill 2077.
11(3)(Kha)	Special industries operating in highly undeveloped(remote), undeveloped, less developed area shall be eligible for reduced tax rate of 10%, 20% and 30% of applicable tax rate respectively for ten income years including first income year starting from the <b>date of commercial production or operation.</b> #date of commercial production	Special industries operating in highly undeveloped(remote), undeveloped, underdeveloped area shall be eligible for reduced tax rate of 10%, 20% and 30% of applicable tax rate respectively for ten income years including first income year of operation.
11(3)(Ga)	Special industry and <b>tourism industry (excluding casino)</b> established with capital investment exceeding Rs. 1 billion and providing direct employment to more than 500 individuals throughout the year shall be eligible for 100% income tax exemption for five years from the date of commencement of business and 50% exemption for three years thereafter. #tourism industry included	Special industry established with capital investment exceeding Rs. 1 billion and providing direct employment to more than 500 individuals throughout the year shall be eligible for 100% income tax exemption for five years from the date of commencement of business and 50% exemption for three years thereafter.
Proviso to section 11(3)(Ga)	Provided that, <b>special and tourism industry (excluding casino)</b> currently in operation, where such industry increases its capital investment to at least <b>Rs. 2 billion</b> and provides direct employment to more than <b>300 individuals</b> throughout the year along with enhancement in capacity by at least 25%, there shall be full tax exemption on income generated from enhanced capacity for five years and 50% tax exemption for three years thereafter. #2 billion, 300 individuals	Provided that, special industry currently in operation, where such industry increases its capital investment to at least Rs. 1 billion and provides direct employment to more than 500 individuals throughout the year along with enhancement in capacity by at least 25%, there shall be full tax exemption on income generated from enhanced capacity for five years and 50% tax exemption for three years thereafter.

**INCOME TAX**
**The major changes brought forward by finance bill 2077/78 relating to Income Tax**

Section	Amended Provision	Existing Provision
11(3Gha)	<p>Person or entity who has obtained license for commercial production, transmission, and distribution of electricity by Chaitra end 2080 shall be eligible for a concession of -100% of applicable tax for the first 10 years from the date of commercial production of electricity</p> <p>-50% of the applicable tax for the next 5 years.</p> <p>Such facility shall also be provided to electricity produced from solar, bio or wind energy.</p>	<p>Person or entity who has obtained license for commercial production, transmission, and distribution of electricity by Chaitra end 2080 shall be eligible for a concession of</p> <p>-100% of applicable tax for the first 10 years</p> <p>-50% of the applicable tax for the next 5 years.</p> <p>Such facility shall also be provided to electricity produced from solar, bio or wind energy.</p>
11(3Cha)	<p>Entities carrying out the following transactions shall be provided following concession for 10 years from the date of commencement of commercial transactions/operations on the income tax levied:</p> <p>ka. Operation of Trolley or Tram - 40 % concession</p> <p>Kha. Construction and operation of Ropeway, Cable Car, Sky Bridge – 40% Concession</p> <p>Ga. Construction &amp; Operation of Roads, Bridge, Tunnel Way, Tunnel, Railway, Airport - 50 %concession</p> <p><del>#Ga, gha &amp; Nga removed:</del></p>	<p>Entities carrying out the following transactions shall be provided following concession on the income tax levied:</p> <p>ka. Operation of Trolley or Tram - 20 % concession</p> <p>Kha. Construction and operation of Ropeway, Railway, Cable Car Tunnel, Sky Bridge – 20% concession</p> <p>Ga. Construction &amp; Operation of Airport – 40% concession</p> <p>Gha. Construction &amp; Operation of Roads, Bridge or Tunnel Way - 52 % concession</p> <p>Nga. Investment &amp; Operation of tram, trolley bus – 52% concession</p>
11(3Ja)	<p>There shall be tax concession of 40 % and 25 % for ten years from the date of Operation, if an industry produces brandy, cider or wine based on fruits in highly undeveloped area and undeveloped area respectively.</p>	<p>There shall be tax concession of 40 % for ten years from the date of Operation, if an industry produces brandy, cider or wine based on fruits in highly undeveloped area.</p>
Proviso to 11(3Ta)	<p>Removed by Finance Bill 2077</p>	<p>Where an existing such industry increases its capacity by 25 % and capital investment to 2 Billion, the income from the increased capacity is exempt from income tax for three years thereafter on income from increased capacity.</p>

**INCOME TAX**
**The major changes brought forward by finance bill 2077/78 relating to Income Tax**

Section	Amended Provision	Existing Provision
11(3ta)	There shall be 100% exemption of income tax on income generated by micro industries for Seven years from the date of commencement of business or transaction. Where such industry is owned by woman, there shall be tax exemption for another three years thereafter. <i>#seven years, three years</i>	There shall be 100% exemption of income tax on income generated by micro industries for five years from the date of commencement of business or transaction. Where such industry is owned by woman, there shall be tax exemption for another two years thereafter.
11(3Da)	Tax concession of 25% shall be provided for first 5 years from start of operation to Special industry established in industrial area or industrial village.	Added by finance bill 2077
21(Gha1)	The remuneration and Wages paid to Employees and Workers not having PAN except for the payment up to Rs 3000 of casual nature shall be disallowed for tax purpose. The provision is made applicable for FY 2076-77 as well. <i>#Rs. 3000 w/o PAN #wages</i>	The remuneration and wages paid to the employees and workers not having Permanent Account Number (PAN) shall be disallowed for tax purpose.
21(Gha2)	Expenses made through invoice not containing PAN number for a value exceeding Rs 2000. shall be disallowed for tax purpose. However for purchases of agricultural, Forestry, Animal or other Household product directly from the natural person not doing business transaction, such expenses shall be allowed for tax purpose even without PAN invoice. The provision is made applicable for FY 2076-77 as well. <i>#Rs. 2000 w/o pan #Expenses</i>	The expense relating to the invoice not containing PAN exceeding invoice value of Rs. 1000 shall be disallowed for Tax purpose.
47(Ka) (6)	The letter of intent for the merger shall be submitted to Inland Revenue Department until 2078 Ashad end.	The letter of intent for the merger shall be submitted to Inland Revenue Department until 2077 Ashad end
47 (Ka) (7)	The merger process of entities submitting letter of intent shall be completed by 2079 Ashad End.	The merger process of entities submitting letter of intent shall be completed by 2078 Ashad End.

Section	Amended Provision	Existing Provision
78 Ka	<p>The Department may suspend PAN registration of a person in the following circumstances.</p> <ol style="list-style-type: none"> <li>1. If the person cease to carry out business.</li> <li>2. In case of entity, if such entity is closed, sold or transferred, or cease to exist by any means.</li> <li>3. If the person dies in case of personal ownership.</li> <li>4. If registered by mistake.</li> </ol>	New Provision introduced by Finance Bill 2077
79(1)(kha)	<p>The documents required to be handed over under the act shall be considered as completed if the same is handed over to the person himself or <b>his representative or his employee</b> and in case of an entity to the manager of the entity or his representative or employee.</p>	<p>The documents required to be handed over under the act shall be considered as completed if the same is handed over to the person himself/herself or in case of an entity to the manager of the entity.</p>
88(1)(5)(Ga)	Removed by Finance bill 2077	<p>No Tax shall be deducted in case of encouragement amount received by the consumer of goods or services for the payment made electronically under section 25 (1kha) of VAT Act, 2052</p>
88(1)(8)	<p>In case of the payment made for transportation service or renting of transportation vehicles, tax shall be deducted at the rate of 2.5%. But if the person engaged in the transportation business or renting of transportation vehicles business is registered in VAT, then tax shall be deducted at the rate of 1.5% while making the payment.</p>	<p>In case of the transportation service, tax shall be deducted at the rate of 2.5%</p>
88(1)(9)	<p>In case of Resident Bank and Financial Institutions, while making payment of interest to Foreign Banks and Financial Institution on the amount of loan received in foreign currency to invest in the sector as defined by Nepal Rastra Bank , tax shall be deducted at the rate of <b>10%</b>.</p>	<p>New Provision introduced by Finance Bill 2077. Previously covered by General Section. And it was 15%.</p>

**INCOME TAX**
**The major changes brought forward by finance bill 2077/78 relating to Income Tax**

Section	Amended Provision	Existing Provision
88(1)(10)	In case of the encouragement amount received by consumer of good and services for the payment made through payment cards, E-Money (Wallet), Mobile Banking and electronic payment during purchases as per the prevailing laws, no tax shall be deducted.	New Provision introduced by Finance Bill 2077.
89(3)(ka)	In case of payment made to non resident for any contract or agreement, tax shall be deducted at the rate of 5% <del>#removed aircraft repair, includes any contract</del>	In case of payment made to non resident for aircraft repair or other contract or agreement, tax shall be deducted at the rate of 5%.
90(8)	If a person who is required to submit return and make payment of tax as per sub section 1 and 2 has not filed return or has not paid tax amount or if the department is assured that subsection 5 pertains, then the department may order to pay such tax not paid along with interest under section 119 and where TDS has not been deducted fees under section 120.	If a person who is required to submit return and make payment of tax as per sub section 1 and 2 has not filed return or made payment or if the department is assured that subsection 5 pertains, then the department may order to pay such tax not paid along with interest under section 119.
95(ka)(6ka)	In case of the resident bank and financial institutions which provides foreign currency exchange service for language exam fee and standardized test to <b>students going to study abroad</b> , tax shall be collected at the rate of <b>15%</b> on examination fee at the time of providing foreign exchange facility in respect of payment of such examination fee.	New Provision introduced by Finance Bill 2077.
Section 1 of Schedule 1	In case of the natural person for the taxable income from employment during the income year up to Rs 400,000 tax at the rate of 1% shall be imposed. In case of couple for the taxable income from employment during the income year up to Rs 450,000, tax at the rate of 1% shall be imposed	In case of the natural person for the taxable income from employment during the income year up to Rs 400,000 tax at the rate of 1% shall be imposed.

Section	Amended Provision	Existing Provision
1(9) of Schedule 1	Removed by Finance bill 2077.	Notwithstanding anything written in section 1 of Schedule 1, where a resident natural person has pension income, the tax under this section shall be calculated after deducting 25% of the amount referred in sub section (1)(ka) in respect of a individual and that referred in subsection (2) (ka) in respect of the couple from the taxable income. Provided that the limit of deduction pursuant to this sub section shall not exceed the amount as prescribed.
2(3) of Schedule 1	<p>In case of the cooperatives registered under Cooperatives Act, 2074 and not conducting the transactions exempt from tax, following rates of tax shall be applicable.</p> <p>Ka. Where it is operated in Municipality Area, 5%.                      Kha. Where it is operated in Sub-Metropolitan area, 7%.                      Ga. Where it is operated in Metropolitan area, 10% .</p>	<p>Tax shall be imposed at the rate of 20% on the taxable income derived by Cooperatives registered in accordance with Cooperatives Act, 2074 and that do not conducts the transactions exempt from tax. Provided that the following cooperatives conducting financial transactions are subject to following exemptions.</p> <p>Ka. Where it is operated in Municipality Area, 75% of tax rate.                      Kha. Where it is operated in Metropolitan or Sub-Metropolitan area, 50% of tax rate.</p>
Sec 4(4) & Sec 1(7) of Sch 1	<p><b>Same as Previous Year. But for FY 2076-77 as below:</b>                      Tax in case of resident natural person fulfilling the following conditions:</p> <ol style="list-style-type: none"> <li>The person has income from source in Nepal only</li> <li>The person has not opt for tax credit u/s 51 and 93</li> <li>The person has profit upto Rs 2 Lacs and turnover upto 20Lacs</li> <li>The Person is not registered in VAT</li> </ol> <p>Business Operating at:</p> <ul style="list-style-type: none"> <li>Metropolitan or Sub Metropolitan- Rs 1875</li> <li>Municipality- Rs 1,000</li> <li>Other than a and b- Rs 625</li> </ul>	<p>Business Operating at:</p> <ol style="list-style-type: none"> <li>Metropolitan or Sub Metropolitan- Rs 7500</li> <li>Municipality- Rs 4,000</li> <li>Other than a and b- Rs 2,500</li> </ol>
Sec 4(4Ka) & Sec 1(17) of Sch 1	<p><b>Same as Previous Year. But for FY 2076-77 as below:</b>                      Tax in case of resident natural person fulfilling the following conditions:</p> <ol style="list-style-type: none"> <li>The person has income from source in Nepal only</li> <li>The person has turnover More that Rs 20 Lacs but less than Rs 50Lacs</li> <li>The Person is not registered in VAT</li> <li>The person doesn't provide consultancy services</li> </ol> <ul style="list-style-type: none"> <li>0.125 % of Turnover in respect of the person conducting transaction with up to 3 % Value addition or commission including gas, cigarette.</li> <li>0.375% of Turnover for other than (a)</li> <li>1% of Turnover for person conducting service business</li> </ul>	<ul style="list-style-type: none"> <li>0.25 % of Turnover in respect of the person conducting transaction with up to 3 % Value addition or commission including gas, cigarette.</li> <li>0.75% of Turnover for other than (a)</li> <li>2% of Turnover for person conducting service business</li> </ul>

**INCOME TAX**
**The existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2077/78**

Section	Nature of entity	Applicable for both FY 2077/78 and 2076/77
	<u>Domestic income</u>	
	Normal Rate (NR)	25%
	<u>Other</u>	
	Providing direct employment to Nepalese citizens by special industries and information technology industries for whole year:	
11(3) (Ka)	For 100 or more Nepali National	90% of Normal Rate
	For 300 or more Nepali National	80% of Normal Rate
	For 500 or more Nepali National	75% of Normal Rate
	For 1000 or more Nepali National	70% of Normal Rate
	For 100 Nepalese including 33% women, dalit & disabled by Special industries.	Additional 10% rebate



**INCOME TAX**
**The existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2077/78**

Section	Nature of entity	Applicable for both FY 2077/78 and 2076/77
11 (3Ka)	Industry established in 'Special Economic Zone' recognized in mountain areas or hill areas by the GON	Up to 10 years 100% exempt and 50% rebate in subsequent years
11 (3Ka)	Industry established in 'Special Economic Zone' other than above locations	100% exempt up to first five years and 50% rebate in subsequent years
11 (3Ka)	Dividend distributed by the industry established in the special economic zone	Dividend Tax is 100% exempt up to first five years and 50% rebate in subsequent 3 years
11 (3Ka)	Income derived by the foreign investors from investment in 'Special Economic Zone'( source of income use of foreign technology, management service fee and royalty)	50% of applicable tax rate
11(3Kha)	Person involved in business of exploration and extraction of minerals, petroleum products and natural gases & fuel commencing its commercial operation by 2080 Chaitra end	100 % exemption on income tax for 7 years from the date of commercial operation and 50% exemption on income tax thereafter for 3 years
11 (3Tha)	Dividend Distribution Tax in case Special Industry, Industry based in Agriculture and Tourism sector capitalizing its profit for the purpose of expansion of capacity of industry.	100% exempt
11(3Chha)	Income manufacturing industry, tourism service industry hydropower generation, distribution and transmission industry listed in the security exchange (i.e. capital market)	85% of applicable tax rate
11 (3Jha)	Royalty from export of Intellectual Asset by a person	75% of applicable tax rate
11 (3Yna)	Income from sale by intellectual asset by a person through transfer	50% of applicable tax rate

**INCOME TAX**
**The existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2077/78**

Section	Nature of entity	Applicable for both FY 2077/78 and 2076/77	
Sch 1(13)	Presumptive tax in case a Resident Natural Person is engaged in business of Public Vehicles	<u>Rate as per nature of vehicles</u>	
		1. Car, Jeep, Van and Micro Bus	
		Up to 1300CC	Rs. 4,000
		From 1301 CC to 2000 CC	Rs. 4,500
		From 2001 CC to 2900 CC	Rs. 5,000
		From 2901 CC to 4000 CC	Rs. 6,000
		Above 4001 CC	Rs. 7,000
		2. Mini Truck, Mini Bus & Water tanker	Rs. 6,000
		3. Mini Tripper	Rs. 7,000
		4. Truck & Bus	Rs. 8,000
5. Dozers, Excavator, Loader, Roller, Crane and like such machinery equipment	Rs.12,000		
6. Oil tanker, Gas Bullet and tripper	Rs.12,000		
7. Tractor	Rs. 2,000		
8. Power tiller	Rs. 1,500		
9. Auto Rickshaw, Three wheeler, Tempo	Rs. 2,000		
11 (3Dha)	Domestic Tea Production & Processing Industries, Dairy Industries & Textile Industries	50% of applicable tax rate	
11 (3Ana)	Health Services Provided by the Community	20% Reduction of Income Tax Act	

**INCOME TAX**
**The existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2077/78**

Section	Nature of entity	Applicable for both FY 2077/78 and 2076/77
Sch 1 Sec 2(2)	<b>Bank and Financial Institution</b>	
	Commercial banks, Development Banks and Finance companies	30%
	Insurance business	
	General insurance business	30%
	Petroleum Industries	
	Entity engaged in Petroleum business under Nepal Petroleum Act , 2010	30%
	Merchant Banks, Telecommunication and Internet Services Industry, Money Transfer Capital Market, Commodity Future Market, Securities Brokers and Companies involved in securities business	30%
Sch 2 Sec 6	Non resident carrying on air and water transport and Telecommunication services in Nepal :	5%
	a. If the goods and Passengers embarking from Nepal	2%
	b. If a person books ticket from Nepal but the departure is from any foreign country	

**INCOME TAX**
**Withholding Taxes**

S. N.	Nature of transaction	FY 2077/78	FY 2076/77
A.	Interest income from deposit up to Rs 10000 under 'Micro Finance Program', 'Rural Development Bank', 'Postal Saving Bank' & Co-Operative (u/s-11(2ka) in Village Municipality areas	Exempt from tax	Exempt from tax
B.	Wind fall gains	25%	25%
	Wind fall gains from Literature, Arts, Culture, Sports, Journalism, Science & Technology and Public Administration amount received up to 5 lacs	Nil	Nil
C.	Payment of rent by resident person having source in Nepal However no TDS on payment of rent to natural person.	10%	10%
D.	Profit and Gain from Transaction of commodity future market	10%	10%
	Profit and Gain from Disposal of Shares:		
	<u>In case of Individual</u>	5%	5%
	– Listed Shares	10%	10%
	– Non Listed Shares		10%
E.	<u>Resident Entity</u>	10%	15%
	– Listed Shares	15%	
	– Non Listed Shares		
	<u>Others</u>		
	– Listed Shares	25%	25%
	– Non Listed Share	25%	25%
	On dividend paid by the resident entity.		
F.	– To Resident Person	5% for both	5% for both
	– To Non Resident Person		
G.	On payment of gain in investment insurance	5%	5%
H.	On payment of gain from unapproved retirement fund	5%	5%
I.	On payment of interest or similar type having source in Nepal to natural person [ not involved in any business activity by Resident Bank, financial institutions or debenture issuing entity, or listed company	5%	5%
J.	Payment for articles published in newspaper	No TDS	No TDS

**INCOME TAX**
**Withholding Taxes**

S. N.	Nature of transaction	FY 2077/78	FY 2076/77
K.	Interest payment to Resident bank, other financial institutions	No TDS	No TDS
L.	Interregional interchange fee paid to credit card issuing bank	No TDS	No TDS
M.	Interest or fees paid by Government of Nepal under bilateral agreement	No TDS	No TDS
N.	On payment of general insurance premium to resident insurance company	No TDS	No TDS
O.	On payment of premium to non-resident insurance company	1.5%	1.5%
P.	Contract payment exceeding Rs 50000 for a single contract within 10 days.	1.5%	1.5%
Q.	Interest & Dividend paid to Mutual Fund	No TDS	No TDS
	Payment of consultancy fee:		
R.	– to resident person against VAT invoice	1.5%	1.5%
	– to resident person against non VAT invoice	15%	15%
S.	Payment on contract to Non Resident Person		5%
	– On repair of aircraft & other contract	5%	15%
	– Other than above	5%	
T.	TDS deducted on payment of dividend made by Mutual fund to natural Person is final withholding Tax.	5%	5%
U.	TDS on Payment by Resident Person for utilizing services related with Satellite, Bandwidth, Optical Fiber, equipment relating to telecommunications or electric transmission	10%	10%
V.	Dividend Paid by Partnership Firm to its Partners	5%	5%
W.	Payment for the freight to transportation service.	2.5%	2.5%
	But if the service provider is registered under VAT	1.5%	2.5%

**INCOME TAX**
**Withholding Taxes**

S. N.	Nature of transaction	FY 2077/78	FY 2076/77
X.	Payment made against question setting, answer evaluation	15%	15%
Y.	Payment to Non Resident Company against Commission paid for Reinsurance	1.5%	1.5%
Z.	Payment made to Consumer Committee	1.5%	1.5%
AA.	Commercial Import of Buffalo, Goat, Sheep, Fresh & Frozen Fish, Fruits,	5% of Custom Value	5% of custom value
AB	On Import of Meat, Milk Product, Egg, Honey, Millet, Buckwheat, Junelo, Rice, Wheat Flour, Meslin Flour, Other Flours, Herbs, Sugarcane, Herbal products	2.5%	2.5%
AC	Foreign Currency Exchange service by resident bank for students going abroad for study making payment for language exam and standardized test	15% (TCS)	-
AD	Interest paid by resident bank and financial institution to foreign bank or financial institution	10%	15%
AE	In case of the encouragement amount received by consumer of good and services for the payment made through payment cards, E-Money (Wallet), Mobile Banking and electronic payment during purchases as per the prevailing laws, no tax shall be deducted.	No TDS	-

## VALUE ADDED TAX

### VAT Rate

No  
Change in  
Value  
Added  
Tax Rate

13%

### VAT Threshold

5 Million NPR



Person dealing in  
goods

2 Million NPR



Person dealing in  
Services

2 Million NPR



Person dealing in  
Goods & Services both

### Encouragement to comply with VAT

Persons registered for Value Added Tax purpose, who failed to file Value Added Tax Return until 2075 Ashad; if files return pertaining to such periods along with payment of payable VAT with 50% of interest applicable on such payable VAT within 2077 Falgun end; fees, additional fees and remaining interest pertaining to such period is waived.

## VALUE ADDED TAX

- No changes in the existing Value Added Tax rate of 13 percent for the fiscal year 2077/78 except stated in Schedule 1 and Schedule 2.
- The threshold for doing the taxable transaction has not been changed i.e. 5 million for person dealing in goods, 2 million for service provider and 2 million for person involved in both the transactions.
- The person dealing with the scrap business, Legal Consultancy, Tailoring with suiting shirting excluded from the compulsory registration of VAT.
- The exemption of Soyabadi Masaura has been reinstated.
- The VAT exemption is extended to Micro insurance.
- Exemption of Vat has been extended on import of Construction plant, machinery , tools and related parts to Hydroelectric Transmission and Distribution.
- Vat exemption given to Hydroelectric Project on Raw material (Steel Sheets) required for construction of Plant, Equipment's is withdrawn.

## Summary of Changes in Value Added Tax

- Vat Exemption on Import of the items required for prevention, control and treatment of COVID-19 by any entity or by individual in the name Health Ministry or Prescribed Medical Institution or others on the condition that these items will be donated/transferred.
  - Medicine covered in chapter 30,
  - PPI used in medical and surgical works under Heading 39.23, 62.07, 62.08, 62.10 and 62.11
  - Viral Transport Media under sub heading 3821.00.00 ,
  - PCR test Kit, RDT test Kit, PCR Reagent, Extraction Kits under sub heading 3822.00.00
  - Surgical Gloves under sub heading 4015.11.00
  - Face Mask under sub heading 6307.90.20
  - Autoclave Machine under sub heading 8419.20.10
  - Digital Infrared Thermometer (Thermal Gun) under Sub Heading 9025.11.00 and 9025.19.10
  - Ventilator under sub heading 9019.20.00
  - Portable PCR Machine under Sub Heading 9018.90.00
  - Protective Gloves under Sub Heading 9004.90.00





- Zero rated VAT withdrawn for Machine required for the production of environment friendly cloth, jute or paper bag by replacing the production of plastic bags by such bags. However, VAT Exemption given on import of Bag Manufacturing Machinery from Jute or Cloth.
- Exemption on VAT Extended for Auxiliary Raw material and chemical compounds used for production of medicine or intra ocular lenses (IOL) imported by Medical Industry covered in Chapter 28,29 and 38.
- Zero Rate Vat Facility for domestic Industries supplying Machinery, tools and Construction Equipment included in approved master list of the project operated by bilateral or multilateral agreement after obtaining tax exemption from ministry of Finance, Government of Nepal
- Zero Rate facility on Deep Cycle lead Battery (sub heading 8507.20.00) that is usable to electrical vehicle is withdrawn.
- Persons registered for Value Added Tax purpose, who failed to file Value Added Tax Return until 2075 Ashad; if files return pertaining to such periods along with payment of payable VAT with 50% of interest applicable on such payable VAT within 2077 Falgun end; fees, additional fees and remaining interest pertaining to such period is waived. Further Automatic registration will be cancelled for those VAT registered person who has not submitted return until 2073 Ashad end, with waiver of penalty applicable for failure to file VAT return.

Section	Amended Provision	Existing Provision
10 (2)	<p>Where the transaction of goods or services of a person becomes taxable or the person conducts following transactions, the person shall make an application in the prescribed format for the purpose of registration in front of tax officer within 30 days of transaction being taxable or operation of transaction:</p> <p>a. Operation of business related to brick production, <b>alcohol, wine</b>, health club, disco theque, massage therapy, <b>motor parts</b>, electronic software, customs agent, toys <del>and Scrap</del> business, trekking, rafting, ultra light flight, paragliding, tourist vehicle, crusher, sand mine, slate or stone.</p> <p>b. Where a person conducts business of hardware, sanitary, furniture, fixture, furnishing, automobiles, <del>motor parts</del>, electronics, marble, Educational <del>and Legal</del> consultancy, Account and Audit related services., catering service, party palace, parking service, dry cleaners using machinery, <b>restaurant with bar</b>, ice cream industry, colour lab, boutique, <del>Tailoring with shirting suiting materials</del>, uniform supplier for educational, health or other entities inside Metropolitan City, Sub Metropolitan City, <del>Municipality</del> or areas as prescribed by department.</p> <p><b>Removed:</b> motor parts, and Legal, Tailoring with shirting suiting materials. Municipality word is also removed.</p>	<p>Where the transaction of goods or services of a person becomes taxable or the person conducts following transactions, the person shall make an application in the prescribed format for the purpose of registration in front of tax officer within 30 days of transaction being taxable or operation of transaction:</p> <p>a. Operation of business related to brick production, alcohol, wine , health club, disco theque, massage therapy, motor parts, electronic software, customs agent, toys and <b>scrap business</b>, trekking, rafting, ultra light flight, paragliding, tourist vehicle, crusher, sand mine, slate or stone.</p> <p>b. Where a person conducts business of hardware, sanitary, furniture, fixture, furnishing, automobiles, <b>motor parts</b>, electronics, marble, Educational <b>and Legal consultancy</b>, Account and Audit related services., catering service, party palace, parking service, dry cleaners using machinery, restaurant with bar, ice cream industry, colour lab, boutique, <b>Tailoring with shirting suiting materials</b>, uniform supplier for educational, health or other entities inside Metropolitan City, Sub Metropolitan City, <b>Municipality</b> or areas as prescribed by Department.</p>
25 (1) Ka2	<p>Refund of VAT paid on purchase of goods or services within Nepal by <b>United Nations</b>, its <b>member organizations</b> and its <b>distinguished agencies</b> during it's operation as per their objectives.</p>	<p>New Provision introduced by Finance Bill 2077</p>

Section	Amended Provision	Existing Provision
25Ga1	<p>1) The deposit of VAT made by Government body or organization <b>wholly or partly owned by Nepal Government</b> in the name of <b>contractor or supplier</b> at the time of making payment against tender agreement or contract for supply of goods or service or goods and services under prevailing law of public procurement can be setoff with tax payable by related contractor or supplier.</p> <p>2) Where such tax as per sub section (1) could not be offset within consecutive 4 month, the concerned contractor or supplier can made application to Tax office for refund.</p> <p>3) On receipt of Such application for refund as per sub section(2), Tax office shall refund the same within 60 days from the Date of application made.</p> <p>4) Where the concerned contractor or supplier file for application for refund under subsection (2), the amount as specified in such application shall not be available for offset against tax liability for the next month.</p>	<p>New Provision introduced by Finance Bill 2077</p>
<p>VAT Refund : For Contractor/Supplier to Govt.</p>		
25Ga2	<p>1) Application can be filed to Tax officer on <b>Tremester (four Monthly) basis for VAT Refund</b> can be made on VAT paid by pharmaceutical Industries during purchase of <b>Raw Materials, Auxiliary Materials and Packing Materials procured from domestic industries.</b></p> <p>2) On receipt of Such application for refund, Tax office shall refund the same within <b>60 days</b> from the Date of application made.</p> <p>Note: Silent about Interest</p>	<p>New Provision introduced by Finance Bill 2077</p>
29 (1)(Ka)	<p>Where a person breaches the <b>order of registration of tax officer</b> under section 5Kha or sub section (1) or (2) of Section 10 or fails to get registered under section 10ka(1) or Section 10Kha(1), <b>20,000 for each instances.</b></p> <p>Limit increased : from NPR 10,000 to 20,000</p>	<p>Where a person breaches the order of registration of tax officer under section 5Kha or sub section (1) or (2) of Section 10 or fails to get registered under section 10ka(1) or Section 10Kha(1), <b>10,000 for each tax period.</b></p>

Section	Amended Provision	Existing Provision
29 (1Gha)	<p>Where a person required to be registered carries out transaction without registration, Tax office may impose fine upto 50% of amount of Tax.</p> <p>Penalty for carrying out business w/o Rgt : 50% of Amount of Tax</p>	New Provision introduced by Finance Bill 2077



## EXCISE DUTY

### Excise Imposed on



Electrical Cars, Jeep, Van

### Excise Waived/Discount



Waive of Excise on production of inhouse ethanol, which is used as raw material used for manufacturing sanitizers, and Personal Protective Equipment (PPE).



Discount of 35% and 40% on Local production of Wine under heading 22.04 & 22.05 and Cider under heading under 22.06 respectively



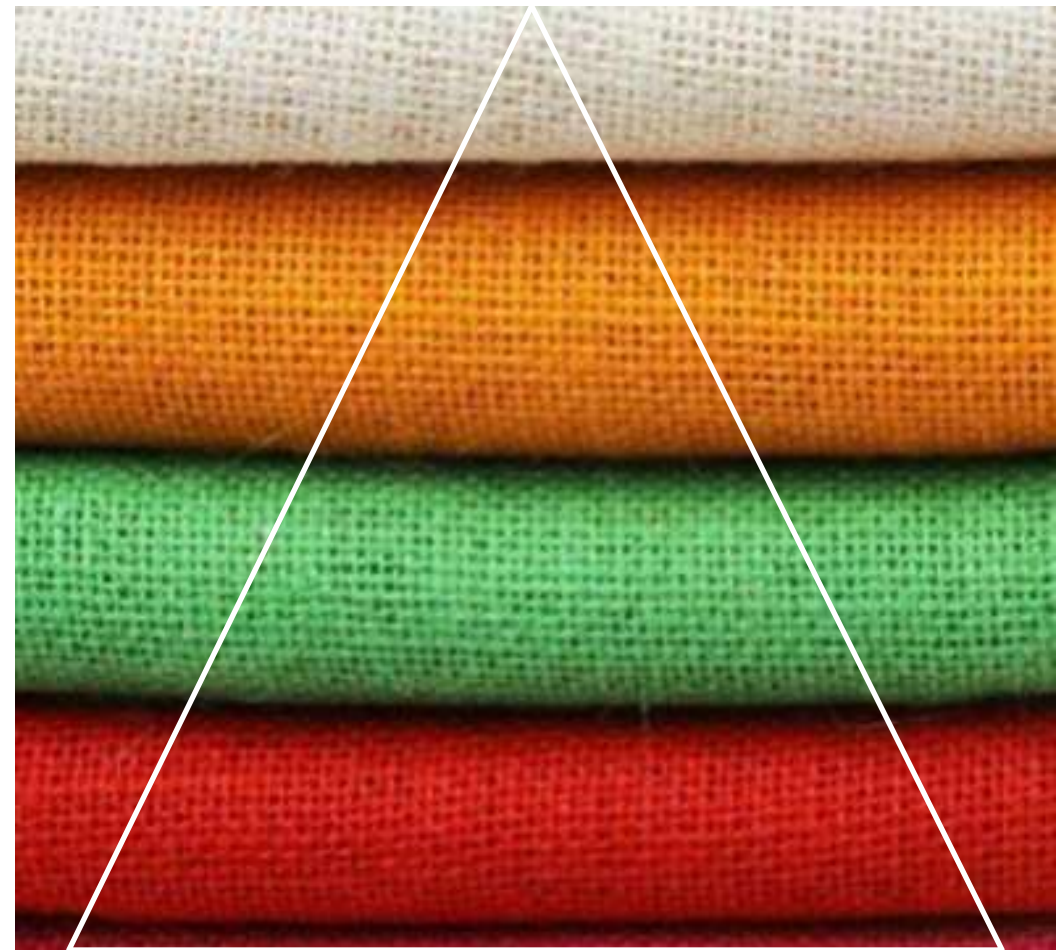
Discount of 50% and 25% on Import of Unassembled vehicle under Heading 87.02,87.03 and 87.11 for produced Vehicle thereof. The Discount Provision is applicable on Import of unassembled Vehicle and ED on Sale of Such Vehicle after assembly.

## EXCISE DUTY

- Department may now issue Secured icons or any prescribed icons as excise tickets. These tickets may be provided by Department electronically.
- Liquor, beer & tobacco related industry ,importers and sellers of such item are prohibited to operate of any kind of gift schemes or discount to Distributors whether or not such dealer is registered in VAT.
- Industries under self-removal system who are dealing in tobacco items is required to renew its license. Earlier renewal was not required for industries under Self Removal System.
- Strict Punishment has been enacted for Production, Bottling or sale of liquors violating provisions of the act, rules and terms specified by department.
- Exemption on Local production of Marble, Local production of Lead Battery under heading 85.07 has been Withdrawn.
- Excise Duty on Motor cars and other motor vehicles principally designed for the transports of persons (other than those of Heading 87.02), including station wagons and racing with only having **electric motor for propulsion** has been levied ED from 5% to 80% under Heading 87.03.
- Discount of 35% and 40% on Excise Duty provided on Local production of Wine under heading 22.04 & 22.05 and Cider under heading under 22.06 respectively.

## Summary of Amendments in Excise Duty

- Discount of 50% and 25% on Import of Unassembled vehicle under Heading 87.02,87.03 and 87.11 for produced Vehicle thereof.
- The Discount Provision is applicable on Import of unassembled Vehicle and ED on Sale of Such Vehicle after assembly.



**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
08.02		Other nuts, fresh or dried, whether or not shelled or peeled. Almonds:		
	0802.11.00	--In shell	5%	-
	0802.12.00	--Shelled	5%	-
14.04		Vegetable products not elsewhere specified or included. -Other:		
	1404.90.30	--Leafs to roll BEEDI	5%	-
21.01		Extracts, essences and concentrates, of coffee, tea or mate and preparations with a basis of these products or with a basis of coffee, tea or mate; roasted chicory and other roasted coffee Substitutes, and extracts, essences and concentrates thereof. Extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee:		
	2101.20.00	-Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	10%	-
21.05	2105.00.00	Ice cream and other edible ice, whether or not containing cocoa	10%	-
21.06		Food preparations not elsewhere specified or included -Other:		
	2106.90.20	--Pan Masala without Tobacco	Per Kg NPR 650	Per Kg NPR 610
24.03		Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences --Other:		
	2403.99.10	---Jarda, Khaini, Snuff, Ghutka and similar preparations containing chewing tobacco	Per Kg NPR 650	Per Kg NPR 610
	2403.99.91	----Hukka Flavor	Per Kg NPR 1000	-

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
	2403.99.99	---Others	Per Kg NPR 335	-
33.02		Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages.		
	3302.10.10	--Odoriferous substances in which alcoholic solutions are used	5%	-
33.04		Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicur preparations.		
	3304.99.10	---Face cream	5%	-
	3304.99.20	---Nail Polish	5%	-
	3304.99.30	---Body Lotion	5%	-
	3304.99.90	---Others	5%	-
33.07		Pre-shave, shaving or after-shave reparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties.		
		Room deodorants or disinfectant including religious item with good smell		
	3307.49.00	--Other	10%	-
39.23		Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.		
	3923.10.20	---Crate for Eggs	5%	-



**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
		-Other		
	3923.90.10	---Composite LPG Gas Cylinder	5%	-
	3923.90.90	---Other	5%	-
39.26		Other articles of plastics and articles of other materials of Headings 39.01 to 39.14.		
		---Gloves		
	3926.20.11	----Used in Medical and Surgical works (Disposable)	5%	-
	3926.20.19	----others	30%	-
		---Gown		
	3926.20.21	----Used in Medical and Surgical works	5%	-
	3926.20.29	----others	30%	-
		---Apron		
	3926.20.31	----Used in Medical and Surgical works	5%	-
	3926.20.39	----others	30%	-
		---others		
	3926.90.91	---Tripal and Paals	5%	-
	3926.90.92	---labels and Tags	5%	-
	3926.90.94	---cloth hangers	5%	-
	3926.90.99	---others	5%	-

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
63.05		Sacks and bags, of a kind used for the packing of goods. -of man-made textile materials		
	6305.33.00	--Other, of polyethylene or polypropylene strip or the like	5%	-
72.17		Wire of iron or non-alloy steel.		
	7217.10.00	-Not plated or coated, whether or not polished	Per Metric Ton NPR 1650	-
	7217.20.00	-Plated or coated with zinc	Per Metric Ton NPR 1650	-
	7217.30.00	-Plated or coated with other base metals	Per Metric Ton NPR 1650	-
	7217.90.00	-Other	Per Metric Ton NPR 1650	-
72.23	7223.00.00	Wire of stainless steel.	Per Metric Ton NPR 1650	-
72.29		Wire of other alloy steel.		
	7229.90.00	-Other	Per Metric Ton NPR 1650	-
73.12		Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated.		
	7312.10.00	-Stranded wire, ropes and cables	Per Metric Ton NPR 1650	-
	7312.90.00	-Other	Per Metric Ton NPR 1650	-
73.24		Sanitary ware and parts thereof, of iron or steel. -Other, including parts		
	7324.90.10	---parts	5%	-

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
84.43		Printing machinery used for printing by means of plates, cylinders and other printing components of Heading 84.42; other printers, copying machines, and facsimile machines, whether or not combined; parts and accessories thereof -Other printers, copying machines and facsimile machines, whether or not combined:		
	8443.31.00	--Machines which perform two or more of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network	-	10%
	8443.32.00	--Other, capable or connecting to an automatic data processing machine or to a network	-	10%
	8443.39.00	--Other	-	10%
85.43		Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter. -Other machines and apparatus		
	8543.70.10	---Electrical Cigarettes	30%	-
87.02		Motor vehicles for the transport of ten or more persons, including the driver. -With only electric motor for propulsion:		
		---Jeep, Car, Van		
	8702.40.41	----unassembled	40%	-

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
87.03		Motor cars and other motor vehicles principally designed for the transports of persons (other than those of Heading 87.02), including station wagons and racing cars.		
		-Other vehicles, with only electric motor for propulsion:		
		--Three Wheelers	5%	-
	8703.80.11	----unassembled	5%	-
	8703.80.19	----Others		
		---Car, Jeep and Van having motor Peak Power not exceeding 50 kW		
	8703.80.21	----unassembled	30%	-
	8703.80.29	----Others	30%	-
		---Car, Jeep and Van having motor Peak Power exceeding 50 KW but not exceeding 100 kW		
	8703.80.31	----unassembled	40%	-
	8703.80.39	----Others	40%	-
		---Car, Jeep and Van having motor Peak Power exceeding 100 KW but not exceeding 150 kW		
	8703.80.41	----unassembled	50%	-
	8703.80.49	----Others	50%	-
		---Car, Jeep and Van having motor Peak Power exceeding 150 KW but not exceeding 200 kW		
	8703.80.51	----unassembled	60%	-
	8703.80.59	----Others	60%	-
		---Car, Jeep and Van having motor Peak Power exceeding 200 KW but not exceeding 300 kW		

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
	8703.80.61	----unassembled	70%	-
	8703.80.69	----Others	70%	-
		---Car, Jeep and Van having motor Peak Power exceeding 300 kW		
	8703.80.71	----unassembled	80%	-
	8703.80.79	----Others	80%	-
		--Other		
	8703.80.91	----unassembled	80%	-
	8703.80.99	----Others	80%	-
87.04		Motor vehicles for the transport of goods. --g.v.w. not exceeding 5 tonnes:		
	8704.21.40	---Three Wheeler Vehicles	5%	-
		--g.v.w. Exceeding 5 tonnes but not exceeding 20 tonnes:		
		---Other:		
	8704.22.94	----Garbage Compactor attached with truck Chassis used for garbage collection and transportation	5%	-
	8704.22.95	----Cement Blocker	5%	-
87.08		Parts and accessories of the motor vehicles of Headings 87.01 to 87.05.		
	8708.10.00	-Bumpers and parts thereof	-	5%
		-Other parts and accessories of bodies (including cabs):		
	8708.21.00	--Safety seat belts	-	5%
	8708.29.00	--Other	-	5%
	8708.30.00	-Brakes and servo-brakes; parts thereof	-	5%

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
	8708.40.00	-Gear boxes and parts thereof	-	5%
	8708.50.00	-Drive-axles with differential, whether or not provided with other transmission components, and non-driving axles; parts thereof	-	5%
	8708.70.00	-Road wheels and parts and accessories thereof	-	5%
	8708.80.00	-Suspension systems and parts thereof (including shock-absorbers)	-	5%
		-Other parts and accessories:		
	8708.91.00	--Radiators and parts thereof	-	5%
	8708.92.00	--Silencers (mufflers) and exhaust pipes; parts thereof	-	5%
	8708.93.00	--Clutches and parts thereof	-	5%
	8708.94.00	--Steering wheels, steering columns and steering boxes; parts thereof	-	5%
	8708.95.00	--Safety airbags with inflater system; parts thereof	-	5%
	8708.99.00	--Other	-	5%
87.14		parts and accessories of vehicles of Headings 87.11 to 87.13		
	8714.10.00	-Of motorcycles (including mopeds)	-	5%
		-Other:		
	8714.91.00	--Frames and forks, and parts thereof	-	5%

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
	8714.92.00	--Wheel rims and spokes	-	5%
	8714.93.00	--Hubs, other than coaster braking hubs and hub brakes, and free-wheel sprocket-wheels	-	5%
	8714.94.00	--Brakes, including coaster braking hubs and hub brakes, and parts thereof	-	5%
	8714.95.00	--Saddles	-	5%
	8714.96.00	--Pedals and crank-gear, and parts thereof	-	5%
		--Other:		
	8714.99.90	---Other	-	5%
94.01		Seats (other than those of Heading 94.02), whether or not convertible into beds, and parts thereof		
	9401.20.00	-Seats of a kind used for motor vehicles	10%	-
	9401.30.00	-Swivel seats with variable height adjustment	10%	-
	9401.40.00	-Seats other than garden seats or camping equipment, convertible into beds	10%	-
		-Seats of cane, osier, bamboo or similar materials:		
	9401.52.00	--Of bamboo	10%	-
	9401.53.00	--Of rattan	10%	-
	9401.59.00	--Other	10%	-
		--Other seats, with wooden frames:		
	9401.61.00	--Upholstered	10%	-
	9401.69.00	--Other	10%	-

**EXCISE DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Excise**

Heading	Sub-Heading	Particulars	Excise Duty (% except otherwise specified) for FY 2077-78	Excise Duty (% except otherwise specified) for FY 2076-77
		-Other seats, with metal frames:		
	9401.71.00	--Upholstered	10%	-
	9401.79.00	--Other	10%	-
		-Other seats		-
	9401.80.90	-Other	10%	-
94.03		Other furniture and parts thereof.		
	9403.10.00	-metal furniture of a kind used in offices	10%	-
		-Other metal furniture		
	9403.20.90	--Other	10%	-
	9403.30.00	-Wooden furniture of a kind used in offices	10%	-
	9403.40.00	-Wooden furniture of a kind used in the kitchen	10%	-
	9403.50.00	-Wooden furniture of a kind used in the bedroom	10%	-
	9403.60.00	-Other wooden furniture	10%	-
		-Furniture of plastics		
	9403.70.20	---Baby Walker	10%	-
	9403.70.90	---Other	10%	-
		-Furniture of other materials, including cane, osier, bamboo or similar materials:		
	9403.82.00	--of bamboo	10%	-
	9403.83.00	--of rattan	10%	-
	9403.89.00	--Other	10%	-
94.06		Prefabricated buildings.		
		-of wood		
	9406.10.90	--Other	10%	-
		-Other		
	9406.90.90	--Other	10%	-
95.05		Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes.		
	9505.10.00	-Articles for Christmas festivities	5%	-
	9505.90.00	-Other	5%	-



## CUSTOMS DUTY



### Duty Imposed on



Increased in customs duty and agricultural improvement charges on the import of primary agricultural produce.



Industry Producing Surgical Mask will be levied 5% custom duty on import of unweave textile under, elastic ropes, rustproof metal strips under.

### Duty Waived/Discount



Discount on Import Duty on raw materials for the pharmaceutical companies and if such raw material is purchased from Nepalese industries then VAT amount will be refunded to such pharmaceutical companies.



Customs duty on raw materials for manufacturing of ayurvedic medicines has been reduced.



Reduction in Import Duty rate for micro, cottage and small industries as well as agriculture, animal husbandry, veterinary treatment and mask making industries importing machinery, raw materials, agricultural farm, Agricultural equipment, paddy, maize, wheat and vegetable seeds.

## CUSTOMS DUTY

## Major Highlights of Budget 2077/78

- For the accompanied /unaccompanied baggage brought for personal use (other than custom free baggage), tariff rate shall be charged instead of flat 40 % duty previously charged except in the case of following :

- In case of silver ornaments, cigarette, tobacco pipe, liquor, vehicles, arms and ammunitions and other items which can be imported after taking license, charge will be levied as per rate list.
- In case of gold and gold ornaments,

a. Gold	Upto 50 grams	Rs. 9500 per 10 grams
	51 to 100 grams	Rs. 10500 per 10 grams
b. Gold Ornaments	Upto 50 grams	No charge
	51 to 150 grams	Rs. 10500 per 10 grams
	151 to 250 grams	Rs. 12000 per 10 grams

- No Duty shall be charged If Nepalese citizen brings **any kind of TV** up to 32 inch after Continuous 12 month of foreign employment . For TV more than 32 Inch, tariff rate shall be charged instead of Flat 55% Duty charged in earlier F.Y
- 50% rebate on Custom Duty for fertilized eggs under tariff Sub Heading 0407.11.00 and 0407.19.00 imported by **Poultry Industry** for production of Chicks.

- For import of goods (from respective countries) manufactured in India and China **{from Tibet through Road}** directly to Nepal against Letter of Credit (L.C.), discount will be provided at value based rate (not in quantity based rate).

Custom Rate	Discount
5% to 30%	5%
Above 30%	3%

- Person other than **Authorised Dealer** are prohibited to import the passenger or Goods transport motor vehicles.

However, if such vehicles are imported by person other than authorised Dealer, such Vehicle will be cleared to pass through by paying 30% of price of Motor Vehicle. Further Ambulance as prescribed by Heath and Population Ministry or Tractor under Tariff Heading 87.01 and Special purposed Vehicle under tariff Heading 87.05 can be imported by person's other than authorised representative.

## CUSTOMS DUTY

- 15% custom duty rebate to UPVC window, door , partition producing industry on import of it's raw materials has been Withdrawn.
- 50% custom duty rebate is provided on machinery other than those under heading 84 imported by **Micro , Cottage, Small industries.**
- On Import of Raw material by **Paint Industries**, 20% Custom Duty on Acrylic emulsion under 3209.10.10 & 5% custom Duty on iron oxide under heading 2821.10.00 and Titanium dioxide under heading 2823.00.00 shall be charged.
- 50% custom duty rebate on Vehicles having only **electric stroke engines** under heading 87.02 , 87.03, 87.04
- 50% custom duty rebate on machinery for making **face mask** imported by industry producing face mask under heading 8449.00.10
- Exemption of Custom Duty on import of Construction plant, machinery , tools and related parts has been extended for **Transmission and Distribution** of electricity. Custom exemption given to Hydroelectric Project on Raw material (**Steel Sheets**) required for construction of Plant, Equipment's is withdrawn.

## Major Highlights of Budget 2077/78

- Custom Duty Exemption on Import of the items required for **prevention, control and treatment of COVID-19** by any entity or by individual in the name Health Ministry or Prescribed Medical Institution or others on the condition that these items will be handed over as donation.
  - Medicine covered in chapter 30,
  - PPI used in medical and surgical works under Heading 39.23, 62.07, 62.08, 62.10 and 62.11
  - Viral Transport Media under sub heading 3821.00.00 ,
  - PCR test Kit, RDT test Kit, PCR Reagent, Extraction Kits under sub heading 3822.00.00
  - Surgical Gloves under sub heading 4015.11.00
  - Face Mask under sub heading 6307.90.20
  - Autoclave Machine under sub heading 8419.20.10
  - Digital Infrared Thermometer (Thermal Gun) under Sub Heading 9025.11.00 and 9025.19.10
  - Ventilator under sub heading 9019.20.00
  - Portable PCR Machine under Sub Heading 9018.90.00
  - Protective Gloves under Sub Heading 9004.90.00
- **Industry Producing Surgical Mask** will be levied 5% custom duty on import of unweave textile under 5603.11.00 and 5603.91.00, elastic ropes under 5604.10.00, rustproof metal strips under 72.26 on recommendation of Department of Industries.

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
07.01		Potatoes, fresh or chilled.		
	0701.90.00	Other	15	10
09.10		Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry and other spices.		
	0910.91.00	Mixtures referred to in Note 1(b) to this Chapter 10 10 Other:	15	10
18.06		Chocolate and other food preparations containing cocoa.		
	1806.10.00	Cocoa powder, containing added sugar or other sweetening matter	30	40
	1806.20.00	Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg	30	40
	1806.31.00	Filled	30	40
	1806.32.00	Not filled	30	40
	1806.90.10	6% or more cocoa on calculating fully defated bases or even if not 6% fully coated with chocolate	30	40
	1806.90.90	Other	30	40
19.05		Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products.		
	1905.90.81	kurmure, crispy and spicy : not fried	30	40
21.01		Extracts, essences and concentrates, of coffee, tea or mate and preparations with a basis of these products or with a basis of coffee, tea or mate; roasted chicory and other roasted coffee Substitutes, and extracts, essences and concentrates thereof.		
	2101.20.00	Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	30	10
21.03		Sauces and preparations therefor, mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.		
	2103.90.10	Mixed condiments and mixed seasonings	15	20
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.		
	2208.20.10	All kinds of alcoholic fluids including spirits used as raw material of wine or brandy	1500/- Per Ltr	1200/-Per Ltr

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
	2208.30.10	Alcoholic fluids including spirits used as raw materials of whisky	1500/- Per Ltr	1200/-Per Ltr
	2208.40.10	Alcoholic fluids including spirits used as raw materials of Rum and other spirits obtained by distilling fermented sugarcane products	1500/- Per Ltr	1200/-Per Ltr
	2208.50.10	Alcoholic fluids including spirits used as raw materials of Gin and Geneva	1500/- Per Ltr	1200/-Per Ltr
	2208.60.10	Alcoholic fluids including spirits used as raw materials of Vodka	1500/- Per Ltr	1200/-Per Ltr
	2208.70.10	Alcoholic fluids including spirits used as raw materials of Liqueurs and cordials	1500/- Per Ltr	1200/-Per Ltr
	2208.90.10	Alcoholic fluids including spirits used as raw materials of liquor	1500/- Per Ltr	1200/-Per Ltr
27.10		Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparation; waste oils.		
	2710.12.10	Motor Spirit (Petrol)	25200/-Per Kilo Ltr .	15200/- Per Kilo Ltr . .
	2710.12.20	Hexsen (food grade)	25200/-Per Kilo Ltr	15200/- Per Kilo Ltr
	2710.12.90	Other	25200/-Per Kilo Ltr .	15200/- Per Kilo Ltr
	2710.19.10	Kerosene (Superior Kerosene Oil)	12000/- Per Kilo Ltr	2000/- Per Kilo Ltr
	2710.19.30	High Speed Diesel	12000/- Per Kilo Ltr	2000/- Per Kilo Ltr
31.02		Mineral or chemical fertilisers, nitrogenous		
	3102.10.10	Diesel exhaust fluid	5	-
	3102.10.91	Technical grade	5	-
32.04		Synthetic organic colouring matter and preparations based thereon as specified in Note 3 to this Chapter:		
	3204.11.00	Dispers dyes and preparations based thereon	10	5
	3204.12.00	Acid dyes, whether or not premetallised, and preparations based thereon; mordant dyes and preparations based thereon	10	5
	3204.13.00	Basic dyes and preparations based thereon	10	5
	3204.14.00	Direct dyes and preparations based thereon	10	5
	3204.15.00	Vat dyes (including those usable in that state as pigments) and preparation based thereon	10	5
	3204.16.00	Reactive dyes and preparations based thereon	10	5
	3204.17.00	Pigments and preparations based thereon	10	5
	3204.19.00	Other, including mixtures of colouring matter of two or more of the Subheadings 3204.11 to 3204.19	10	5

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
	3204.20.00	Synthetic organic products of a kind used as fluorescent brightening agents	10	5
	3204.90.00	Other	10	5
39.20		Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials.		
	3920.20.10	Of polymers of propylene	20	15
	3920.43.10	On the basis of weight not less than 6% plasticisers :printed	20	15
	3920.49.10	Others:Printed	20	15
	3920.51.10	acrylic polymer ,polymetal Methacrylet :printed	20	15
	3920.59.10	Others:Printed	20	15
	3920.61.10	Made of polycarbonate :printed	20	15
	3920.62.10	made of Poly ethylene terifallet: Printed	20	15
	3920.63.10	Made of unsaturated polysters : Printed	20	15
	3920.69.10	Made of other polysters : Printed	20	15
	3920.71.10	made of regenerated cellulose: Printed	20	15
	3920.73.10	made of Cellulose acetate printed	20	15
	3920.79.10	made of Other cellulose byproducts printed	20	15
	3920.91.10	made of polivyNyle butarain printed	20	15
	3920.92.10	made of poleamide printed	20	15
	3920.93.10	Made of amino resins printed	20	15
	3920.94.10	Made of phenolic resins printed	20	15
39.21		Other plates, sheets, film, foil and strip, of plastics.		
	3921.11.10	Made of styrene polymer printed	20	15
	3921.12.10	Of polymers of vinyl chloride(Printed)	20	15
	3921.13.10	Of polyurethanes(Printed)	20	15
	3921.14.10	Of regenerated cellulose(Printed)	20	15
	3921.19.10	Of other plastics (Printed)	20	15

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
39.26		Other articles of plastics and articles of other materials of Headings 39.01 to 39.14.		
	3926.20.11	Articles of apparel and clothing accessories (including gloves, mittens and mitts) , used in medical and surgical purpose	5	30
	3926.20.21	gaun, used in medical and surgical purpose	5	30
	3926.20.31	appron ( used in medical and surgical purpose)	5	30
	3926.20.41	face shield ( used in medical and surgical purpose)	5	30
48.11		Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size other than goods of the kind described in Heading 48.03, 48.09 or 48.10.		
	4811.10.00	Tarred, bituminised or asphalted paper and paperboard	20	15
	4811.41.00	Gummed or adhesive paper and paperboard: Selfadhesive	20	15
	4811.49.00	Gummed or adhesive paper and paperboard: other	20	15
	4811.90.90	Other paper, paperboard, cellulose wadding and webs of cellulose fibres:Other	20	15
48.19		Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like.		
	4819.10.90	Cartons, boxes and cases, of corrugated paper or paperboard (Other)	20	15
	4819.20.00	Folding cartons, boxes and cases, of noncorrugated paper or paperboard	20	15
	4819.30.00	Sacks and bags, having base of a width of 40 cm. or more	20	15
	4819.40.00	Other sacks and bags, including cones	20	15
	4819.50.00	Other packing containers, including record sleeves	20	15
	4819.60.00	Box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or the like	20	15
48.20		Registers, account books, Note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, exercise books, blotting-pads, binders (loose-leaf or other), folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; albums for samples or for collections and book covers, of paper or paperboard.		
	4820.90.00	Other	20	15

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

<b>Heading</b>	<b>Sub-Heading</b>	<b>Description of Article</b>	<b>Import Duty (% except otherwise specified) for FY 2077-78</b>	<b>Import Duty (% except otherwise specified) for FY 2076-77</b>
48.21		Paper or paperboard labels of all kinds, whether or not printed.		
	4821.10.00	Printed	20	15
	4821.90.00	Other	20	15
48.23		Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres.		
	4823.61.00	Trays, dishes, plates, cups and the like, of paper or paperboard: of bamboo	20	15
	4823.69.00	Trays, dishes, plates, cups and the like, of paper or paperboard:Other	20	15
	4823.70.00	Trays, dishes, plates, cups and the like, of paper or paper board:Moulded or pressed Articles of paper pulp	20	15
	4823.90.00	Trays, dishes, plates, cups and the like, of paper or paperboard:Other	20	15
56.07		Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics.		
	5607.21.00	of sisal or Other textile fibres of the genus Agave:Binder or baler twine	15	10
	5607.29.00	of sisal or Other textile fibres of the genus Agave:Other	15	10
	5607.41.00	Of polyethylene or polypropylene:Binder or baler twine	15	10
	5607.49.00	Of polyethylene or polypropylene:other	15	10
	5607.50.00	Of polyethylene or polypropylene:Of other synthetic fibres	15	10
	5607.90.00	Of polyethylene or polypropylene:Other	15	10
62.07		Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles		
	6207.91.10	Of cotton (For surgical & Medical use)	5	20
	6207.99.10	Of other textile materials: (For surgical & Medical use)	5	20



**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
62.08		Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, pyjamas, negliges, bathrobes, dressing gowns and similar articles		
	6208.91.10	Of cotton (For surgical & Medical use)	5	20
	6208.92.10	Of manmade fibres (For surgical & Medical use)	5	20
	6208.99.10	Of other textile materials (For surgical & Medical use)	5	20
62.10		Garments, made up of fabrics of Headings 56.02, 56.03, 59.03, 59.06 or 59.07.		
	6210.10.10	Of fabrics of Heading 56.02 or 56.03(For surgical & Medical use)	5	20
	6210.20.10	Other garments, of the type described in Subheadings 6201.11 to 6201.19 (For surgical & Medical use)	5	20
	6210.30.10	Other garments, of the type described in Subheadings 6202. 11 to 6202.19 (For surgical & Medical use)	5	20
	6210.40.10	Other men's or boys' garments (For surgical & Medical use)	5	20
	6210.50.10	Other women's or girls' garmentss (For surgical & Medical use)	5	20
62.11		Track suits, ski suits and swimwear; other garments.		
	6211.32.10	Of cotton (For surgical & Medical use)	5	20
	6211.33.10	Of manmade fibres (For surgical & Medical use)	5	20
	6211.39.10	Of other textile materials (For surgical & Medical use)	5	20
	6211.42.10	Of cotton (For surgical & Medical use)	5	20
	6211.43.10	Of manmade fibres (For surgical & Medical use)	5	20
	6211.49.10	Of other textile materials (For surgical & Medical use)	5	20
65.05		Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed.		
	6505.00.11	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hairnets of any material, whether or not lined or trimmed. (For surgical & Medical use)	5	15
68.10		Articles of cement, of concrete or of artificial stone, whether or not reinforced.		
	6810.11.00	Tiles, flagstones, bricks and similar articles: Building blocks and bricks	20	15

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
69.13		Statuettes and other ornamental ceramic articles.		
	6913.10.00	Of porcelain or china	15	10
	6913.90.00	Other	15	10
70.18		Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass smallwares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lampworked glass, other than imitation jewellery; glass microspheres not exceeding 1 mm in diameter		
	7018.10.20	Beads	15	15
	7018.90.10	glass sculptures & imitation items	20	15
	7018.90.90	Others	20	15
71.06		Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form		
	7106.10.00	Powder	85/- Per 10 gm	75/- Per 10 gm
	7106.91.00	Unwrought	85/- Per 10 gm	75/- Per 10 gm
	7106.92.00	Semi-manufactured	85/- Per 10 gm	75/- Per 10 gm
71.08		Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form.		
	7108.11.00	Powder	8500/- Per 10 gm	6500/- Per 10 gm
	7108.12.00	Other unwrought forms	8500/- Per 10 gm	6500/- Per 10 gm
	7108.13.00	Other semimanufactured forms	8500/- Per 10 gm	6500/- Per 10 gm
84.18		Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 84.15.		
	8418.10.00	Combined refrigeratorfreezers, fitted with separate external doors	20	15
	8418.21.00	Compressiontype	20	15
	8418.29.00	Other	20	15
	8418.30.00	Freezers of the chest type, not exceeding 800 l capacity	20	15
	8418.40.00	Freezers of the upright type, not exceeding 900 l capacity	20	15
	8418.50.00	Other furniture (chests, cabinets, display counters, showcases and the like) for storage and display, incorporating refrigerating or freezing equipment	20	15

**CUSTOMS DUTY**
**The major changes brought forward by finance bill 2077/78 relating to Customs**

Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
84.24		Mechanical appliances (whether or not handoperated) for projecting, dispersing or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines		
	8424.41.00	Portable sprayers	1	5
	8424.49.00	Agricultural or horticultural sprayers :Other	1	5
85.07		Electric accumulators, including separators therefor, whether or not rectangular (including square).		
	8507.90.00	Parts	10	15
85.16		Electric accumulators, including separators therefor, whether or not rectangular (including square).		
	8516.60.10	Other ovens; cookers, cooking plates, boiling rings, grillers and roasters(Inuction cooker)	5	15
	8516.90.00	Other Parts	5	15
85.28		Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus.		
	8528.52.10	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71: HAVING diogonal upto 23 inch	5	-
	8528.52.90	Capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71: HAVING diogonal more than 23 inch	20	-
87.03		Motor cars and other motor vehicles principally designed for the transports of persons (other than those of Heading 87.02), including station wagons and racing cars.		
	8703.80.19	electric motor vehicles ,three wheeers (other than unassembled)	30	10
	8703.80.21	car , jeep , van of peak power upto 50KW : Unassembled	80	10
	8703.80.29	car , jeep , van of peak power upto 50KW : other	80	10
	8703.80.31	car , jeep , van of peak power of more than 50KW upto 100KW: Unassembled	80	10
	8703.80.39	car , jeep , van of peak power of more than 50KW upto 100KW: other	80	10
	8703.80.41	car , jeep , van of peak power of more than 100KW upto 150KW: Unassembled	80	10

**CUSTOMS DUTY**
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Heading	Sub-Heading	Description of Article	Import Duty (% except otherwise specified) for FY 2077-78	Import Duty (% except otherwise specified) for FY 2076-77
	8703.80.49	car , jeep , van of peak power of more than 100KW upto 150KW: other	80	10
	8703.80.51	car , jeep , van of peak power of more than 150KW upto 200KW: Unassembled	80	10
	8703.80.59	car , jeep , van of peak power of more than 150KW upto 200KW: other	80	10
	8703.80.61	car , jeep , van of peak power of more than 200KW upto 300KW: Unassembled	80	10
	8703.80.69	car , jeep , van of peak power of more than 200KW upto 300KW: other	80	10
	8703.80.71	car , jeep , van of peak power of more than 200KW upto 300KW: other	80	10
	8703.80.79	car , jeep , van of peak power of more than 300KW : Unassembled	80	10
	8703.80.91	Others: Unassembled	80	10
	8703.80.99	Others: Others	80	10
87.08		Parts and accessories of the motor vehicles of Headings 87.01 to 87.05		
	8708.10.00	Bumpers and parts thereof	20	15
	8708.21.00	Other parts and accessories of bodies (including cabs): Safety seat belts	20	15
	8708.29.00	Other parts and accessories of bodies (including cabs):Other	20	15
	8708.30.00	Other parts and accessories of bodies (including cabs):Brakes and servobrakes; parts thereof	20	15
	8708.40.00	Other parts and accessories of bodies (including cabs):Gear boxes and parts thereof	20	15
	8708.50.00	Other parts and accessories of bodies (including cabs):Driveaxles with differential, whether or not provided with other transmission components, and nondriving axles; parts thereof	20	15
	8708.70.00	Other parts and accessories of bodies (including cabs):Road wheels and parts and accessories thereof	20	15
	8708.80.00	Other parts and accessories of bodies (including cabs):Suspension systems and parts thereof (including shockabsorbers)	20	15
	8708.91.00	Other parts and accessories: Radiators and parts thereof	20	15
	8708.92.00	Other parts and accessories:Silencers (mufflers) and exhaust pipes; parts thereof	20	15
	8708.93.00	Other parts and accessories:Clutches and parts thereof	20	15
	8708.94.00	Other parts and accessories:Steering wheels, steering columns and steering boxes; parts thereof	20	15
	8708.95.00	Other parts and accessories:Safety airbags with inflater system; parts thereof	20	15
	8708.99.00	Other parts and accessories:Other	20	15
87.14		parts and accessories of vehicles of Headings 87.11 to 87.13.		
	8714.10.00	Of motorcycles (including mopeds)	20	15



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