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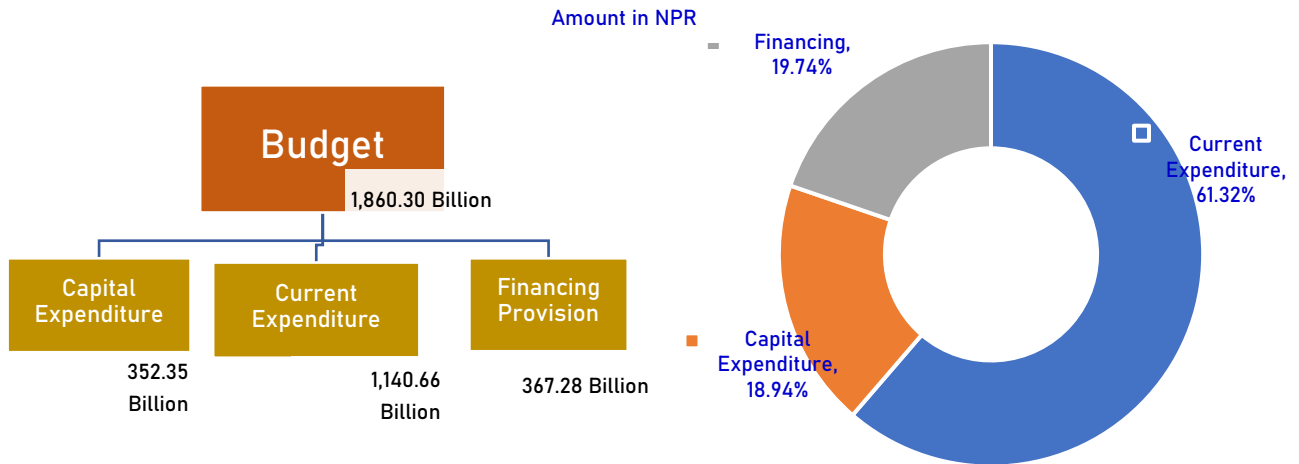
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Nepal Budget FY 2024/25 Budget Highlights

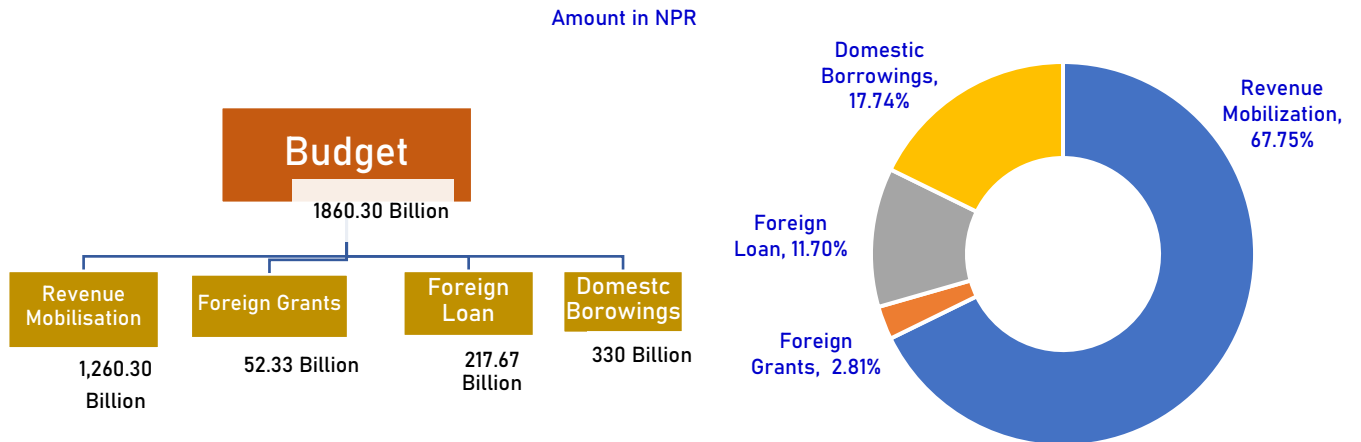
On Monday, 28 May 2024, Honorable Finance Minister Mr. Barsaman Pun presented the full budget for the fiscal year 2081/82 (2024/25). The allocation of resources, objectives, priorities, and significant policy statement of the budget is highlighted in this document.

1. Source and Allocation of Budget

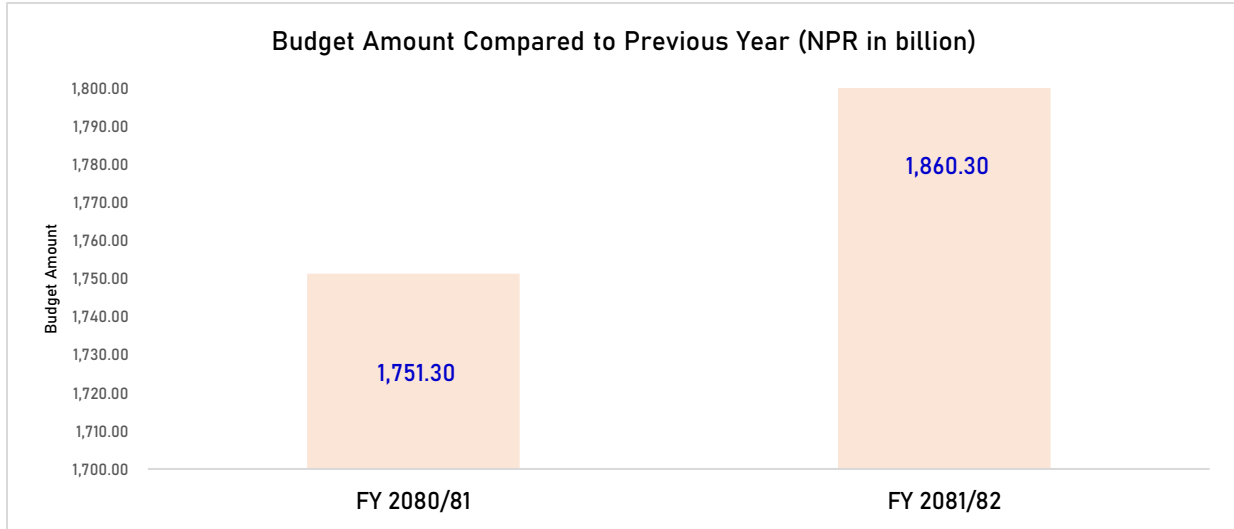
Allocation of Budget



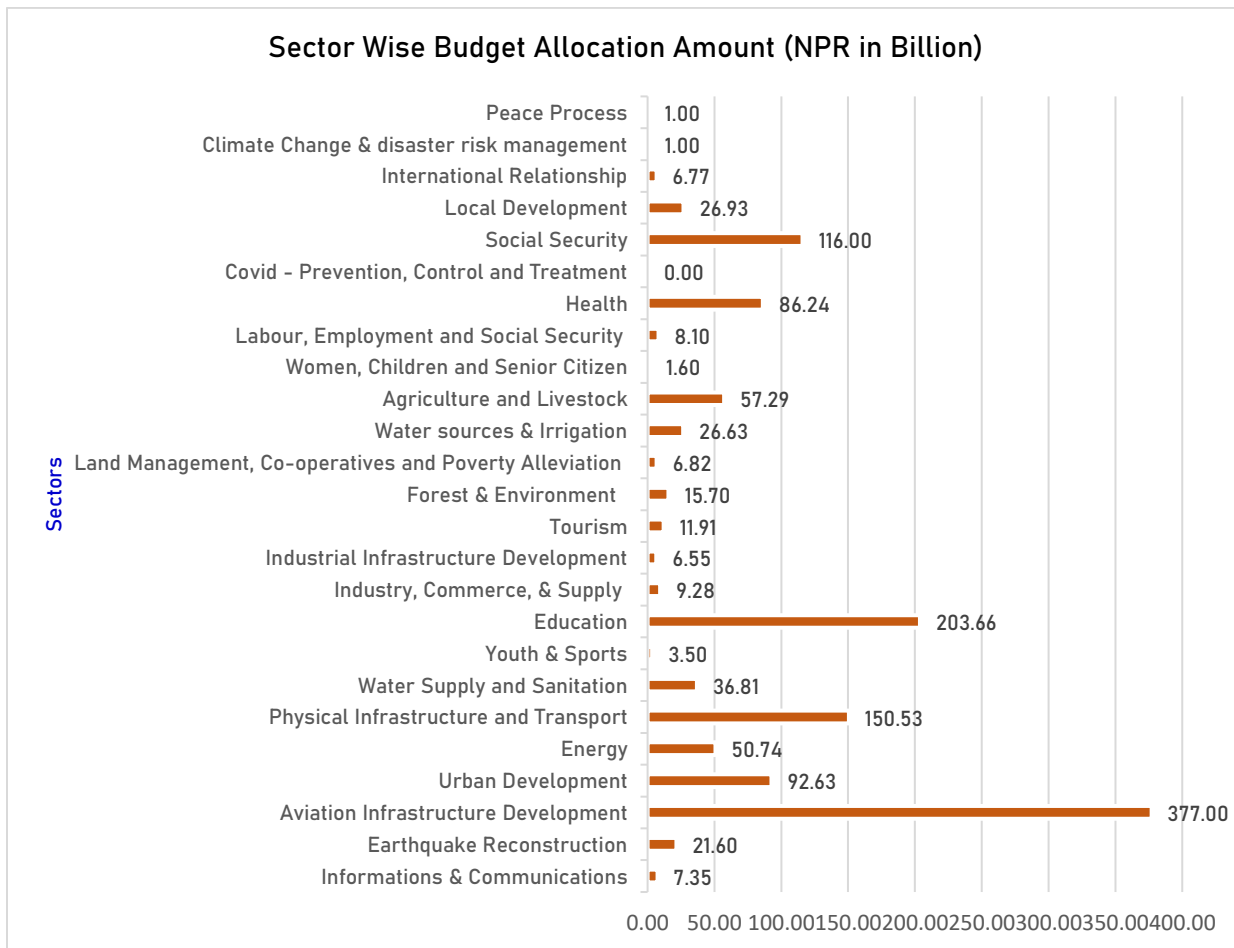
Source of Finance



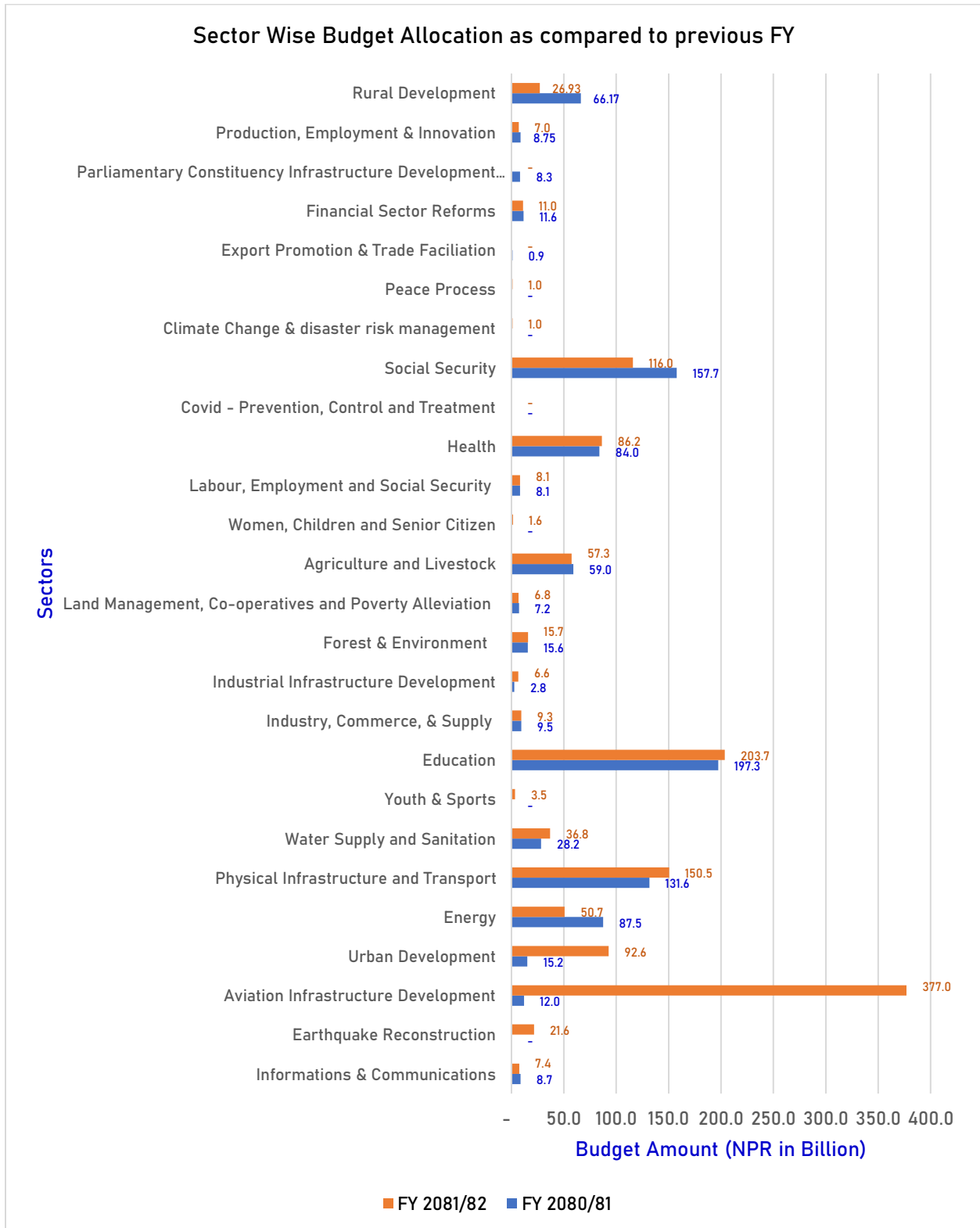
2. Budget Amount Comparison



3. Sector Wise Budget Allocation



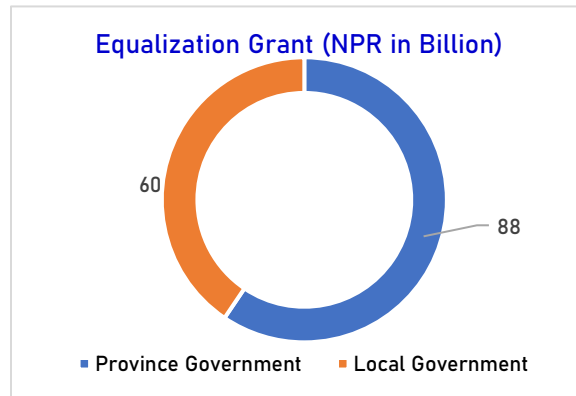
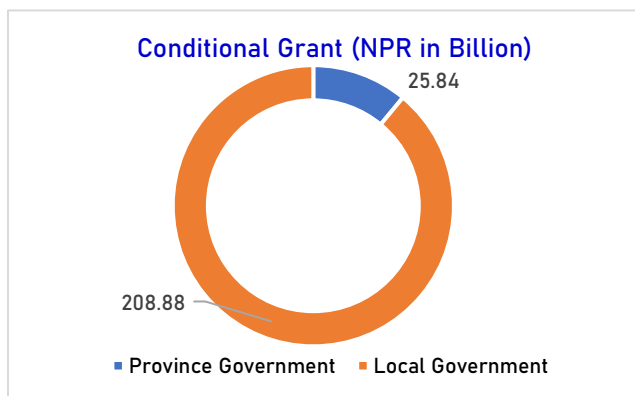
Sector wise Budget allocation as compared to previous Financial Year (NPR in billion)



4. Fiscal Transfer

NPR in Billion

Heading	Province Governments	Local Governments
Conditional Grant	25.84	208.88
Equalization Grant	60	88
Special Grant	4.40	8.50
Matching Grant	6.20	7
Total	96.44	312.38



5. Economic Growth Rate and Inflation Rate

- Expected Economic Growth Rate for FY 2081/82 is 6%
- Expected Inflation rate for FY 2081/82 is 5.5%

6. Foreign Exchange Reserve

- Foreign exchange reserves are sufficient to cover 12.5 months of goods and services imports.

7. Objectives of Budget

- To increase production, productivity and employment.
- To enhance private sector morale and stimulate investment and economic activity.
- To develop Human Resources.
- To reduce economic inequality and poverty by deploying resources in a balanced and equitable manner.
- To deliver the public service effectively.

8. Priority Areas

- Financial stability and Private sector development.
- Agriculture, Energy, Information Technology, Tourism, Industrial Development and construction of infrastructure.

- Development of Social sectors including education, health.
- Inclusion and Social security.
- Promotion of good governance and improvement in public service delivery.

9. Strategies of the Budget

9.1 Structural Reform

A new phase of economic reform program to be launched to achieve high rate of economic growth by identifying the main driving areas of economic growth along with the formation of a high-level economic reform suggestion commission.

9.2 Improvement in Business Environment

Amendment of laws related to industry and investment, guarantee of policy stability and investment security, country rating, bilateral investment, double tax exemption agreement, encouragement of private sector to collect small capital and establish companies that invest in infrastructure development and so on.

9.3 Public Finance System Reform

Reforms in the tax system and policy stability, identity between fiscal and monetary policy, sustainability of public debt, stability of the financial sector and enhancement of capital mobilization.

9.4 Improvement in Financial sector

Second financial sector development strategy formulation and implementation, promotion of digital payments, preparation of central bank digital currency, green finance and so on.

9.5 Improvement in Public Administration

Promotion of good governance and formulation of law on public responsibility and conflict of interest in the next fiscal year.

10. Transformational Centers of the budget

10.1 Agricultural Sector Transformation

10.2 Energy Sector Development

10.3 Information Technology Development

10.4 Tourism Promotion

10.5 Entrepreneurship And Industrial Development

11. Budget Highlights

- 11.1 Declaration of FY 2081/82 as the year of Economic Reform to carry forward the program of economic reform.
- 11.2 Declaration of period from 2081 to 2091 as Agriculture Investment Decade by identifying special areas of agriculture produce, geographical and market potentials.
- 11.3 Establishment of commercial farm of Musk Deer and other wildlife's in Manang, Mustang, Myagdi, Gorkha, Dhading.
- 11.4 Arrangement to be made to provide government land on lease to promote collective farming.
- 11.5 Legal arrangements to be made for the commercial production of marijuana for medicinal purposes.
- 11.6 900 megawatts of electricity to be added to increase the power capacity to 4,500 megawatts, with electricity consumption per person to 450 units.
- 11.7 Arrangements to be made to export electricity to Bangladesh from next Fiscal Year.
- 11.8 Fossil energy to be gradually replaced by clean and renewable energy to achieve the goal of zero carbon emissions within the year 2045 A.D.
- 11.9 Development of Nepal as Information Technology hub with goal of export of NPR 30Arba in 10 years in information technology sector and creating 500,000 direct and 1,000,000 indirect jobs.
- 11.10 Allocation of NPR 59 Crore for high-speed reliable and affordable internet service, data security and intellectual property protection and arrangement to be made to implement and monitor Digital Nepal Framework with proper revision.
- 11.11 Broadband internet service to be provided in all ward centers, community schools and health institutions.
- 11.12 Tourism promotion program to be conducted to bring in 16 lakh tourists in the Fiscal Year 2081/82. Provision of one door system to provide services to tourists.
- 11.13 Construction of second terminal building of Tribhuvan International Airport and investment framework and preparations to be completed within the next fiscal year to build Nijgadh International airport in a public- private partnership.
- 11.14 Allocation of NPR 7 Arba for conducting partnership program for production and employment to increase domestic production, import substitution, increase exports and link production with employment.
- 11.15 Cooperation with private sector to be done in Make in Nepal and Made in Nepal Campaign.
- 11.16 Development of Koshi Pradesh as Industrial, Madhesh Pradesh as Agriculture, Bagmati Pradesh as Information Technology, Gandaki Pradesh as tourism, Lumibini Pradesh as small and medium enterprises, Karnali Pradesh as herbs and Sudurpaschim Pradesh as religious tourism economic hub.
- 11.17 Proposal of "Gandaki Arthik Tribhuj Pariyojana" Bharatpur- Pokhara – Butwal to conduct a model development campaign with the concept of integrated development.

- 11.18 Allocation of NPR 1 billion to Nepal Startup Fund along with constitution of start-up board to facilitate and regulate the start-up of entrepreneurs.
- 11.19 Development of Business Incubation Centers in each province to transform the entrepreneurial thinking of the youth to business.
- 11.20 Establishment of international level exhibition hall in Chobhar, Kathmandu to promote goods and services produced by women entrepreneurs.
- 11.21 Amendment to be made in the laws related to industry and investment and arrangement to be made for the production, branding, marketing and sale of domestic alcohol.
- 11.22 Programs to be conducted at the ward level to promote and protect local skills, art, literature and culture along with the development of One Municipality, One Downtown.
- 11.23 An integrated record of employment related information to be prepared by establishing an employment bank.
- 11.24 Celebration of Sagarmatha International Special Day on May 29th.
- 11.25 At least 1 lakh returnees who have returned from foreign employment to be self employed by conducting a returnee entrepreneurship program.
- 11.26 Allocation of NPR 43 Crores to provide skill-based training to at least 1,000 youths in each province.
- 11.27 Allocation of NPR 6 Arba for employment opportunities in public construction and repair to at least 2 lakhs unemployed listed at the local level for a minimum of 100 days
- 11.28 Loan without collateral to be provided by ensuring remittance are sent to the bank account of those who have obtained work permit to go abroad.
- 11.29 Land administration records to be digitalized to access land owners and all work related to Rokka and Release of security by BFIs to be conducted through online system.
- 11.30 Necessary amendments to be made to the law and arrangements to be made to operate cooperatives according to principles and policies.
- 11.31 Emission reduction programs to be conducted to continue the carbon trading program. RED Program to be continued by estimating the forest carbon in Koshi and Karnali regions.
- 11.32 Higher education to be made research oriented, innovation oriented and professional.
- 11.33 Implementation of the period from 2081 to 2091 as the Science and Technology Decade.
- 11.34 Allocation of NPR 7.50 Arba for health insurance program and elimination of duplication between health-related social security programs and health insurance.
- 11.35 Access of clean drinking water to all by the year 2030 AD and continuation of One House One Dhara Campaign.
- 11.36 Allocation of NPR 60 Crore to organize 10th National Sports Tournament in Surkhet and organization of 80 national level sports competition in coming fiscal year.
- 11.37 Celebration of Fiscal Year 2081/82 as the year of Investment in Women.
- 11.38 NPR 1 billion for innovation, invention and research. A minimum of 1% of total Capital Budget to be allocated to promote innovation, invention and research.

- 11.39 Establishment of bank branch in Saipal Rural Municipality and intensively use of Digital Banking, Ghumti Banking and Mobile Banking in rural areas
- 11.40 A Sovereign Wealth Fund to be established to mobilize remittances into productive sector.
- 11.41 Allocation of NPR 11 Arba for concessional loans. The procedures related to interest subsidy to be reviewed.
- 11.42 Legislation related to the financial sector to be adopted to international standards and amendment of Nepal Rastra Bank Act and Foreign Exchange Regulation Act.
- 11.43 Institutional capacity of Securities Board Nepal and Nepal Insurance Authority to be improved.
- 11.44 Structural reform of Nepal Stock Exchange Limited and CDS Clearing Limited to be done.
- 11.45 Arrangement to be made for the companies with the capital exceeding certain amount to be listed in the stock market.
- 11.46 Sick industries that have the potential to contribute to production and employment to be brought into operation in partnership with private sector.
- 11.47 Provision to be made to operate Public Sectors in an integrated manner through holding company. Public Sectors to be converted in public limited company based on feasibility.
- 11.48 Currently closed industries such as Biratnagar Jute Mill, Hetauda Textile Industry, Gorakhkali Rubber Industry to be brought into operation through public-private partnership.
- 11.49 The quality of government service to be enhanced through E-Governance.
- 11.50 Based on third report of public expenditure and financial responsibility assessment, the public finance management reform strategy to be prepared and implemented.
- 11.51 An e-market portal to be prepared and the goods and services listed on that portal to be purchased directly through negotiation.

12. Amendments in Tax

Indirect Tax

- a. Reduction in import duty and excise duty of raw materials imported by the industries subject to the tariff on the import of such ready-made goods should be at least one level higher than the tariff on the raw material including medicines, induction stoves, thread, helmets, incense sticks, sanitary pads, cashew and almond processing, spring leaf making industries etc.
- b. Reduction in custom duty to 1% on steel milk cans imported by animal husbandry firms and industries that produce more than 1,000 liters of milk per day from 15%.
- c. If the exporter is unable to submit the foreign currency receipt documents immediately, the limit of the export value that can be exported has been increased from US\$ 10,000 to US\$ 25,000 on the condition that such document will be submitted later.
- d. Reduction in duty on export of plates made from scrap materials such as Vanmara, Paat-Patingar etc.
- e. Provision for all taxpayers who are registered for Value Added Tax to issue invoices through the electronic billing system. The transaction of all taxpayer with transactions of more than 25 crore will be integrated into the Central Billing Monitoring System (CBMS).
- f. In order to attract consumer to the billing system, the problems encountered in the implementation of the system of returning 10 percent of the Value Added Tax paid through digital means to consumer have been solved and will be implemented effectively from Shrawan. (Point 322)
- g. Value Added Tax not to be levied on potatoes, onions, apples.
- h. Excise duty on liquor, beer, tobacco and cigarettes have been increased.
- i. Threshold for registration in value added tax have been increased to 30 lakhs in transactions of both good and services.

Direct Tax

- j. Reduction in income tax incurred on interest on loan taken from foreign banks and financial institutions.
- k. Amendment in the definition of resident for income tax purposes.

Tax Rebates

- l. Exemption on Dividend Tax of Information Technology Organizations on capitalization of its profit by the companies.
- m. Tax exemption due to change in control of Start-ups, Venture Capital and Private Equity Fund in case of increase in capital for expansion of their business capacity.
- n. Instead of Refund of VAT on import on scooters by persons with disabilities, the provision of exemption at the custom point itself has been arranged.

- o. If a person has earned taxable income in the past years has not taken Permanent Account Number (PAN) and such person takes a Permanent Account Number (PAN) and submit the Income Tax Return and Pays tax for the year 2078/79 and 2079/80 by Falgun end 2081, the fee and interest to be levied on such tax liability shall be waived. (FA 22)
- p. If a person having existing Permanent Account Number (PAN) has not submitted the Income Tax Return, pays the Tax liability and 25% of the interest to be levied by Falgun end 2081, the remaining fees and interest to be levied on such tax liability shall be waived. (FA 23)
- q. If a taxpayer registered in Value Added tax who has not submitted Value Added Tax returns until Ashadh end 2080, pays the Tax liability and 50% of the interest to be levied by Falgun end 2081, the remaining fees and interest to be levied on such tax liability shall be waived. (FA 24)
- r. If International Air Transport Service providers, whether or not registered in value Added tax who should have collected Value Added Tax from 2080 Jetha 15 to 2080 Ashwin end have not collected or deposited Value Added Tax, such Value Added Tax, additional charges, fees and interests shall be waived.

Tax Administration

General

- a. Every government entity shall obtain its Permanent Account Number (PAN) and provision of filing withholding tax return shall be implemented.
- b. Internal Revenue Office and the Tax Payer Service Office to be expanded and upgraded according to the number of taxpayers and the nature of transactions. Organizational reform of custom administration will be done. The post-examination process will be made effective by reorganizing the customs clearance office.
- c. In order to reduce the time and cost involved in international trade, Nepal National Single Door System will be extended to all related agencies and its sustainability will be ensured.
- d. In order to create favorable environment for domestic and foreign investment, adoption of investment friendly tax policy shall be made and to make revenue mobilization effective, the existing tax exemption facilities shall be reviewed based on their impact.
- e. Arrangement of providing tax clearance certificate with QR code on automated basis.
- f. The e-assessment system and faceless audit will be introduced for detailed tax assessment in line with the international practice.
- g. Artificial Intelligence to be used to provide paperless, faceless and contactless tax administration service.
- h. An integrated tax payer information system will be developed by maintaining inter-relationships between the Central tax Monitoring System, ASYCUDA (Automated System for Customs data) system, VCTS (Vehicle and Consignment Tracking system) information system, land management and records information system. (Pt. 340)

- i. In line with international commitments to reduce carbon emissions, green tax on the import of petroleum products and coal has been imposed. (Point 333)

Indirect Tax

- j. According to the commitments and agreements made at the international and regional level, a new customs law will be formulated to facilitate trade and promote investment.
- k. A separate new Custom Tariff Bill including the subject of setting and modifying the custom duty rate has been submitted with expectation that this will increase ease and efficiency in the operations of the customs administration.
- l. An internal revenue mobilization strategy will be formulated and implemented. Custom Administration will be reformed according to the sixth phase customs reform and modernization plan. Criteria will be formulated and implemented including specific qualification and work experience required for posting to the departmental head of revenue administration.
- m. In order to protect the indigenous industry, import duty and excise duty have been increased on some manufactured goods. Also, the system that requires the recommendation of various agencies to get concessions on import of raw material of industry, has made the industrialists themselves responsible.
- n. Cooperation with UNCTAD (UN Trade and Development) will be done for the development of customs system based on information technology.
- o. Exemption of some goods have been removed from Value Added Tax.
- p. The implementation of the Nepal National Single Door System will be made effective and the business time and cost of taxpayers to be reduced through the integrated system.
- q. The digital signature of the customs officer to be implemented on the customs notification letter.
- r. A robust, factual and real customs valuation system to be developed based on the information collected through regular market surveys for the valuation of imported goods. (Point 341)

13. General Amendments in Tax

Section 7 – Green Tax (New Provision)

Particulars	Provision
Nature of Tax	Green Tax
Applicability	Applicable on following goods on import in Nepal; a. Various Types of Coals b. Petroleum Oils and oils obtained from bituminous minerals,
Duty to be levied by	Customs Point
Applicable Rate	Rate as prescribed in Annex I
Tax Administration By	Customs Department

Section 16 – Digital Service Tax (Only the Threshold Limit has been Amended)

Particulars	Provision
Nature of Tax	Digital Service Tax
Applicability	Non-Resident Person providing digital services to consumers in Nepal
Threshold Limit	Upto Rs. 30 lakhs i.e., Digital Service Tax is not levied upto the transaction of NPR 30 Lakhs. (Previously the threshold limit was NPR 20 lakhs)
Rate of Digital Service Tax	2% of Service Amount
Requirement of Filing Return	Required to file Return of Transaction in Income Year and deposit tax
Intertest on Delay Deposit of Digital Service Tax	15% per annum
Penalty on Deficit Deposit	50% of Digital Service Tax Amount
Fee on Delay Filing of Return	0.1% of Annual Transactions per annum
Applicability of Income Tax as per Income Tax Act, 2002	Not Applicable to pay income tax as per Income Tax Act, 2002
Tax Administration By	Inland Revenue Department

Section 22 – Special Provision Relating to Waiver of Interest and Fee on applicable tax of unregistered person if the person comes under scope of tax (New Provision)

Particulars	Charge
Applicability	Any person earning Taxable Income but has not obtained Permanent Account Number (PAN)

Condition for availing the waiver benefit	Obtain PAN and deposit the tax liability for the income year 2078/79 and 2079/80 and submit the Income Tax Return
Due Date for Deposit to avail the waiver benefit	End of Falgun 2081
Waiver	Applicable Fees and Interest on account of delay deposit of the applicable tax

Section 23 – Special Provision Relating to Waiver of Interest and Fees of Taxpayers who have not yet submitted Income Details (New Provision)

Particulars	Charge
Applicability	Person who has obtained PAN and has not submitted Income Tax Return
Condition for availing the waiver benefit	<ul style="list-style-type: none"> ❖ Deposits income tax liability ❖ Filing of Income Tax Returns and ❖ 25% of the interest on delay deposit
Due Date for Deposit to avail the waiver benefit	End of Falgun 2081
Rebate Amount	75% of Interest and 100% of Fees applicable on account of delay deposit of the applicable tax

Section 24 – Special Provision Relating to Waiver for taxpayers who have not submitted VAT Returns (New Provision)

Particulars	Charge
Applicability	Taxpayers registered for Value Added Tax who have not submitted value added tax returns till the end of Ashadh 2080
Condition for availing the waiver benefit	<ul style="list-style-type: none"> ❖ Deposits VAT liability as per the VAT Return ❖ Filing of VAT Return and ❖ 50% of the interest on VAT liable
Due Date for Tax Deposit	Falgun end 2081
Rebate Amount	50% of interest, 100% of penalty and additional charges applicable on account of delay deposit of such Value Added Tax liability

Section 25 – Special Provision Relating to Exemption on VAT on International Air Transport Service (New Provision)

Particulars	Charge
Applicability	International Air Transport Service providers, whether or not registered in Value Added Tax who should have collected Value Added Tax from 2080 Jetha 15 to 2080 Ashwin end have not collected or deposited Value Added Tax
Exempt Amount	Remaining VAT liability Applicable interest; fees and penalty on such VAT liability of all FYs.

Section 25 – Special Provision Relating to Exemption on VAT on International Air Transport Service (Offline Airlines) (New Provision)

Particulars	Charge
Applicability	International Air Transport Service providers who have not started flights from Nepal, whether or not registered in value Added tax who should have collected Value Added Tax from 2080 Jetha 15 to 2081 Asadh end have not collected or deposited Value Added Tax
Condition for Exemption	Deposit the VAT liability to be paid
Exempt Amount	Applicable interest; fees and penalty and additional charges on such VAT liability.

Section 26 – Special Provision Relating to Exemption on Transport Service business (New Provision)

Particulars	Charge
Applicability	Person engaged in transport service registered under VAT or not registered under VAT from Jetha 15, 2076 to Jetha 14, 2078 but engaged in providing services subject to VAT which has not collected/ deposited VAT
Condition for Exemption	Deposit the 1% of transaction amount subject to VAT in the period Jetha 15,2076 to Jetha 14, 2078
Due Date for Deposit of VAT Liability	Mangsir End 2081
Exemption Amount	Remaining VAT liability Applicable interest; fees and penalty on such VAT liability of all FYs.

The same waiver is applicable to those persons whose cases have been pending under administrative review or under any judicial bodies (such cases should be withdrawn for availing the facility of rebate).

Section 27 – Special Provision Relating to exemption on VAT to person engaged in transactions of Potato, Onion and Apple (New Provision)

Particulars	Charge
Applicability	Person engaged in sale/distribution of Potato, Onion and Apple produced in Nepal has not collected Value Added Tax till Jestha 14 2081 Or Any Tax Assessment by Inland Revenue Department on such transactions
Exemption Amount	VAT liability Applicable interest; fees and penalty on such VAT liability.

Section 28 – Special Provision on waiver of VAT to Credit Information Center (New Provision)

Particulars	Charge
Applicability	Credit Information Center established under section 88 of Nepal Rastra Bank Act, 2058 not registered in VAT
Condition for Waiver	Registration in VAT till Asadh end 2081 and deposit the 50% of VAT amount to be collected
Due Date for Deposit of VAT Liability	Ashoj end 2081
Waiver	Remaining VAT liability Applicable interest; fees and penalty on such VAT liability of all FYs.

The same waiver is applicable to Credit Information Center whose cases have been pending under administrative review or under any judicial bodies (such cases should be withdrawn for availing the facility of rebate).

Section 29 – Special Provision on Import under Bank Guarantee for Import by Hydroelectricity Project (New Provision)

Particulars	Charge
Applicability	The contractor or project promoter of a project with a theoretical agreement to increase in capacity and change the design of a hydropower project on import of construction equipment, machinery tools or their parts necessary for the

	production, transmission and distribution of such project.
Facility	The custom tariff and VAT to be paid on import can be done through Bank Guarantee
Approval Authority	Department of Electricity Development
To release the Bank Guarantee	On payment of 1% of custom tariff on imported goods Remaining Custom Tariff and Value Added Tax will be exempted and Bank Guarantee will be released.

Section 30 – To be recovered from security deposit or guarantee (New Provision)

Particulars	Charge
Applicability	On import of goods by any government agency, industry, person, institution or foreign citizen
Provision	Import through security deposit or bank guarantee for taxes, duties and charges to be levied for any specific purpose other than commercial purposes on the condition that the goods will be taken back later or on the condition that it will be returned from the custom office after a specified period, but such goods couldn't be returned back due to natural calamities or any other reasons, the taxes, duties and charges shall be recovered from such security deposit or bank guarantee.

14. Detail of Amendments in VAT Act, 1996

14.1 Section 10B1 – Arrangement regarding registration of non-resident person

Section	Existing Provision	Revised Provision
10B1	Notwithstanding anything contained elsewhere in this Act, a non-resident person who deals in electronic services in Nepal <i>having taxable transaction of more than two million rupees in the last 12 months</i> will have to register under Value Added Tax.	Notwithstanding anything contained elsewhere in this Act, a non-resident person who deals in electronic services in Nepal or offline air transport services <i>having taxable transaction of more than three million rupees in the last 12 months</i> will have to register under Value Added Tax.

14.2 Section 11(1) (f) – Cancellation of registration

Section	Existing Provision	Revised Provision
11(1) (Cha)	One of the conditions for cancellation of registration: In case of taxpayer the turnover of which doesn't exceed NPR 50 lakhs in last 12 months in case of transactions in goods and <i>NPR 20 lakhs in case of transaction in service or mixed transaction of goods or services.</i>	One of the conditions for cancellation of registration: In case of taxpayer the turnover of which doesn't exceed NPR 50 lakhs in last 12 months in case of transactions in goods and <i>NPR 30 lakhs in case of transaction in service or mixed transaction of goods or services.</i>

1.1 Section 18(3) – Self assessment (Addition in Existing Provision)

Section	Existing Provision	Revised Provision
18(3)	No Provision	If the taxpayer who is required to submit the VAT Return as per prevailing VAT Act fails to submit it within four months from the due date of submission of the return, the tax officer may stop import or export of such taxpayers.

1.2 Section 20(1)(j) – Assessment By Tax Officer (Only addition of Section 8 (2A) made)

Section	Existing Provision	Revised Provision
20(1)(j)	As per Section 20(1), a tax officer may make an assessment in any of the following cases: Tax not deposited under Section 8(2) or 8(3) of VAT Act 1996	As per Section 20(1), a tax officer may make an assessment in any of the following cases: Tax not deposited under Section 8(2), 8(2A) or 8(3).

		<p>Provision of Section 8 (2A) A person whether registered or unregistered hires a transport vehicle or receives transport services from an unregistered person shall pay VAT in the taxable value at the time of receipt of service or at the time of payment whichever is earlier.</p>
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Changes in Rates of VAT is presented in Annex II

15. Detail of Amendments in Income Tax Act, 2002

15.1 Section 2 (ai1) – Definition of Contribution based Retirement payment

Section	Existing Provision	
2 (ai1)	No Provision	<p>Contribution based retirement payment means</p> <ul style="list-style-type: none"> ❖ the payment of amount deducted monthly from the salary of an employee or ❖ worker and employer contribution deposited in approved retirement fund including the incremental amount in such contribution.

15.2 Section 2 (aab) – Definition of Permanent Establishment

Section	Existing Provision	
2 (aab) (5)	No Provision	The place from where there is significant digital presence in Nepal being outside the territory of Nepal or in case server is outside Nepal and has transacted the data and services for 90 days out of 12 months, such places are considered to be the Permanent Establishment.

15.3 Section 10 – Exemptible Amounts

Section	Existing Provision	
10 (k)	<p>Following amount shall be exempted from tax:</p> <p>Amount earned as per its objective by Drinking Water and Sanitation Consumer Organization registered as per Water Resources Act, 2049.</p>	<p>No provision</p> <p>Amount earned as per its objective by Drinking Water and Sanitation Consumer Organization registered as per Water Resources Act, 2049.</p>

15.4 Section 11 – Business Exemptions and Benefits

Section 11 (3l): Tax Exemption to Special Industry

Existing Provision	
<p>100% Rebate on Applicable Tax Amount</p> <p>Dividend Tax on capitalization of accumulated profit through bonus share by special industry and industry related with tourism for expansion of capacity of industry.</p>	<p>100% Rebate on Applicable Tax Amount</p> <p>Dividend Tax on capitalization of accumulated profit through bonus share by special industry, *Information Technology industry</p>

and industry related with tourism for expansion of capacity of industry.

**Note: For the purpose of this provision, "Information Technology Industry" means technology park, information technology park, biotech park, software development. Data processing, digital mapping, business process outsourcing, data mining, cloud computing related industries.*

15.5 Section 21 – Non-Deductible Expenses

Section 21 (1)(b): Fines and penalties paid to government agencies

Existing Provision	Revised Provision
<p>Notwithstanding anything contained elsewhere in Income Tax Act, for the purpose of computing the income earned by any person from any business, employment or investment in any income year, the following expenses or amounts shall not be deducted:</p> <p><i>Tax payable under this Act and fines and similar penalties paid to a government or a political sub-division of a government of any country for breach of ban law or regulation or by-laws framed thereunder.</i></p> <p><i>However, the tax paid to province government and local level can be deducted as expenses.</i></p>	<p>Notwithstanding anything contained elsewhere in Income Tax Act, for the purpose of computing the income earned by any person from any business, employment or investment in any income year, the following expenses or amounts shall not be deducted:</p> <p>Tax payable under this Act and fines and similar penalties paid to a government or a political sub-division of a government of any country for breach of ban law or regulation or by-laws framed thereunder. But the tax paid to province government and local level can be deducted as expenses.</p> <p><i>Similarly, the advance tax collected as per section 95A (7) of Income Tax Act, 2002 which could not be adjusted in tax liability ins respective financial year can be deducted as expenses.</i></p>

Section 21 (1) (e1): Remuneration more than NPR 25,000 not paid through banking channel

Existing Provision	Revised Provision
No Provision	Monthly remuneration of more than NPR 25,000 per employee not paid through banking channel

15.6 Section 33 – Transfer Pricing

Section 33(3): Transfer pricing between related parties

Existing Provision	Revised Provision
No Provision	Transfer pricing between related parties shall be as determined by the Evaluation Methodology Department

15.7 Section 57 – Change in Control *(Addition in Proviso Section)*

Section 57(1): Condition for change in control

Existing Provision	Revised Provision
In case control of an entity changes by 50% or more within 3 years, the entity shall be deemed to have disposed off all assets owned or liability owned.	In case control of an entity changes by 50% or more within 3 years, the entity shall be deemed to have disposed of all assets owned or liability owned. <i>However, In case of addition in capital by new shareholders and partners and there is no change in number of shares and share capital of previous shareholders and partners, provisions of Section 57 shall not be applicable.</i>

15.8 Section 65 – Retirement Payment

Section 65 (1) Clarification: Interest based on contribution

Existing Provision	Revised Provision
For the purpose of this section, interest based on contribution means retirement contribution made within the limit as prescribed by Section 63 (3).	Removed

15.9 Section 76 – Advance Ruling

Section 76 (6):

Existing Provision	Revised Provision
No provision	Unless the advance ruling issued is not cancelled, the department shall be bound to take action as per the issued advance ruling issued.

15.10 Section 81 – Maintenance of Documents for Income Tax purpose

Section 81 (5): Issue of Invoices through electronic means and link to CBMS

Existing Provision	Revised Provision
No Provision	Inland Revenue Department (IRD) may publish a notice and order the taxpayer to issue invoices through electronic means and link such electronic means to the Central Billing Monitoring System (CBMS) of IRD.

Section 81 (6): Security and reliability of invoices through electronic means

Existing Provision	Revised Provision
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No Provision	IRD shall develop and implement a procedure regarding the security and reliability of software or equipment for issuing invoices through electronic means. Such procedure shall be followed by the respective producers, distributors and users.
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15.11 Section 81A – Prohibition to perform Business Transaction through Personal Account

Section 81A: Amount Received from Business transaction not to be deposited in Personal Account

Existing Provision	Revised Provision
No Provision	No any person shall deposit any amount received from business transaction through cash/cheque/QR code or any electronic means in personal bank account.

15.12 Section 88 – Withholding Tax (WHT)

Section	Particulars	WHT Rate – FY 2080/81	WHT Rate – FY 2081/82
88 (1) (9)	Resident BFIs taking loan from foreign bank or other financial institution in foreign currency and investing in specified areas prescribed by NRB	10%	5%
88A (2)	National and international prize more than NPR 5 lakhs received by contribution in literature, arts, culture, sports, journalism, science, technology and public administration, the amount excess of NPR 5 lakhs shall be taxed as windfall gain.		25%

15.13 Section 94 – Advance Tax not required to be paid

Section 94(2A): Installment tax not to be deposited on disposal of Non-Business Chargeable Assets

Existing Provision	Revised Provision
No Provision	Notwithstanding anything mentioned in section 94; a person who derives or expects to derive any assessable income during an income year from a business or investment shall be required to pay installment tax. However, in case of disposal of Non-Business Chargeable Assets, the advance tax deducted pursuant to section 95A shall not be deposited in the form of installment tax.

15.14 Section 95A – Collection of Advance Tax

Section	Particulars	Rate – FY 2080/81	Rate – FY 2081/82
95A (7)	Advance tax to be collected by Customs Department on import of following categories of goods:		
	Group 1/2/3/6/7/8 of Customs Tariff: Meat with bones or boneless, live and fresh fish, Fresh Flowers, Edible vegetables and certain roots and tubers, Edible fruits and nuts and other production	5%	10%
	Group 4/10/11/12/14 of Customs Tariff: Milk Products, Eggs, Honey, Millets, Phapar, Junelo, Rice, Kanika, Flour, Herbs, Sugarcane, Vegetable Products	2.50%	2.50%
	However, goods on which VAT is applicable – rate of advance tax	1.50%	1.50%

15.15 Section 95A (15) – Recovery of Advance Tax

Section 95A (15): Order by IRD in case of non-filer of Advance Tax and Withholding Tax

Existing Provision	Revised Provision
No Provision	<p>If IRD is convinced that the person who is required to collect advance tax and file return according to section 95A has not collected, not deposited, deficit in deposit, or has not filed within the deadline and has not deposited WHT and fines and per section 119, IRD shall order to deposit including the fees as per section 120.</p> <p>But prior to giving such order, a written notice shall be given to submit justification showing reasonable cause within 15 days.</p>

15.16 Section 101A – Tax Assessment of Assets from Unjustified Source

Section 101A: Investigation of Undisclosed Assets

Existing Provision	Revised Provision
No Provision	(1) As per section 28 of Money laundering Prevention Act, 2064, if a

	<p>person writes to IRD regarding the tax assessment of undisclosed asset, IRD shall investigate whether or not he has committed tax related offense under that section.</p> <p>(2) If IRD investigates and no any offence if found to be committed, the income tax at the maximum rate applicable to the income of that year will be collected from such person.</p>
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15.17 Section 113 – Refund and Set-off of Tax

Section 113 (8): Excess advance tax paid not to be carried forward or refunded

Existing Provision	Revised Provision
No Provision	In an Income Year, if the advance tax collected by Customs Department on import of categories of goods mentioned in section 95A (7) remains excess after settlement of Tax liability of that Income Year shall not be carried forward or refunded.

15.18 Section 117 – Penalty for failure to maintain documentation or to submit return or income return

Section 117(1)(c): Delay in submission of Income tax return

Existing Provision	Revised Provision
If the income tax return of any financial year is not submitted pursuant to 96 (1), for the person mentioned in sub-section (4) of Section 4- Presumptive Taxpayer, amount at the rate of NPR 100 per month and for the other persons, at the rate of 0.1 %t per year of the assessable income drawn out without deducting any amount, if any, that can be deducted and by including any amount, if any, that has to be included in computing the income of any income year or NPR 100 rupees per month, whichever is higher.	If the income tax return of any financial year is not submitted pursuant to 96(1), for the person mentioned in sub-section (4) of Section 4, amount at the rate of NPR 1,200 per return and if the period is less than one year, at the rate of NPR 100 per month and for the other persons, at the rate of 0.1 percent per year of the assessable income drawn out without deducting any amount, if any, that can be deducted and by including any amount, if any, that has to be included in computing the income of any income year or NPR 1,200 per return and if the period is less than one year, at the rate of one hundred rupees per month, whichever is higher.

15.19 Section 119A – Charge to be imposed

Section 119A:

Existing Provision	Revised Provision
<p>Except as otherwise provided in this Act, there shall be imposed a charge of five thousand to twenty-five thousand rupees on a person who does not comply with any provision of this Act or the Rules framed under this Act.</p>	<ol style="list-style-type: none">1. As per Section 81(4), a taxpayer having or not having permission to issue the electronic invoice if found to use the software that can delete or correct the data, penalty of NPR 5 lakhs shall be charged.2. A person who develops, installs and operates the electronic invoice software or equipment pursuant to section 81(4), found to have not followed the procedures issued by IRD, penalty of 5 lakhs shall be charged.3. If any person is found to violate section 81(ka), higher of;<ol style="list-style-type: none">a. Penalty of Rs. 5000 per investigation orb. 2% of total amountShall be charged.4. Except as otherwise provided in this Act, there shall be imposed a charge of five thousand to twenty-five thousand rupees on a person who does not comply with any provision of this Act or the Rules framed under this Act.

16. Detail of Amendments in Excise Act, 2002

16.1 Section 2(Ja1): Definition

“Tobacco product” means tobacco or cigarette containing mixtures of tobacco substance, pan parag, khaini or similar substance which is chewed or put in mouth, ghutkha, khaini and this expression also includes cigarette, bidi, cigar, electronic cigarette (vape) and hookah flavor.

16.2 Section 3A(4): Determination and Recovery of Excise Duty

Existing Provision	Revised Provision
Excise duty paid on the goods damaged due to arson, theft, accident, vandalism or expiration of date of goods may be deducted as specified by the Department.	Excise duty paid on the goods damaged due to arson, theft, accident, vandalism or stock of good remaining as a result of expiration of date for use of such goods may be deducted as specified by the Department.

16.3 Section 4C: Exemption from Excise Duty

Existing Provision	Revised Provision
If any diplomatic body (mission), project person or other body (governmental as well as non-governmental organization) intends to scrap and cancel registration of any motor vehicle that it has imported with the Fifteen years old after the year of initial production, with the approval of the Ministry of Finance, the excise duty shall not be levied on such a motor vehicle.	If any diplomatic body (mission), project person or other body (governmental as well as non-governmental organization) intends to scrap and cancel registration of any motor vehicle that it has imported with the Ten years old after the year of initial production, with the approval of the Ministry of Finance, the excise duty shall not be levied on such a motor vehicle.

16.4 Section 9: Provision Related to License

Section 9(6A): Failure of renewal of manufacturer license

Existing Provision	Revised Provision
Licensed manufacturer or importer if fails to renew within the time limit mentioned in subsection (5) can renew within first 3 month from the date of such expiry by paying 50% of renewal fee and within three months after that shall pay 100% penalty.	Licensed manufacturer or importer if fails to renew within the time limit mentioned in subsection (5) can renew within first 3 month from the date of such expiry by paying 50% of renewal fee, within three months after that shall pay 100% penalty and for remaining months of the fiscal year shall pay 200% penalty for the remaining period.

16.5 Section 10G: Test the volume of Alcohol

Existing Provision	Revised Provision
The excise duty officer may at any time test or examine the volume or quality of alcohol of the liquors discharged with approval and of the waste substance and quality thereof. The alcohol content shall not be different more than one percent or quality shall not be altered significantly.	The excise duty officer may at any time test or examine at the laboratory of department or laboratory prescribed by the department , the volume or quality of alcohol of the liquors discharged with approval and of the waste substance and quality thereof. The alcohol content shall not be different more than one percent or quality shall not be altered significantly.

16.6 Section 10J1: Use of Excise Stamp

Existing Provision	Revised Provision
No Provision.	<ol style="list-style-type: none">Excise stamps shall be used on excise goods specified by the department of production and import within Nepal.The format of the excise stamp shall be determined by the department.

16.7 Section 10K: Verification of excise duty stamp

Existing Provision	Revised Provision
Excise duty officer may verify the excise duty stamp (ticket) used in production or import of liquor, beer cigarette or other good subject to excise duty to reveal whether it is original or duplicate.	<p>Excise duty officer may verify the excise duty stamp (ticket) used in production or import of liquor, beer cigarette or other good subject to excise duty to reveal whether it is original or duplicate.</p> <p>Explanation: For the purpose of this section, “fake excise stamp” means:</p> <ol style="list-style-type: none">Stamp duty not containing security marking, feature or is different in quality as approved by the department.Excise stamp issued for one industry or establishment is used by another industry or establishment.Excise stamp issued for the manufacture of one category is used in the manufacture of another category without the approval of the Department.Excise stamp used once, if reused.

5. Torn or defaced or containing a false (fake) QR code.

16.8 Section 10L: Destruction of Excise Duty Ticket

Existing Provision	Revised Provision
No Provision.	<ol style="list-style-type: none"> 1. In case the excise duty ticket does not conform to the characteristics or standards set by the department, is kept in stock, is not attached, is worn out, is eaten by dust, is torn, is not suitable for use due to change of the seal of the Government of Nepal, does not match the serial number, size and shape are partially burnt due to fire, have become excessive due to vandalism or are unusable due to other reasons may be destroyed by the committee as specified by the department after ascertaining the quantity of the stamp. Provided that, in the case of old tickets where the quantity cannot be ascertained, tickets can be destroyed after creating record of its present condition (muchulka). 2. Expired tobacco products, cigarettes, beer, wine and other excise goods that cannot be consumed can be destroyed as prescribed.

16.9 Section 16(4): Punishment

Existing Provision	Revised Provision
<p>Where any person commits any of the following offences, the excise duty officer may punish such a person with a fine as follows:</p> <p>(k): If excise duty not recovered or less recovered on sale of goods or services under self removal system then 100% of excise duty not recovered or less recovered along with the applicable excise duty.</p> <p>(s): If excise officer found in stock verification that there is stock more than those mentioned</p>	<p>(k): If excise duty not recovered or less recovered on sale of goods or services under self removal system by the producer itself then 100% of excise duty not recovered or less recovered along with the applicable excise duty.</p> <p>(s): If excise officer found in stock verification that there is stock more than those mentioned</p>

in purchase register or stock register maintained as per **Excise Rule 2059** of licensee manufacturing alcohol, cigarette, tobacco product, raw material of alcohol such as molasses and spirit or other excisable goods then for the purpose of recognizing income after determining market value of such excess stock 100% of such market value.

in purchase register or stock register maintained **as prescribed of** licensee manufacturing alcohol, cigarette, tobacco product, raw material of alcohol such as molasses and spirit or other excisable goods then for the purpose of recognizing income after determining market value of such excess stock 100% of such market value.

Changes in Rates of Excise Duty is presented in Annex III

17. Detail of Amendments in Custom Act, 2007

17.1 Section 34(18): Power to make post clearance audit

Existing Provision	Revised Provision
Examination as per this section can be done till 4 years after clearance of goods. If it is proved that exporter or importer has submitted false writing or paper and has deposited the duty amount less than the actual, Customs Inspector with the approval of Director General may audit beyond 4 years .	Examination as per this section can be done till 2 years after clearance of goods. If it is proved that exporter or importer has submitted false writing or paper and has deposited the duty amount less than the actual, Customs Inspector with the approval of Director General may audit beyond 2 years .

17.2 Section 47(3): Ownership of goods seized and not cleared from customs belonging to Government of Nepal

Existing Provision	Revised Provision
The concerned Customs Office shall publish a seven-day public notice for taking delivery of the goods which have not been cleared within the period referred to in sub-section (2).	The concerned Customs Office shall publish a fifteen-day public notice for taking delivery of the goods which have not been cleared within the period referred to in sub-section (2).

17.3 Section 49(a): Goods to be forfeited

Existing Provision	Revised Provision
If a decision is made to forfeit any goods pursuant to this Act, the following goods related with such goods shall also be forfeited: <ol style="list-style-type: none"> a. Parcels, packets or containers used to pack or transport such goods 	If a decision is made to forfeit any goods pursuant to this Act, the following goods related with such goods shall also be forfeited: <ol style="list-style-type: none"> a. Parcels, packets or containers used to pack or transport such goods other than a container carried by cargo rail

17.4 Section 61: Provisions relating to valuation review committee

Existing Provision	Revised Provision
61(2): For the purpose of subsection (1), the Government of Nepal shall form the valuation review committee	61(2): For the purpose of subsection (1), the Government of Nepal, Ministry of Finance shall form the valuation review committee
61(4): Notwithstanding anything contained in sub-section (3), the Government of Nepal may, by providing an opportunity for defense,	61(4): Notwithstanding anything contained in sub-section (3), the Government of Nepal, Ministry of Finance may, by providing an

remove, at any time, the chairperson or any member of the valuation review committee from the office on grounds of his or her incompetence or misbehavior or failure to discharge the duties of his or her office honestly.

opportunity for defense, remove, at any time, the chairperson or any member of the valuation review committee from the office on grounds of his or her incompetence or misbehavior or failure to discharge the duties of his or her office honestly.

Changes in Rates of Custom Duty is presented in Annex IV

ANNEXURES

FOR THE CHANGES OF RATE OF VAT, EXCISE
DUTY AND CUSTOMS DUTY

Annex I – Green Tax

Green Tax

Heading/Sub Heading	Description of Goods	Green Tax
27.01	Coal, coal briquettes, similar solid fuels	
	Coal, whether or not pulverized but not aggregated:	
2701.11.00	Anthracite	Rs 0.50 per Kg
2701.12.00	Bituminous coal	Rs 0.50 per Kg
2701.19.00	Other coal	Rs 0.50 per Kg
2701.20.00	Briquettes, pellets and similar solid fuels produced from coal	Rs 0.50 per Kg
27.04		
2704.00.00	Coal stone, lignite or organized or unorganized coke of peat and semi-coke, retort carbon	Rs 0.50 per Kg
2710	Petroleum oils and oils obtained from bituminous minerals (except crude) and not included and mentioned elsewhere, weight of 70% or more of petroleum oils or oils obtained from bituminous minerals, finished goods having those oils as the main constituent, except having biodiesel and waste oils.	
2710.12.10	Motor Spirit (Petrol)	Rs 1 per liter
2710.12.20	Hexane (Food Grade)	Rs 1 per liter
2710.12.90	Other	Rs 1 per liter
	Other:	
2710.19.30	High Speed Diesel	Rs 1 per liter
2710.19.50	Fuel Oil (Furnace Oil)	0.5%
2710.19.60	Base Oil (Used to make mobile)	0.5%
2710.19.70	Jute Batching Oil and Textile Oil	0.5%
2710.19.80	Lubricating Oil	1%
	Other	
2710.19.91	Spindle Oil	0.5%
2710.19.92	Transformer Oil	0.5%
2710.19.93	Mineral Turpentine Oil	0.5%
2710.19.94	Oil used in processing of Rubber	0.5%
2710.19.95	Liquid Paraffin Oil	0.5%
2710.19.96	White Oil	0.5%
2710.19.99	Other	1%
2710.20.00	Petroleum oils and oils obtained from bituminous minerals (except crude) and not included and mentioned elsewhere, weight of 70% or more of petroleum oils or oils obtained from bituminous minerals, finished goods having those oils as the main constituent, except having biodiesel and waste oils.	1%
	Waste Oils:	
2710.91.00	Polychlorinated Biphenyls (PCBS), Polychlorinated Terphenyls (PCTS) or Polybrominated, Biphenyls (PBBS)	1%
2710.99.00	Other	1%
27.13	Petroleum Coke, petroleum bitumen and other residues of petroleum oil or bituminous mineral oil.	
	Petroleum Coke:	
2713.11.00	Consumed	0.5%
2713.12.00	Incinerated	0.5%

Annex II - Changes in Rates of VAT

List of Removal of VAT Exempted Goods or Services

Group	Heading/Sub-Heading	Description of Product/Goods or Services
Group 1	Basic Agricultural Products	
	08.04	Dates (Chohora), figs, pineapple, avocardo, guava,mango, mangosteen, fresh or dry,
		Guava, mango or mangosteen
	0804.50.00	Mangosteen
Group 2	Goods of Basic Needs	
	44.01	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.
		Fuel wood, in logs, in billets, in twigs,in faggots or in similar forms
	4401.11.00	Coniferous
	4401.19.00	Non-coniferous
	44.02	Wood charcoal (including shell or nut charcoal), whether or not agglomerated.
	4402.10.00	Bamboo
	4402.20.00	Wood charcoal (shell or nut)
	4402.90.00	Others
Group 3	Live Animals and Animal Products	
	02.04	Meat of sheep or goats, fresh, chilled or frozen.
	0204.30.00	Carcasses and half-carcasses of lamb frozen
	2.06	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen.
	0206.90.00	Other frozen
Group 4	Agricultural Inputs	
	38.08	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly-papers).
		Others
		Insecticides
	3808.91.90	Others
	3808.92.00	Fungicides
	3808.93.10	Herbicides
	3808.99.11	Products for killing mice
	82.01	Hand tools as the following: spades,shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewingtools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry.
		Hodes and spades
8201.10.90	Other (Shovels)	
Group 5	Medicine, Medical and Similar Health Services	

	30.02	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera, other blood fractions and immunological products, whether or not modified or obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products
		Others
	3002.90.10	Diagnostic test kits
	30.05	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes
		Adhesive bandage dressings and other articles containing adhesive layer dressings
	3005.90.20	Bandage
	37.01	Photographic plates and film in the flat, sensitized, unexposed, of any materials other than paper, paperboard or textiles; instant print film in the flat, sensitized, unexposed, whether or not in packs.
	3701.10.00	For X-Ray
		Substitution of word "Cytometer" under sub-heading 9018.19.90 with word videoscope, cathlab, heart lung machine, defibrillators under the sub-heading 9018.90.00
Group 9	Passengers and Goods Transportation Services	For the word Public Passenger transport (Other than cable car), the word public passenger transport other than air transport and cable cars shall be substituted.
Group 11	Other Goods or Services	
	52.05	Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale.
		Single yarn, of uncombed fibres:
	62.11	Track suits, ski suits and swimwear; other garments.
		Other garments, men's or boys
		Cotton
	6211.32.20	Lungi and Dhoti, other garments, men's or boys, cotton
	6211.42.20	Sari, Lungi and Dhoti
	71.01	Pearls, natural or cultured, whether or not worked or graded but not strung, mounted or set; pearls, natural or cultured, temporarily strung for convenience of transport.
	7101.10.00	Natural Pearls
		Cultured Pearls
	7101.21.00	Unworked
	7101.22.00	Worked
	84.21	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases.
	8421.21.00	For filtering or purifying water
	84.22	Dish washing machines; machines for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; other packing or wrapping machinery (including heat-shrink wrapping machinery); machinery for aerating beverages.
	8422.19.00	Other

	87.03	Motor cars and other motor vehicles principally designed for the transports of persons (other than those of Heading 87.020, including station wagons and racing cars
	8703.24.49	Ambulance & Hearse of cylinder capacity more than 3000cc
	8703.33.19	Ambulance & Hearse of cylinder capacity above 2500cc

List of Addition in VAT Exempted Goods or Services

Group	Heading/Sub-Heading	Description of Product/Goods or Services
Group 1	Basic Agricultural Products	
	07.01	Potatoes, fresh or chilled.
	0701.90.00	Other
	07.03	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled
	0703.10.00	Onions and shallots
	08.08	Apples, pears and quinces, fresh.
	0808.10.00.	Apple
	23.02	Bran, sharps, and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or leguminous plants.
	2302.40.10	Cashew husks and kernels
2302.40.90	Other	
Group 3	Live Animals and Animal Products	
	02.04	Meat of sheep or goats, fresh, chilled or frozen.
	0204.50.00	Meat of goats
Group 11	Other Goods and Services	
	84.79	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter
	8479.89.60	Sailo
	87.02	Vehicles; public transport carrying 10 or more passengers including driver type
	8702.40.49	Other: Other motors having only 10 seats
	87.03	Motor cars and other motor vehicles principally designed for the transports of persons (other than those of Heading 87.020, including station wagons and racing cars
	8703.24.90	Others- other vehicles, with compression-ignition internal combustion piston engine (diesel or semi-diesel) only, cylinder capacity not to exceed 1500cc
	8703.33.90	Other- cylinder capacity exceeding 2500cc

List of Revision of VAT Exempted Goods or services

Group	Heading	Existing	Revised
	8703.21.99	Ambulance & Hearse	Others- cylinder capacity between 1000cc to 1500cc

Group 11	8703.22.90	Ambulance & Hearse of cylinder capacity between 1000cc to 1500cc	Others- cylinder capacity between 1500cc to 2000cc
	8703.23.19	Ambulance & Hearse of cylinder capacity between 1500cc to 2000cc	Others- cylinder capacity between 2000cc to 2500cc
	8703.23.29	Ambulance & Hearse of cylinder capacity between 2000cc to 2500cc	Others- cylinder capacity between 2500cc to 3000cc
	8703.23.39	Ambulance & Hearse of cylinder capacity between 2500cc to 3000cc	Others- cylinder capacity above 3000cc
	8703.31.90	Ambulance & Hearse of cylinder capacity below 1500cc	Others- cylinder capacity between 1500cc to 2500cc
	8703.32.19	Ambulance & Hearse of cylinder capacity between 1500cc to 2000cc	Others- cylinder capacity between 2000cc to 2500cc
	8703.32.29	Ambulance & Hearse of cylinder capacity between 2000cc to 2500cc	Others- cylinder capacity above 2500cc
	B12	VAT exemption shall be provided on import of construction equipment, machinery tools and other equipment related thereof required for hydro electricity production, transmission and distribution on recommendation of Investment Board if operated after its approval, Alternative Energy Promotion Center if operated after its approval, Electricity Development Department in case of other project	VAT exempted shall be provided on imports of construction equipment, machinery tools other equipment and raw materials required to construct such equipments for the hydro-power projects, on the recommendation of Investment Board of Nepal (Steel Sheet), if the project is operated upon the approval of the Board, on the recommendation of Alternative Energy promotion Center if the project is operated upon the approval of the Center, and on the recommendation of Department of Electricity Development in case of other projects including projects operated by Nepal Electricity Authority, when the relevant hydroelectric project or its contractor or promoter of the project imports materials and supplies related to the projects.
	B13	In case of approval from the board of investment for the reservoir and semi-reservoir hydropower projects with a capacity of more than 200MW of which financial closure is done by Chaitra 2082, on the recommendation of the Board in the case of approval received from Investment board and on the recommendation of Electricity Development Department in case of approval received from department, Value Added Tax will be exempted on construction equipment, plant, machinery tools and related parts, explosives, penstoke pipes and steel plates imported by the project or its contractor. However, when recommending according to this point, the	In case of approval from the board of investment for the reservoir and semi-reservoir hydropower projects with a capacity of more than 200MW of which financial closure is done by Chaitra 2082, on the recommendation of the Board in the case of approval received from Investment board and for other projects including projects operated by Nepal Electricity Authority on the recommendation of Electricity Development Department, Value Added Tax will be exempted on construction equipment, plant, machinery tools and related parts, Explosives , penstoke pipes and steel plates imported by the project or its contractor or its promoter. However, when recommending according to this point, the recommendation should be made according to the quantity

		recommendation should be made according to the quantity mentioned in the detailed engineering design report of the hydropower project.	mentioned in the detailed engineering design report of the hydropower project.
	B14	No value added tax shall be levied on converting into government number plate by handling over vehicle imported on diplomatic privilege or duty privilege by foreign mission such vehicles has not been exceeding 10 years from the date of manufacturing and donor agency to a project as per approved annual program and on handling over vehicle imported under full or partial duty privilege (Except imported under pass book or bank guarantee to government entity by converting into government number plate with the approval from Ministry of Finance on completion of the project.	Diplomatic missions, projects, individuals and other bodies (governmental and non-governmental organizations) imported with tax facilities, older vehicles whose initial production year exceeds 10 years or used by diplomatic missions and diplomatic staff but which cannot be operated due to accidents or technical reasons without being disturbed for 10 years. VAT will be exempt on old vehicles if such vehicles are scrapped and registration is cancelled after taking the approval of the Ministry of Finance such that it can't be used again.
Group 4	5	Tray used for sprouting or growing saplings or seeds (Under HS 3926.90.99)	Raw materials of food supplements under Chapter 23, 28 and 29 of customs tariff, animal fodder and food supplements under Under HS 2309..90.00, dust of limestone under HS 2521.00.00
Group 5	10	Hemodialysis machine under subheading 9018.90.90 dialysis reprocessor, dialyzer and its tubing ,dialysis ,bed and chair under subheading 9402.90.90 used for kidney treatment and echocardiograph under subheading 9018.12.00, video scope catch lab under subheading 9018.90.90, heart longue machine and defibrillator used for heart disease tratment, positron emission tomography (stomatch scan machine under subheading 9022.12.00 computed tomography (CT) scan machine, mammography breast therapy under subheading 9022.21.00 and linear accelerator used for cancer treatment and flow cytometer under subheading 9018.19.90, next generation sequencer, protein microarray platform used for disease treatment and multiplex real time PCR under subheading 9027.80.10, hematology, analyser,	Hemodialysis machine under subheading 9018.90.90 dialysis reprocessor, dialyzer and its tubing ,dialysis ,bed and chair under subheading 9402.90.90 used for kidney treatment and echocardiograph under subheading 9018.12.00, video scope catch lab under subheading 9018.90.90, heart longue machine and defibrillator used for heart disease tratment, positron emission tomography (stomatch scan machine under subheading 9022.12.00 computed tomography (CT) scan machine, mammography breast therapy under subheading 9022.21.00 and linear accelerator used for cancer treatment and videoscope, cathlab, heart lung machine and defibrillator under subheading 9018.90.90, next generation sequencer, protein microarray platform used for disease treatment and multiplex real time PCR under subheading 9027.80.10, hematology, analyser, blood chemistry analyser, clinical chemistry analyser and immuno chemistry analyser and magnetic

		blood chemistry analyser, clinical chemistry analyser and immuno chemistry analyser and magnetic resonance imaging machine under subheading 9018.13.00.	resonance imaging machine under subheading 9018.13.00.
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Changes in Schedule 2 of VAT Act, 1996

Point	Existing	Revised
8	The value added tax paid on the import or local purchase of scooters used by persons with disabilities shall, if such scooters are registered in their name in the Office of Transport Management, be refunded on the recommendation of the Women, Children and Social Welfare or District Administration Office, and in accordance with the procedures as specified by the Department of Inland Revenue. If such goods are sold to any persons other than the persons with disabilities, the refunded value added tax shall be recovered	Scooters designed to be used by people with disabilities
10	On the recommendation of Department of Forest and Environment, deep cycle lead acid battery manufactured by domestic industry that is used in electric vehicles which is included under sub heading 8507.20.00.	On the recommendation of Government of Nepal, Ministry of Forest and Environment , Department of Forest and Environment, deep cycle lead acid battery manufactured by domestic industry that is used in electric vehicles which is included under sub heading 8507.20.00.

Annex III - Changes in Rates of Excise Duty

Increase in Excise Rates

Heading/Sub heading	Description of Product/Goods or Service	<i>Figures in % unless specifically specified</i>	
		Existing Rate of Excise Duty	Revised Rate of Excise Duty
1203 1203.00.00	Copra (dried coconut pulp unfit for human consumption)		15%
15.17 1517.90.00	Margarine (artificial margarine); other than the edible fats, oils and their oils under heading 15.16, edible mixtures or preparations of various animal, vegetable or microbiological (microbial) fats or oils or their oils of this part. Other		10%
17.03	Molasses resulting from the extraction or refining of sugar.		
1703.10.00	Cane molasses	Rs 105 per Quintal	Rs 110 per Quintal
1703.90.00	Other	Rs 105 per Quintal	Rs 110 per Quintal
1904.10.10	Calculated on a completely defatted basis containing less than 6 percent cocoa mass by weight or not completely coated on the outside with chocolate products		10%
1904.10.91	Corn Flex		10%
1904.10.99	Other		10%
1904.20.00	Unroasted food flakes-Prepared food items made from a mixture of unroasted (flakes) or unroasted (flakes) food flakes and flakes of roasted food		10%
1904.30.00	Bulgar wheat (a type of wheat that has been parched and dried)		10%
1904.90.90	Other		10%
20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter Orange juice:		
2009.11.00	Frozen	Rs 13 per Liter	Rs 13.50 per Liter
2009.12.00	Not frozen, of a Brix value not exceeding 20	Rs 13 per Liter	Rs 13.50 per Liter
2009.19.00	Other Grapefruit (including pomelo) juice	Rs 13 per Liter	Rs 13.50 per Liter
2009.21.00	Of a Brix value not exceeding 20	Rs 13 per Liter	Rs 13.50 per Liter
2009.29.00	Other Juice of any other single citrus fruit :	Rs 13 per Liter	Rs 13.50 per Liter

2009.31.00	Of a Brix value not exceeding 20	Rs 13 per Liter	Rs 13.50 per Liter
2009.39.00	Other Pineapple Juice	Rs 13 per Liter	Rs 13.50 per Liter
2009.41.00	Of a Brix value not exceeding 20	Rs 13 per Liter	Rs 13.50 per Liter
2009.49.00	Other	Rs 13 per Liter	Rs 13.50 per Liter
2009.50.00	Tomato Juice Grape juice (including grape must) :	Rs 13 per Liter	Rs 13.50 per Liter
2009.61.00	Of a Brix value not exceeding 30	Rs 13 per Liter	Rs 13.50 per Liter
2009.69.00	Other Apple Juice	Rs 13 per Liter	Rs 13.50 per Liter
2009.71.00	Of a Brix value not exceeding 20	Rs 13 per Liter	Rs 13.50 per Liter
2009.79.00	Other Juice of any other single fruit or vegetable:	Rs 13 per Liter	Rs 13.50 per Liter
2009.81.00	Cranberry (<i>Vaccinium macrocarpon</i> , <i>Vaccinium oxycoccos</i> , <i>Vaccinium vitis-idaea</i>) juice	Rs 13 per Liter	Rs 13.50 per Liter
2009.89.10	Mango juice	Rs 13 per Liter	Rs 13.50 per Liter
2009.89.90	Other	Rs 13 per Liter	Rs 13.50 per Liter
2009.90.00	Mixer of Juice	Rs 13 per Liter	Rs 13.50 per Liter
21.05	Ice cream and other edible ice, whether or not containing cocoa	20	30
2105.00.00	Food preparations not elsewhere specified or included		
21.06	Other:		
2106.90.20	Pan Masala without Tobacco	Rs 850 per KG	Rs 875 per KG
2106.90.60	Scented areca nuts without Tobacco	Rs 365 per KG	Rs 375 per KG
22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored, and other non-alcoholic beverages, not including fruit or vegetable juices of Heading 20.09		
2202.91.00	Non-alcoholic beer	Rs 35 per liter	Rs 45 per liter
2202.99.10	Other: Energy Drinks	Rs 50 per liter	Rs 52 per liter
22.03	Beer made from malt		
2203.00.10	Containing up to 5 percent alcohol	Rs 235 per liter	Rs 240 per liter
2203.00.20	Being more than 5 percent	Rs 235 per liter	Rs 240 per liter
22.04	Wine of fresh grapes, including fortified wines; grape must other than that of Heading 20.09		

2204.10.10	Alcohol up to 12%	Rs 444 per liter	Rs 460 per liter
2204.10.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2204.10.30	Alcohol above 17%	Rs 516 per liter	Rs 535 per liter
	Other wine; grape must with fermentation prevented or arrested by the additional of alcohol In containers holding 2 L or less		
2204.21.10	Alcohol up to 12% (Only on import)	Rs 444 per liter	Rs 460 per liter
2204.21.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2204.21.30	Above 17%	Rs 516 per liter	Rs 535 per liter
	In container holding above 2 liter and below 10 liter		
2204.22.10	Alcohol up to 12%	Rs 444 per liter	Rs 460 per liter
2204.22.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2204.22.30	Alcohol above 17%	Rs 516 per liter	Rs 535 per liter
	Other:		
2204.29.10	Alcohol up to 12%	Rs 444 per liter	Rs 460 per liter
2204.29.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2204.29.30	Alcohol above 17%	Rs 516 per liter	Rs 535 per liter
	Other grape must:		
2204.30.10	Alcohol up to 12% (Only on import)	Rs 444 per liter	Rs 460 per liter
2204.30.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2204.30.30	Alcohol above 17%	Rs 516 per liter	Rs 535 per liter
22.05	Vermouth and other wine of fresh grapes flavored with plants or aromatic substances In containers holding 2 L or less		
2205.10.10	Alcohol up to 12% (Only on import)	Rs 444 per liter	Rs 460 per liter
2205.10.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2205.10.30	Alcohol above 17%	Rs 516 per liter	Rs 535 per liter
	Other:		
2205.90.10	Alcohol up to 12% (Only on import)	Rs 444 per liter	Rs 460 per liter
2205.90.20	Alcohol above 12% and below 17%	Rs 444 per liter	Rs 460 per liter
2205.90.30	Alcohol above 17%	Rs 516 per liter	Rs 535 per liter

22.06	Other fermented beverages (for example, cider, Perry, mead, sake) mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included		
2206.00.10	Chhayang (Country Beer)	Rs 43 per liter	Rs 48 per liter
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages		
	Other		
2208.20.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.20.92	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1345 per liter Rs 1790 per L.P liter	Rs 1390 per liter Rs 1,853 per L.P liter
2208.20.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 39.94%)	Rs 1250 per liter Rs 1790 per L.P liter	Rs 1290 per liter Rs 1843 per L.P liter
	Other		
2208.30.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.30.92	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1345 per liter Rs 1790 per L.P liter	Rs 1390 per liter Rs 1,853 per L.P liter
2208.30.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 39.94%)	Rs 1250 per liter Rs 1790 per L.P liter	Rs 1290 per liter Rs 1843 per L.P liter
2208.30.99	Other:	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.40.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.40.92	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1345 per liter Rs 1790 per L.P liter	Rs 1390 per liter Rs 1,853 per L.P liter
2208.40.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 42.8%)	Rs 1250 per liter Rs 1790 per L.P liter	Rs 1290 per liter Rs 1843 per L.P liter
2208.40.99	Other	Rs 1800 per liter	Rs 1860 per liter

		Rs 2,120 per L.P liter	Rs 2,188 per L.P liter
	Other:		
2208.50.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.50.92	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1345 per liter Rs 1790 per L.P liter	Rs 1390 per liter Rs 1,853 per L.P liter
2208.50.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 42.8%)	Rs 1250 per liter Rs 1790 per L.P liter	Rs 1290 per liter Rs 1843 per L.P liter
2208.50.99	Other Other than vodka:	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.60.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.60.92	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1345 per liter Rs 1790 per L.P liter	Rs 1390 per liter Rs 1,853 per L.P liter
2208.60.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 42.8%)	Rs 1250 per liter Rs 1790 per L.P liter	Rs 1290 per liter Rs 1843 per L.P liter
2208.60.99	Other	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.70.20	Alcoholic mixed preparations containing up to 50% alcohol only		Rs 240 per liter
2208.70.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.70.92		Rs 1345 per liter	Rs 1390 per liter
2208.70.93	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1790 per L.P liter	Rs 1,853 per L.P liter
2208.70.93		Rs 1250 per liter	Rs 1290 per liter
2208.70.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 42.8%)	Rs 1790 per L.P liter	Rs 1843 per L.P liter
2208.70.99	Other	Rs 1800 per liter	Rs 1860 per liter

		Rs 2,120 per L.P liter	Rs 2,188 per L.P liter
	Other:		
2208.90.91	Prepared alcohol of strength 15 U.P. (having alcoholic content of 48.5%)	Rs 1800 per liter Rs 2,120 per L.P liter	Rs 1860 per liter Rs 2,188 per L.P liter
2208.90.92	Prepared alcohol of strength 25 U.P. (having alcoholic content of 42.8%)	Rs 1345 per liter Rs 1790 per L.P liter	Rs 1390 per liter Rs 1,853 per L.P liter
2208.90.93	Prepared alcohol of strength 30 U.P. (having alcoholic content of 39.94%)	Rs 1250 per liter Rs 1790 per L.P liter	Rs 1290 per liter Rs 1843 per L.P liter
2208.90.94	Prepared alcohol of strength 40 U.P. (having alcoholic content of 34.23%)	Rs 630 per liter Rs 1050 per L.P liter	Rs 650 per liter Rs 1083 per L.P liter
2208.90.95	Prepared alcohol of strength 50 U.P. (having alcoholic content of 28.53%)	Rs 485 per liter Rs 970 per L.P liter	Rs 490 per liter Rs 980 per L.P liter
2208.90.96	Prepared alcohol of strength 70 U.P. (having alcoholic content of 17.12%)	Rs 50 per liter Rs 165 per L.P liter	Rs 60 per liter Rs 200 per L.P liter
2208.90.99	Other	Rs 1800 per liter Rs 2120 per L.P liter	Rs 1860 per liter Rs 2188 per L.P liter
2402.10.00	Cigars, cheroots and cigarillos, containing tobacco	Rs 30 per loosie	Rs 31 per loosie
	Cigarettes containing tobacco		
2402.20.10	Without Filter	Rs 730 per M	Rs 755 per M
	With Filter		
2402.20.21	Up to 70 mm length	Rs 1690 per M	Rs 1740 Per M
	Above 70 mm and up to 75 mm length		
2402.20.22		Rs 2300 per M	Rs 2370 per M
2402.20.23	Above 75 mm and up to 85 mm length	Rs 2970 per M	Rs 3060 per M
2402.20.24	Above 85 mm length	Rs 4080 per M	Rs 4200 per M
2402.90.10	Prepared quid of tobacco (Bidi)	Rs 94 per M	Rs 96 per M
2402.90.20	All kinds of Cigars	Rs 30 per Loosie	Rs 31 per Loosie
2402.90.90	Others	Rs 30 per Loosie	Rs 31 per Loosie
2403.91.00	Homogenized or reconstituted tobacco	Rs 475 per KG	Rs 500 per KG
2403.99.10	Jarda, Khaini, Snuff, Ghutka and similar preparations containing chewing tobacco	Rs 850 per KG	Rs 880 per KG
2403.99.20	Cut tobacco, dust tobacco not for retail sale	Rs 475 per KG	Rs 480 per KG
2403.99.30	Packed chewing tobacco, to be	Rs 475 per KG	Rs 520 per KG

	mixed in lime, put up for retail sale		
2403.99.91	Hukka Flavor	Rs 1400 per KG	Rs 1500 per KG
2403.99.99	Others	Rs 475 per KG	Rs 520 per KG
2404.11.00	Containing tobacco or reconstituted tobacco	Rs 475 per KG	Rs 520 per KG
	Others containing nicotine		
2404.12.10	Vape	Rs 475 per KG	40%
2404.12.20	Others	Rs 475 per KG	40%
2404.19.00	Others	Rs 475 per KG	40%
3307.20.00	Personal deodorants and antiperspirants	15%	20%
3506.10.00	Glues of net weight not exceeding 1 KG	-	5%
3506.91.00	Adhesive based on polymers or rubber under heading 39.01 to 39.13	-	5%
3506.99.00	Others	-	5%
3819.00.10	Hydraulic brake fluid	-	10%
3819.00.90	Others	-	10%
3824.40.00	Preparatory mixtures (Additives) for cement mortar and concrete	-	5%
3824.50.00	Refractory mortar and concrete non-resistant to high heat	-	5%
3918.10.10	In the form of tiles or inerolls, floor covering	5%	10%
3918.10.90	Others	5%	10%
	Other plastics		
3918.90.10	Floor covering in the form of tiles or inerolls	5%	10%
3918.90.90	Other	5%	10%
4823.61.00	Of Bamboo	-	10%
4823.69.00	Others	-	10%
4823.70.00	Item made up of pitchers or grinding paper pulp	-	10%
7604.10.10	Unalloyed aluminium profiles	-	10 %
8471.30.10	Laptop and Notebook	-	5%
	Propulsion electric motor- electric vehicles		
	Other motor vehicles with 10 seats only		
8702.40.41	Unassembled state	-	5%
8702.40.49	Others	-	5%
	Other vehicles having pushing electric motor		
	Other, motor, pickup power not exceeding 50 KW		
8703.80.21	Unassembled state	-	5%
8703.80.29	Others	-	5%
	Others, motor having pickup power exceeding 50 KW but not exceeding 100 KW		
8703.80.51	Unassembled State	-	15%
8703.80.59	Others	10%	15%
	Others, motor having pickup power exceeding 100 KW but not exceeding 200 KW		
8703.80.61	Unassembled State	-	20%
8703.80.69	Others	20%	20%
	Others, motor having pick up power exceeding 200 KW but not exceeding 300 KW		
8703.80.71	Unassembled state	40%	35%
	Other, motor having pickup power exceeding 300 KW		

8703.80.81	Unassembled State	60%	50%
	Others		
8703.80.91	Unassembled State	40%	60%

Decrease in Excise Rates

Heading/Sub heading	Description of Product/Goods or Service	Existing Rate of Excise Duty	Revised Rate of Excise Duty
08.02	Other nuts, fresh or dried, whether or not shelled or peeled		
0802.11.00	In shell	15%	10%
14.04	Vegetable products not elsewhere specified or included.		
1404.90.91	Cocopit	10%	Removed
8703.80.79	Others	45%	35%
8703.80.89	Others	60%	50%

Removal in Excise Rates

Heading/Sub heading	Description of Product/Goods or Service
72.07	Iron or non-alloy steel made finished products.

Annex IV - Changes in Rates of Customs Duty

Removal in Export Duty

Harmonic code	Products	Existing Tariff
7.13	Dried leguminous vegetables, shelled, whether or not skinned or split.	
0713.40.90	Split Red lentils	Re 1 per KG
4401.31.00	Wood pellets	200%
4401.32.00	Wood briquettes	200%
4401.39.00	Other	200%

Revisions in Export Duty

Harmonic code	Products	Existing Tariff	Revised Tariff
39.02	Primary polymers of propylene or other oolefins	-	
3902.10.00	Polypropylene	-	Rs 5 per KG
3902.20.00	Polyisobutylene	-	Rs 5 per KG
3902.30.00	Propylene copolymers	-	Rs 5 per KG
3902.90.00	Others	-	Rs 5 per KG
40.12	Retareaded or used pneumatic rubber tyres solid or cushion rubber tyres, tyre treads, tyre flaps used pneumatic tyre, hyper kg		
4012.00.00	Used pneumatic rubber tyres solid or cushion rubber tyres, tyre treads, tyre flaps used pneumatic tyre, hyper kg	-	Rs 5 per KG
44.01	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.		
	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms		
4401.11.00	Coniferous	200%	50%
4401.19.00	Non- Coniferous	200%	50%
	Wood in chips or particles:		
4401.21.00	Coniferous	200%	50%
4401.22.00	Non-coniferous	200%	50%
	Sawdust and wood waste and scrap, agglomerated, in logs, briquettes, pellets or similar forms		
44.03	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.		
	Treated with paint, stains, creosote or other preservatives		
4403.21.00	Of pine (Pinus spp.), of which any cross-sectional dimension is 15 cm or more		
4403.22.00	Of pine (Pinus spp.), other	200%	50%

4403.23.00	Of fir (Abies spp.) and spruce (Picea spp.), of which any cross-sectional dimension of which is more than 15 Cm or more	200%	50%
4403.24.00	Of fir (Abies spp.) and spruce (Picea spp.), other	200%	50%
4403.25.00	Other, of which any cross-sectional dimension is 15 cm or more	200%	50%
4403.26.00	Other	200%	50%
	Other, of tropical wood		
4403.41.00	Dark Red Meranti, Light Red Meranti and Meranti Bakau	200%	50%
4403.42.00	Teak	200%	50%
4403.49.00	Other	200%	50%
4403.91.00	Of oak (Quercus spp.)	200%	50%
4403.93.00	Of beech (Fagus spp.), of which any cross-sectional dimension is 15 cm or more	200%	50%
4403.94.00	Of beech (Fagus spp.), other	200%	50%
4403.95.00	Of birch (Betula spp.), of which any cross-sectional dimension is 15 cm or more	200%	50%
4403.96.00	Of birch (Betula spp.), other	200%	50%
4403.97.00	Of poplar and aspen (Populus spp.)	200%	50%
4403.98.00	Of eucalyptus (Eucalyptus spp.)	200%	50%
	Others		
4403.99.10	Sawn lengthwise in a thickness not exceeding 5 inches	200%	50%
4403.99.90	Other	200%	50%
44.04	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like; chipwood and the like		
4404.10.00	Coniferous	200%	50%
4404.20.00	Non- coniferous	200%	50%
44.05	Wood wool; wood flour		
4405.00.00	Wood wool; wood flour	200%	50%
44.06	Railway or tramway sleepers (cross-ties) of wood.		
	Not impregnated		
4406.11.00	Coniferous	200%	50%
4406.12.00	Non- coniferous	200%	50%
	Other		
4406.11.00	Coniferous	200%	50%
4406.11.00	Non- coniferous	200%	50%
44.07	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.		
4407.11.00	Pine (Pinus spp.)	200%	50%
4407.12.00	(Abies spp.) and spruce (Picea spp.)	200%	50%
4407.13.00	SPF (pinus spp) salla(pinus spp)	200%	50%
4407.14.00	Hem far and ABS spp	200%	50%
4407.19.00	Other	200%	50%
	Of tropical wood		
4407.21.00	Mahogany (Swietenia spp.)	200%	50%
4407.22.00	Virola, Imbuia and Balsa	200%	50%

4407.23.00	Teak	200%	50%
4407.25.00	Dark Red Meranti, Light Red Meranti and Meranti Bakau	200%	50%
4407.26.00	White Lauan, white Meranti, White Seraya, Yellow Meranti and Alan	200%	50%
4407.29.00	Others	200%	50%
4407.91.00	Of oak	200%	50%
4407.92.00	Of beech	200%	50%
4407.96.00	Bhotpatra (Barch), Betula spp	200%	50%
4407.97.00	Lahare Pipal	200%	50%
4407.99.00	Others	200%	50%

Removal of clause in Annexure 2

2. For the purpose of goods to be the custom offices are required to use the headings falling in chapters 1 to 97 of sections 1 to 21.

3. Only 10 percent customs duty shall be charged on export of chips, made from pine (salla), of sub-headings 4401.31.00 and 4401.39.00 useable for Dhup and Hawan, by the industry with the permission of District Forest Office.

4. Export shall be allowed on keeping record all the required articles carried for its use including armed personnel carrier, vehicle, arms and ammunition for army, armed police and Nepal police deputed for maintaining peace on the request of UNO on the recommendation of Ministry of Defense or Ministry of Home Affairs.

Changes in Custom Duty Rate on Import

Harmonic code	Products	Existing Tariff	Revised Tariff
02.04	Meat of sheep or goats, fresh, chilled or frozen.		
0204.22.00	Other cuts with bone in boneless	10%	10%
0204.23.00	Boneless		10%
08.01	Coconuts, Brazil nuts and cashenuts, Cashew nuts:		
0801.31.00	In shell	15%	10%
08.04	Dates, Figs, Pineapple, Avocados, Gauvas, Mangoes and Mangoosteens, Fresh or dried		
0804.50.10	Gauvas		10%
0804.50.20	Mangoes		10%
0804.50.30	Mangosteen		10%
09.10	Ginger, Saffron, turmeric 9 curcuma, thyme, bay leaves, curry and other species. Turmeric		
0910.91.00	Related mixtures of Note (b) of this chapter	15%	30%
14.04	Plant bases production not mentioned elsewhere		
1404.90.91	Cocopeat	6	10
1404.90.99	Others	6	10
24.04	Tobacco and manufactured tobacco substitutes for inhalation without fire, products of nicotine tobacco or		

	without nicotine and other products with nicotine for the purpose of inhalation on human body.		
2404.12.10	Electronic Cigarette (Vape)		40%
2404.12.90	Others		40%
56.04	Rubber Thread and cord, textile cover; textile yarn and strip and the like of heading 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastic		
5604.10.00	Rubber thread and cord, textile covered	15%	5%
58.02	Terry Towelling and similar woven terry fabrics, other than narrow fabrics of Heading 58.06; tufted textile fabrics, other than products of heading 57.03		
68.13	For Brakes, Clutches and like, of asbestos, of other mineral substances or of cellulose, whether or not combined with textile, non-mounted abrasives or accessories thereof (e.g. sheet, rolls, Strips, Segments, Discs, Bassers) Of Asbestos		
6813.20.10	Break Lining and Pads		15%
6813.20.90	Other		15%
	Without asbestos		
6813.81.00	Brake Linings and auds		15%
6813.89.00	Other		15%
69.11	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.		
6911.10.00	Tableware and kitchenware	15%	20%
6911.90.00	Other	15%	20%
69.12	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china.	15%	20%
71.08	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form. Non-monetary:		
7108.11.00	Powder	15%	20%
7108.12.00	Other unwrought forms	15%	20%
7108.13.00	Other semi-manufactured forms	15%	20%
7108.20.00	Monetary	15%	20%
73.23	Table, kitchen or other household articles and parts thereof of iron or steel; iron or steel wool, pot scourers and scouring or polishing pads, gloves and the like, of iron or steel		
7323.92.00	Of cast iron, enamelled	10%	20%
7323.99.00	Other	10%	20%
81.06	Bismuth and articles thereof, including waste and scrap		
8106.10.00	By weight bismuth containing more than 99.99%		
85.39	Electric Filament or discharge lamps, including sealed beam lamp units and ultra-voilet or infra- red lamps; are lamps, LED light sources.		
8539.10.00	Sealed beam lamp units	15%	20%
	Other filament lamps, excluding ultra-voilet or infra-red lamps:		
8539.21.00	Tungsten Halogen	15%	20%

8539.22.00	Other of a power not exceeding 200 W and for a voltage exceeding 100 V	15%	20%
8539.29.00	Other	15%	20%
	Discharge lamps, other than Ultra- violet lamps		
8539.31.00	Fluorescent, hot cathode	15%	20%
8539.32.00	Mercury or sodium vapour lamps, metal halide lamps	15%	20%
8539.39.00	Other	15%	20%
	Ultra-violet or infra-red lamps: arc lamps		
8539.41.00	Arc- lamps	15%	20%
8539.49.00	Other	15%	20%
	Light emitting diodes (LED):		
8539.51.00	Light emitting diodes (LED) modules	15%	20%
8539.52.00	Light emitting diodes (LED)	15%	20%
87.03	Motor cars and other motor vehicles other than those of heading (87.02) used for passenger transport, station wagon and including racing car		
8703.80.19	Other		
	Other, Car, jeep, van with pickup power upto 50KW :		
8703.80.21	Unassembled condition	10%	15%
8703.80.29	Other	10%	15%
	Other, Car, jeep, van with pickup power 50-100 KW:		
8703.80.51	Unassembled condition	15%	20%
8703.80.59	Other	15%	20%
	Other, Car, jeep, van with pickup power 100-200 KW:		
8703.80.61	Unassembled condition	20%	30%
8703.80.69	Other	20%	30%
	Other, Car, jeep, van with pickup power 200-300 KW:		
8703.80.71	Unassembled condition	40%	60%
8703.80.79	Other	40%	60%
	Other, Car, jeep, van with pickup power more than 300 KW:		
8703.80.81	Unassembled condition	60%	80%
8703.80.89	Other	60%	80%
	Other:		
8703.80.91	Unassembled condition	40%	60%
8703.80.99	Other	60%	80%

Removal in Custom Duty on Import

Harmonic code	Products	Tariff
02.07	Meat and edible offal of the poultry of heading 01.05, fresh chilled or Frozen	
0207.32.00	Not cut in pieces, fresh or chilled	10%
0207.33.00	Not cut in piece, frozen	10%
0207.34.00	Fatty livers, fresh or chilled	10%
0207.35.00	Other, fresh or chilled	10%
0207.36.00	Other, Frozen	10%
0804.50.00	Guavas, mangoes and mangosteens	10%
2404.12.00	Other, with nicotine	40%
51.13	Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garneted stock	

5103.39.00	Split Red lentils	5%
5802.11.00	Unbleached	15%
5802.19.00	Other	15%