

# NEPAL BUDGET 2081-82 (2024-25)

HIGHLIGHTS FROM TAX PERSPECTIVE



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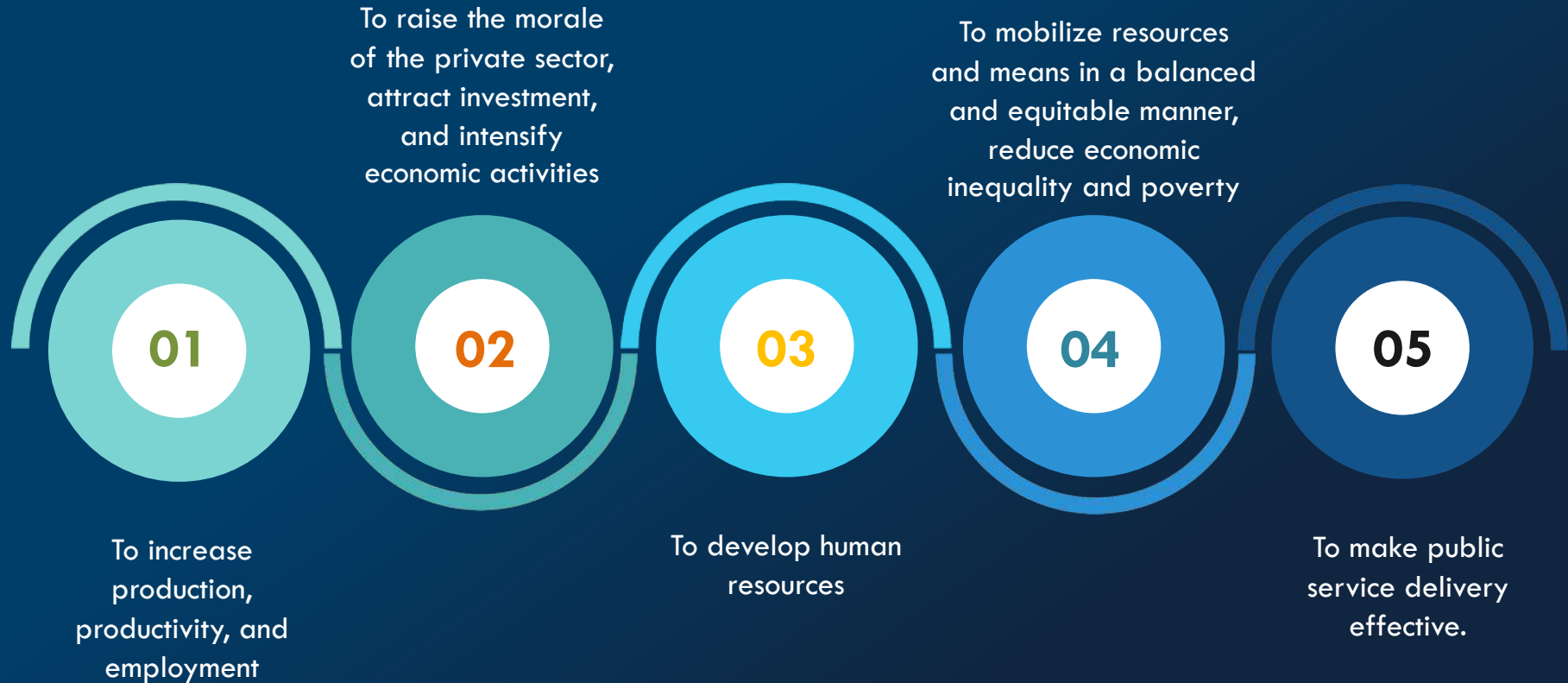
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# FIVE OBJECTIVES OF BUDGET



# PRIORITIES OF BUDGET 2081/82



Economic reform and private sector promotion



Development of agriculture, energy, information technology, tourism, industrial development, and infrastructure construction



Development of social sectors including education and health



Inclusiveness and social security



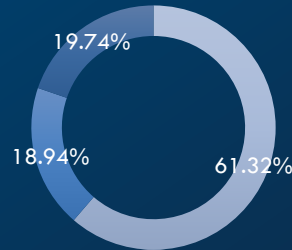
Promotion of good governance and improvement in public service delivery

# SUMMARY OF BUDGET

## Allocation of Budget

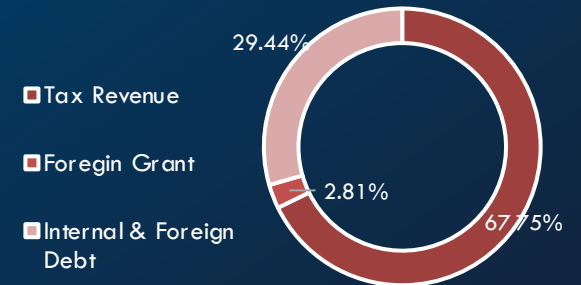
	# Amount in Billions	%
Current Expenditure	1140.66	61.32%
Capital Expenditure	352.35	18.94%
Financial Management	367.28	19.74%
Total Budget Allocated	1860.30	

- Revenue Expenditure
- Capital Expenditure
- Financial Management

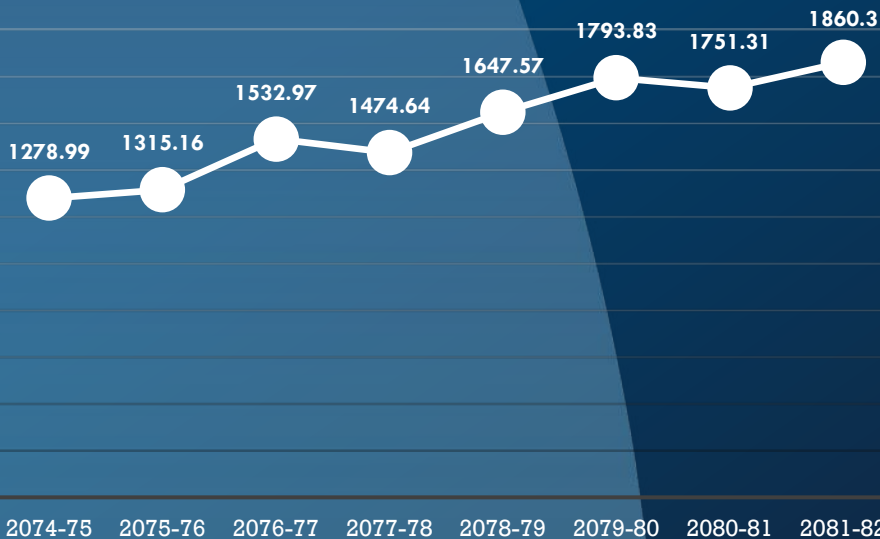


## Source of Revenue

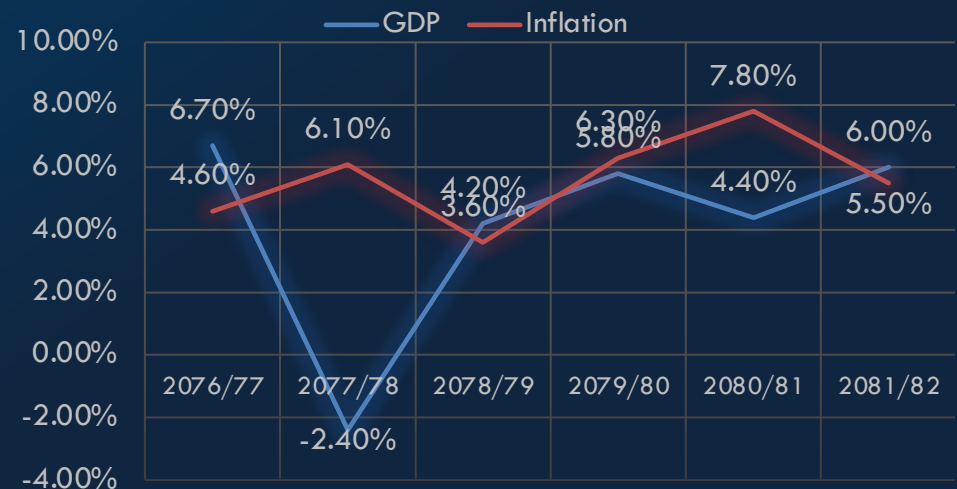
Tax Revenue	1260.30	67.75%
Foreign Grant	52.33	2.81%
Internal & Foreign Debt	547.67	29.44%



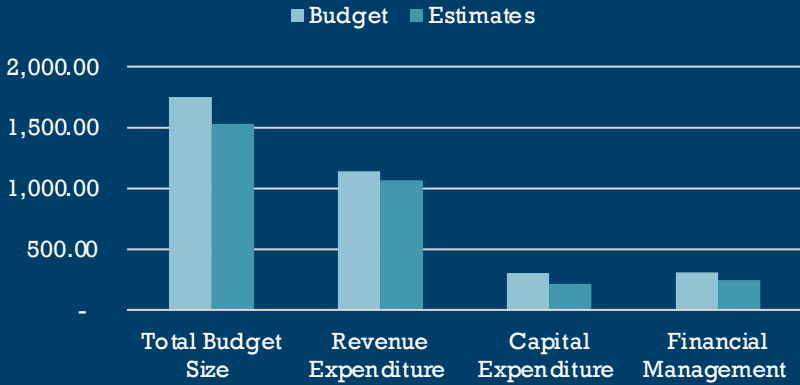
## Total Budget (in Billions NPR)



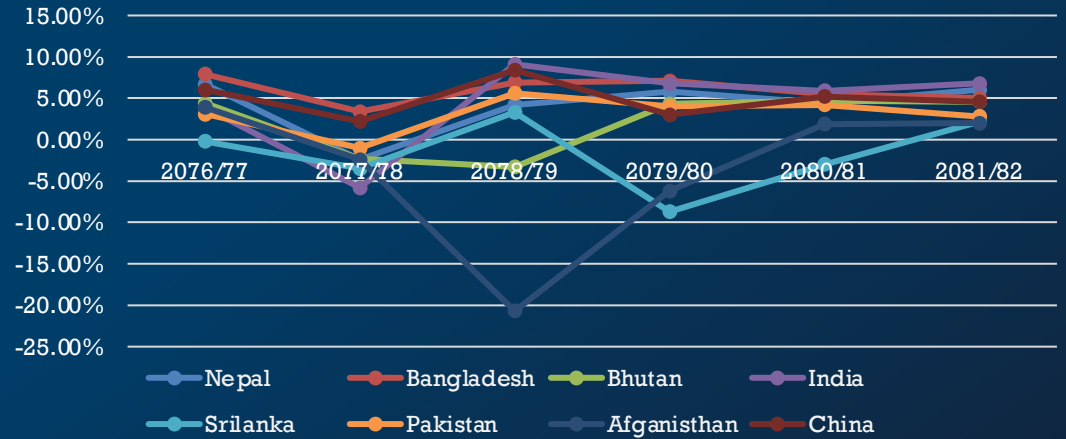
## Economic Growth & Inflation



### Previous Year Budget Vs. Revised Estimates



### South Asian Countries GDP Comparison



### Budget Allocated year wise comparison



### Nepal's Average Growth is in 3<sup>rd</sup> Position in South Asia

## BUDGET SUMMARY

- Total Budget Size is NPR 1,860.3 billion which comprise of Revenue expenditure of NPR 1,140.66 billion, Capital Expenditure of NPR 352.35 billion and Financial Management of NPR 367.28Billion.
- Nepal will be developed as an IT Hub with the goal of exporting NPR 3000 billion and creating 500,000 direct and 1000,000 indirect jobs, in the 10 years in the field of IT, treating the decade of Information Technology.
- Janakpur to be promoted as Wedding Hub and Lumbini as Birthing Hub and support will be provided for international conferences on Sanatan Dharma and culture, with efforts to include Janaki Temple in the World Heritage list.
- Laws related to industry and investment, including the Industrial Enterprise Act and Company Act, will be amended to facilitate investment and simplify the process. Additionally, intellectual property and derivative laws will be implemented.
- The Sovereign Wealth Fund will be established to utilize remittance in productive areas. This fund will be utilized through a special purpose vehicle as a complement to public infrastructure investment
- Green tax has been imposed on the import of petroleum products and coal to reduce carbon emissions.

## Major Highlights of Budget 2081/82

- Various Industries like Biratnagar Jute Mill, Hetauda Textile Industry, Gorakhkali Rubber Industry, and other industries that are in a closed state will be brought into operation through public-private partnerships.
- The threshold limit for compulsory registration under Value Added Tax for transaction of mixed goods and services or services has been increased up to 30 lakhs.
- Value-added tax on potatoes, onions, apples, and other vegetables and fruits has been abolished to support domestic production. Additionally, the excise duty rates on alcohol, beer, cigarettes, and tobacco have been increased.
- The export value limit for domestic products, with the option to submit documents later, has been raised from USD 10,000 to USD 25,000, aiming to aid small and medium-sized export industries.
- The definition of permanent establishment have been broadened.
- Water Supply and Consumer Association was removed from the exemption list of Income Tax.

## BUDGET SUMMARY

- No dividend tax on capitalization of profit in the form of bonus shares for IT Industries
- Remuneration in excess of twenty-five thousand rupees per month per person not paid through the bank, shall not be allowed for deduction while calculating income from any business, employment, or investment
- Capital introduction into the company from new shareholder for expansion does not tantamount to a change in control of the entity
- A stringent law has been introduced w.r.t. the provision of the maintenance of the documents for the taxpayer issuing invoices under CBMS.
- The maximum fee for late filing of the annual tax return of the presumptive tax payer is restricted to rupees twelve hundred per return.
- Customs relating to tariff exemption for import from Republic of India and Tibet, autonomous region of China have been abolished.
- The Custom and Excise duty of the electronic Vehicle has been changed resulting to higher duty/price of electronic Vehicle.

## Major Highlights of Budget 2081/82

- Custom Duty on Recovered Paper and Paper Board, Unwrought Zinc and Unwrought Aluminum, Pig iron & spiegeleisen in pigs , blocks or other primary forms, Ferro Alloys, Ferro waste & Scrap, remelting scraps ingots of iron or steel has been Exempted.
- Baggage Rules regarding the gold jewelry have been updated.
- Artificial Intelligence (AI) will be used to render services of revenue administration paperless, faceless, and contactless.
- Import duty and excise duty on raw materials to be used by pharmaceuticals, induction stove, helmet, thread, sanitary pad, cashew and peanut processing industries has been reduced.
- Excise duty has been introduced on laptops, tablets, supplements used for cement or mortar or concrete, trays, plates, dishes, cups of paper & of bamboo and hydraulic brake fluids.
- Excise duty on ice cream has been increased from 20% to 30%, while the excise duty on the tempered or laminated safety glass used in vehicles, aircraft, spacecraft or vessels has been removed.



## TAXES - GENERAL

### Health Risk Tax

Bidi	30 Paise per Stick
Cigarette & Cigar	60 Paise per Stick
Khaini, Surti, Pan Masala, Gutkha	60 Rupee Per KG

### Education Service Fees

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

**3%**

### Infrastructure Development Tax

Import of Petrol and Diesel at customs point

**NPR 10 Per Liter**

### Casino Royalty

To General Casino	50 Million Per annum
To Casino using Modern Machine Equipment	15 Million Per annum

### Green Tax- Summary

Coal, Goods Manufactured from Coal etc.	<b>0.5/KG</b>
Coke and Other Product etc.	0.5/KG
Petrol, Diesel etc.	Rs. 1/ltr
Lubricating Oil, Petroleum oils and Minerals oil etc.	1 percent
Others Oil etc.	0.5 percent

A person or organization licensed to operate a casino, shall pay the 40% of the amount of royalty within Poush End, 70% of the amount of royalty within Chaitra End and 100% of the amount of royalty amount within Ashad End.

**BUDGET SUMMARY**
**Green Tax Introduced by Finance Bill 2081**

Heading	Sub-heading	Description of Article	Green Tax for FY 2081-82
27.01		Coal, briquettes, ovoids and similar solid fuels manufactured from coal.	
		-Coal, whether or not pulverised, but not agglomerated :	
	2701.11	Anthracite	Rs . 0.50 / kg
	2701.12	Bituminous coal	Rs . 0.50 / kg
	2701.19	Other coal	Rs . 0.50 / kg
	2701.2	Briquettes, ovoids and similar solid fuels manufactured from coal	Rs . 0.50 / kg
27.04	2704	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon	Rs . 0.50 / kg
27.10		Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils the basic constituents of the preparations; waste oils.	
	2710.12.10	Motor Spirit (Petrol)	Rs . 1 / Ltr
	2710.12.20	Hexsen (Food Grade)	Rs . 1 / Ltr
	2710.12.90	Others	Rs . 1 / Ltr
		Others	
	2710.19.30	High Speed Diesel	Rs . 1 / Ltr
	2710.19.50	Fuel Oil (Furnace Oil)	0.50%
	2710.19.60	Base Oil (Used to manufacture lubricants)	0.50%
	2710.19.70	Jute batching oil & Textile oil	0.50%
	2710.19.80	Lubricating Oil	1%

**BUDGET SUMMARY**
**Green Tax Introduced by Finance Bill 2081**

Heading	Sub-heading	Description of Article	Green Tax for FY 2081-82
		Others	
	2710.19.91	Spindle Oil	0.50%
	2710.19.92	Transformer Oil	0.50%
	2710.19.93	Mineral Turpentine Oil	0.50%
	2710.19.94	Rubber Processing Oil	0.50%
	2710.19.95	Liquid Parafin Oil	0.50%
	2710.19.96	White oil	0.50%
	2710.19.99	Others	1%
	2710.20	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils	1%
		Waste Oils:	
	2710.91	Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	1%
	2710.99	Others	1%
27.13		Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals.	
		-Petroleum coke:	
	2713.11	Not Calcinated	0.50%
	2713.12	Calcinated	0.50%

## TAX AMNESTY SCHEME

### Special provision for Waiver of Dues & Reliefs

- **Tax Amnesty Scheme for Person doing taxable transaction without obtaining PAN:**

Whom ?	At what condition ?	Relief
Person doing the Taxable Transactions without obtaining the PAN.	By Obtaining the PAN, files the ITR for the FY 2078/79 and FY 2079/80 and Pays the Taxes thereon within Falgun end, 2081.	Fees and Interest shall be waived off. Tax amount before 2078/79 if any , shall be waived off .

- **Tax Amnesty Scheme for Person failing to submit the ITR :**

Whom ?	At what condition ?	Relief
Person failing to submit the ITR after obtaining the PAN	After Submitting the ITR and Payment of taxes and 25% Interest within Falgun end, 2081.	Fees and remaining Interest shall be waived off.

- **VAT Amnesty for the person Not Submitting the VAT Return :**

Whom ?	At what condition ?	Relief
Person Registered under VAT and Not Submitting the VAT Return for the period on or before 2080 Ashad end.	After Submitting the VAT Return and Payment of VAT and 50% Interest thereon within Falgun end, 2081	Penalty, Additional Fees and Remaining Interest shall be waived off.

## TAX AMNESTY SCHEME & BENEFITS TO TAX PAYERS

Scheme	Whom	At what condition ?	Relief
<b>VAT Amnesty for International Airlines Service Provider</b>	International Airlines Service Provider Whether registered under VAT or Not.	Not Collecting or Not Submitting the VAT for the period 2080 Jestha 15 to 2080 Ashoj end	VAT, Penalty, Additional fees and Interest shall be waived off.
<b>VAT Amnesty for Offline Airlines.</b>	International Air Transport Service Providers, who does not starts flights from Nepal (Offline Airlines)	Submission of VAT collected from 2080 Jestha 15, within Ashad end, 2081 after registration under VAT.	Interest, Penalty and Additional fee shall be waived off.
<b>VAT Amnesty Transport Business service.</b>	Person to be registered under VAT for doing the business of Transport Business services-Not Collecting the VAT and doing the taxable transaction between 2076 Jestha 15 to 2078 Jestha 14.	1) Payment of 1% of Taxable Transaction within Mangsir end, 2081 OR 2) If the Tax has been determined and VAT is due or the case is under administrative review or other judicial body is withdrawn and pay the tax equivalent to 1% of Taxable Transaction within Mangsir end, 2081.	Remaining Tax, Fine and Interest shall be waived off.
<b>VAT Amnesty for Person doing the Vatable transaction on Onion, Potato, and Apple producing in Nepal.</b>	Person doing the Vatable transaction on Onion, Potato, and Apple producing in Nepal for the period till 2081 Jestha 14	Person not collecting the VAT or VAT due as per the Assessment against by Tax office against the transaction.	VAT, Interest, Penalty and Additional fee shall be waived off.
<b>VAT Amnesty for credit information services provider</b>	Institute established under section 88 of NRB Act, 2058 for the purpose of providing credit information services to BFIs.	1) If not registered under VAT, then after registered under the VAT till Ashad end, 2081 and Payment of 50% of VAT to be collected against such till Ashoj end, 2081. OR 2) If the Tax has been determined and VAT is due or the case is under administrative review or other Judicial body is withdrawn and pay the 50% of VAT within Mangsir end, 2081.	Remaining VAT, Penalty, Interest and Additional fee shall be waived off.

## INCOME TAX

A photograph of a man and a woman sitting at a wooden table in a cafe. The man is on the left, wearing a checkered shirt, looking towards the woman. The woman is on the right, wearing sunglasses and a black top, smiling while looking at a laptop. There are coffee cups and a smartphone on the table. The background is blurred, showing other people and cafe furniture.

## Major Highlights

- The definition of permanent establishment have been broadened.
- No dividend tax on capitalization of profit in the form of bonus shares for IT Industries.
- Remuneration in excess of twenty five thousand paid through other than banking channel shall not be admissible for tax purpose.
- Funds for Commercial transactions shall not be deposited in personal accounts.
- Capital introduction into the company from new shareholder for expansion does not tantamount to a change in control of the entity for the purpose of Section 57 of Income Tax Act.
- Transfer Pricing Guidelines to be developed by IRD
- No Change in Tax Rates for both Individual and Corporates.

**INCOME TAX**
**SLAB RATE**
**For Resident Person**
**Assessed as Individual**

Income Level (NPR)	Tax Rate FY 2081/82	Income Level (NPR)	Tax Rate FY 2080/81
Up to 5,00,000	1%*	Up to 5,00,000	1%*
Next 2,00,000	10%	Next 2,00,000	10%
Next 3,00,000	20%	Next 3,00,000	20%
Next 10,00,000	30%	Next 10,00,000	30%
Next 30,00,000	36%	Next 30,00,000	36%
Above 50,00,000	39%	Above 50,00,000	39%

**Assessed as Couple**

Income Level (NPR)	Tax Rate FY 2081/82	Income Level (NPR)	Tax Rate FY 2080/81
Up to 6,00,000	1%*	Up to 6,00,000	1%*
Next 2,00,000	10%	Next 2,00,000	10%
Next 3,00,000	20%	Next 3,00,000	20%
Next 9,00,000	30%	Next 9,00,000	30%
Next 30,00,000	36%	Next 30,00,000	36%
Above 50,00,000	39%	Above 50,00,000	39%

\* Does not apply to Proprietorship Income, Pension Income, Income from Contribution based Pension Fund, and the employment income of the person depositing the amount in the Social Security Fund (SSF)

**For Non-Resident Person**

S. N.	Nature of transaction	FY 2081/82	FY 2080/81
1.	Income earned from normal transactions.	25% flat rate	25% flat rate
a.	Income earned from providing shipping, air transport or telecommunication services, postage, satellite, optical fiber project.	5%	5%
b.	Income earned providing shipping, air transport of telecommunication services through the territory of Nepal.	2%	2%
c.	Repatriation by Foreign Permanent Establishment.	5%	5%

1. Natural person working in remote areas is entitled to get a deduction from taxable income to a maximum of Rs. 50,000.
2. Social Security Tax shall not be applicable for natural persons having Pension income, Persons contributing to SSF & Proprietorship Firm.
3. Incapacitated natural persons shall be entitled to get a deduction from taxable income an additional 50% of the amount prescribed under the first tax slab.
4. A Resident natural person who has procured life insurance and paid the premium amount thereon shall be entitled to a deduction of the actual annual insurance premium or Rs. 40,000 whichever is less from gross taxable income.
5. A Resident natural person who has procured Health Insurance and paid the premium amount thereon shall be entitled to a deduction of the actual annual insurance premium or Rs. 20,000 whichever is less from gross taxable income.
6. A Resident natural person who has procured an Insurance Policy for his house and premium thereon shall be entitled to a deduction of the actual annual insurance premium of Rs. 5,000 whichever is lower from his gross taxable income.
7. In the case of the employee employed at the foreign diplomatic mission of Nepal only 25% of the foreign allowances are to be included in the income from salary.
8. In the case of the female employee whose taxable income is only from employment then a 10% rebate is allowed on tax liability.
10. Any resident natural person having pension income will get an additional deduction from taxable income of the amount equivalent to 25% of the amount of the first slab from the taxable income.
11. In case of gain on disposal of listed securities owned by a resident natural person, the concerned stock exchange at the time of settlement of transaction shall levy tax at the rate of:
  - 5% of profit if held for more than 365 days and
  - 7.5% of profit if held for a period of 365 days
12. In case of gain on disposal of Non Business Chargeable Asset (Land & Building) tax shall be levied at the rate of:
  1. 5% of profit if held for 5 years or more than 5 years
  2. 7.5% of profit if held for less than 5 years
13. Tax shall be levied at the rate of 5% on any resident natural person not involved in the operation of the business but receiving payment in foreign currency for providing software or similar kind of other electronic service outside Nepal.
14. Tax shall be levied at the rate of 5% on any resident natural person not involved in the operation of the business but receiving payment in foreign currency for providing consultancy service outside Nepal.
15. Tax shall be levied at the rate of 5% on any resident natural person not involved in the operation of the business but receiving payment in foreign currency for uploading audio-visual material in social network.



**INCOME TAX**
**Corporate Tax**

Section	Nature of entity	Applicable for FY 2081-82
Sch 1 Sec 2(2)	<b>Normal Tax Rate</b>	25 %
	Bank and Financial Institution	30 %
	Entities Carrying out the Financial Transactions (Bittiya Karobar)	30 %
	General insurance business	30 %
	Petroleum Industries	
	Entity engaged in Petroleum business under Nepal Petroleum Act , 2010	30 %
	Merchant Banks, Telecommunication and Internet Services Industry, Money Transfer Capital Market, Commodity Future Market, Securities Brokers and Companies involved in securities business	30%
Sch 2 Sec 6	Non resident carrying on air and water transport and Telecommunication services in Nepal :	
	a. If the goods and Passengers embarking from Nepal	5%
	b. If a person books a ticket from Nepal but the departure is from any foreign country	2%

**Tax on Cooperatives:**

Co-operatives	Tax Rate FY 2081-82	Tax Rate FY 2080-81
Exempt Co-operatives covered under Section 11	Nil	Nil
Saving & Credit Co-operatives operated in Metropolitan City	20.00%	20.00%
Saving & Credit Co-operatives operated in Sub-Metropolitan City	15.00%	15.00%
Saving & Credit Co-operatives operated in Sub-Metropolitan City	10.00%	10.00%
Other than Exempt/Saving & Credit Co-operatives operated in Metropolitan City	10.00%	10.00%
Other than Exempt/Saving & Credit Co-operatives operated in Sub-Metropolitan City	7.00%	7.00%
Other than Exempt/Saving & Credit Co-operatives operated in Sub-Metropolitan City	5.00%	5.00%

**INCOME TAX**
**The major changes brought forward by Finance Bill 2081 relating to Income Tax**

Section	Amended Provision	Existing Provision
2(ai1) & 65(1)	<p>The definition of the term “contribution-based retirement payment” has been newly introduced as:</p> <p>“Contribution-based retirement payment” means the amount deducted monthly from the employee’s or worker’s salary and the amount added to the approved retirement fund by the employer for retirement contributions and payment includes the increased amount also.</p> <p>And further, a clarification has been removed from the definition of “Contribution based Interest”.</p>	<p>Clarification: For the purpose of this section, “Contribution based Interest” means interest relating to retirement contribution made within the limit prescribed by sub-section (3) of section 63.</p>
2(aab)(5)	<p>Section 2(aab)(5) has been included in the inclusive definition of Permanent Establishment to broaden the definition:</p> <p>If a significant digital presence in Nepal is established by a person outside of Nepal, that location or a data or other service-related transaction is provided in Nepal from a server installed outside of Nepal for at least 90 days during the past 12 months, then that location.</p>	<p>Added by Finance Bill, 2081</p>
10(k)	<p>The Water Supply and Consumer Association registered under the Water Resources Act, 2049 has been removed from the exemption list of Section 10 of the Act.</p>	<p>The amount earned as per its objectives by the Water Supply and Sanitation Consumer Association registered pursuant to the Water Resources Act, 2049.</p>
11(31)	<p>IT Industry has been introduced in the list of exemptions to dividend tax on capitalization of profit in the form of bonus shares:</p> <p>If a special industry, <b>IT Industry</b> or industry related to the tourism sector capitalizes its accumulated profit into shares for the increase in capacity of the same industry, there shall be a full exemption from the dividend tax leviable in the distribution of dividends from such capitalization.</p> <p><b>Explanation: For the purpose of this subsection, the term “IT Industry” means Technology Park, Information technology park, biotech parks, software development, data processing, digital mapping, business process outsourcing, data mining, and cloud computing-related industries.</b></p>	<p>If a special industry or industry related to tourism sector capitalizes its accumulated profit into shares for increase in capacity of the same industry, there shall be full exemption from the dividend tax leviable in distribution of dividends from such capitalization.</p>

**INCOME TAX**
**The major changes brought forward by Finance Bill 2081 relating to Income Tax**

Section	Amended Provision	Existing Provision
21(1)(b)	<p>Tax payable under this Act and a fine or similar other fee paid to the government of any country or any local body thereof for a violation of any law or regulation, byelaw framed thereunder.</p> <p>Provided that the tax levied under subsection (7) of section 95A and not reconciled in the said income year, tax paid to the Provincial Government and Local Level shall be deducted as expenses.</p>	<p>Tax payable under this Act and a fine or similar other fee paid to the government of any country or any local body thereof for a violation of any law or regulation, byelaw framed thereunder.</p> <p>Provided that the tax paid to the Provincial Government and Local Level shall be deducted as expenses.</p>
21(1)(e1)	<p>A qualification expense has been included in the list of expenses not allowed for deduction while calculating income from any business, employment, or investment:</p>	<p>Added by Finance Bill, 2081</p>
33(3)	<p>Remuneration of more than twenty-five thousand rupees per month per person not paid through the bank.</p> <p>According to this section, transfer pricing between related persons shall be determined by the evaluation methodology as determined by the Department.</p>	<p>Added by Finance Bill, 2081</p>
57(1)	<p>An exclusion has been introduced from the scope of the Change in Control under section 57:</p> <p>Provided that where the capital of the entity increases due to the addition of new shareholders or partners and previous shareholders or partners continue with the same number of shares and value of capital, the provision of this subsection shall not apply.</p>	<p>Added by Finance Bill, 2081</p>

**INCOME TAX**
**The major changes brought forward by Finance Bill 2081 relating to Income Tax**

Section	Amended Provision	Existing Provision
76(6)	The department shall be bound to take action in accordance with the advance rulings until the advance ruling issued under subsection (1) is canceled.	Added by Finance Bill, 2081
81(5) & (6)	<p>A stringent law has been introduced in the provision of the maintenance of the documents for the taxpayer issuing invoices under CBMS:</p> <p>(5) Notwithstanding anything contained in sub-section (4), the department may publish a notice and order the taxpayer specified in such notice to compulsorily issue invoices through electronic means and link such electronic means to the central billing monitoring system (CBMS) of the department.</p> <p>(6) The department shall create and implement a procedure regarding the security and reliability of software or equipment for issuing invoices through electronic means. Such procedures shall be followed by the respective producers, distributors, and users.</p>	Added by Finance Bill, 2081
81A	<p><b>Funds for Commercial transactions should not be deposited in personal accounts:</b></p> <p>No person shall deposit cash, cheque, QR Code, or amount received from any other medium for commercial transactions in a personal bank account.</p>	Added by Finance Bill, 2081
88A(2)	<p>Notwithstanding anything contained in sub-section (1), no tax shall be levied on national and international award of up to five hundred thousand rupees for contribution made to literature, art, culture, sports, journalism, science, technology, and public administration.</p> <p><i>Provided that if the prize amount is more than five lakh rupees, the excess amount will only be taxed.</i></p>	<p>Notwithstanding anything contained in sub-section (1), no tax shall be levied on national and international award of up to five hundred thousand rupees for contribution made to literature, art, culture, sports, journalism, science, technology and public administration.</p>

Section	Amended Provision	Existing Provision
94(2A)	<p>Notwithstanding anything contained in this section, the amount of advance tax required to be filed under section 95A on the income from the gain on sale of nonbusiness chargeable assets shall not be required to file installment tax.</p>	<p>Added by Finance Bill, 2081</p>
95A(7)	<p>The advance tax shall be collected at the custom point as follows on the following items which are imported in accordance with the prevailing law relating to customs duties for commercial purposes:</p> <p>(a) Live animals under Chapter 1, meat and edible meat under Chapter 2, live, fresh, and any other category of fish products under Chapter 3, flowers under Chapter 6, edible plants and certain roots and stems under Chapter 7 of Custom Classification and edible fruits and wood fruits under chapter 8 at the rate of ten percent on transaction value.</p> <p>(b) Milk products, eggs, and honey under Chapter 4, all types of food products other than seeds under Chapter 10, refined wheat flour, wheat flour under Chapter 11, herbal medicines, sugarcane under Chapter 12 and vegetation products under Chapter 14 of Custom Classification at the rate of two and a half percent.</p> <p>Provided that, the tax should be withheld at the rate of one and a half percent for import of the VATable goods.</p>	<p>Tax shall be withheld at the customs point at the rate of five percent for any such ox, buffalo, goat, sheep, mountain goat under Chapter 1 of the Custom Classification, live, fresh, and frozen fish under Chapter 3, fresh flowers under Chapter 6, fresh vegetables, potato, onion, dry vegetables, garlic, baby corn under Chapter 7 and such fresh fruits under Chapter 8 and two and a half percent for such meat under Chapter 2, milk products, eggs, honey under Chapter 4, barley, millet, sorghum (Junelo), rice, beaten rice under Chapter 10, refined wheat flour, wheat flour under Chapter 11, herbal medicines, sugarcane under Chapter 12 and vegetation products under Chapter 14 as are imported for business purpose.</p> <p>Provided that, the tax should be withheld at the rate of one and a half percent for import of the VATable goods.</p>

Section	Amended Provision	Existing Provision
95A(15)	<p>If the department is convinced that the person who is required to collect and file tax according to this section has not collected, has not filed, has filed less, or has not filed within the deadline, the tax officer may order to deposit the amount not filed or less filed and the interest under section 119 and fee under section 120 for advance tax not collected.</p> <p>Provided that before giving such an order, a written notice shall be given with a deadline of fifteen days to submit a justification in relation to the order showing reasonable cause.</p>	Added by Finance Bill, 2081
101A	<p><b>Tax determination of undisclosed assets</b></p> <p>(1) If a written notice is received by the department regarding the tax assessment of undisclosed assets under section 28 of the Money Laundering Prevention Act, 2064, the department will investigate whether or not he has committed a tax-related offense under the said section.</p> <p>(2) If no tax-related offense is found during the investigation under subsection (1), the income tax at the maximum rate applicable to the income of that year will be collected from such person.</p>	Added by Finance Bill, 2081
113(8)	<p>If the amount recovered in accordance with sub-section (7) of Section 95A in any income year is in excess of the tax liability on annual tax computation, the same shall not be carried forward or refunded in the next income year.</p>	Added by Finance Bill, 2081

Section	Amended Provision	Existing Provision
117(1)(c)	<p>If the income return of any income year is not submitted pursuant to sub-section (1) of Section 96, for the person mentioned in sub-section (4) of Section 4, amount at the rate of one hundred rupees per month <b>subject to maximum twelve hundred rupees per return</b> and for the other persons, at the rate of 0.1 percent per year of the assessable income is 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 a hundred rupees per month, whichever is higher.</p>	<p>If the income return of any income year is not submitted pursuant to sub-section (1) of Section 96, for the person mentioned in sub-section (4) of Section 4, amount at the rate of one hundred rupees per month and for the other persons, at the rate of 0.1 percent per year of the assessable income is 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 a hundred rupees per month, whichever is higher.</p>
119A	<p><b>Fees to be charged</b></p> <p>(1) If a taxpayer who has received approval to issue an electronic invoice under section 81A or not has used software that can delete or modify the data, a fee of five lakh rupees will be charged.</p> <p>(2) If a person who manufactures, installs, or operates the software or equipment of the electronic invoicing under section 81(4) does not follow the procedures issued by the department, a fee of five lakh rupees will be charged.</p> <p>(3) In case of violation of section 81A, a fee of five thousand rupees or two percent of the total amount, whichever is higher, will be charged for each monitoring.</p> <p>(4) Except as otherwise provided in this Act, a person who fails to comply with any provision of this Act or the rules made under this Act shall be charged a fee of five thousand rupees to twenty-five thousand rupees.</p>	<p><b>Fees to be charged</b></p> <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>

**INCOME TAX**
**Existing provisions of Income Tax relevant to business entity not amended by Finance Act 2081**

Section	Nature of entity	Applicable for both FY 2081/82		Applicable for both FY 2080/81	
		Rate as per nature of vehicles		Rate as per nature of vehicles	
Sch 1(13)	Presumptive tax in case a Resident Natural Person is engaged in business of Public Vehicles	1. Car, Jeep, Van and Micro Bus		1. Car, Jeep, Van and Micro Bus	
		Up to 1300CC	Rs. 5,500	Up to 1300CC	Rs. 5,500
		From 1301 CC to 2000 CC	Rs. 6,000	From 1301 CC to 2000 CC	Rs. 6,000
		From 2001 CC to 2900 CC	Rs. 6,500	From 2001 CC to 2900 CC	Rs. 6,500
		From 2901 CC to 4000 CC	Rs. 8,000	From 2901 CC to 4000 CC	Rs. 8,000
		Above 4001 CC	Rs. 9,000	Above 4001 CC	Rs. 9,000
		2. Mini Truck, Mini Bus & Water tanker	Rs. 8,000	2. Mini Truck, Mini Bus & Water tanker	Rs. 8,000
		3. Mini Tripper	Rs. 9,000	3. Mini Tripper	Rs. 9,000
		4. Truck & Bus	Rs. 10,500	4. Truck & Bus	Rs. 10,500
		5. Dozers, Excavator, Loader, Roller, Crane and like such machinery equipment	Rs. 15,500	5. Dozers, Excavator, Loader, Roller, Crane and like such machinery equipment	Rs. 15,500
6. Oil tanker, Gas Bullet and tripper	Rs. 15,500	6. Oil tanker, Gas Bullet and tripper	Rs. 15,500		
7. Tractor	Rs. 2,500	7. Tractor	Rs. 2,500		
8. Power tiller	Rs. 2,000	8. Power tiller	Rs. 2,000		
9. Auto Rickshaw, Three wheeler, Tempo	Rs. 2,500	9. Auto Rickshaw, Three wheeler, Tempo	Rs. 2,500		
		10. In case f Electrical Vehicles: Upto 50 KW -Rs. 3,000 50 KW-125KW -Rs. 4,000 125 KW-200KW -Rs. 6,000 More than 200KW -Rs. 7,500		10. In case f Electrical Vehicles: Upto 50 KW -Rs. 3,000 50 KW-125KW -Rs. 4,000 125 KW-200KW -Rs. 6,000 More than 200KW -Rs. 7,500	



**INCOME TAX**
**Existing provisions of Income Tax relevant to business entity not amended by Finance Act 2081**

Section	Nature of entity	Applicable for both FY 2080/81 and 2081/82
	<u>Domestic income</u>	
	Normal Rate (NR)	25%
	<u>Other</u>	
	Providing direct employment to Nepalese citizens by special industries and information technology industries for whole year:	
	For 100 or more Nepali National	90% of Normal Rate
	For 300 or more Nepali National	80% of Normal Rate
	For 500 or more Nepali National	75% of Normal Rate
	For 1000 or more Nepali National	70% of Normal Rate
	For 100 Nepalese including 33% women, dalit & disabled by Special industries.	Additional 10% rebate
11(3)(Ka)	Special industry and tourism industry (excluding casino) established with capital investment exceeding Rs. 1 billion and providing direct employment to more than 500 individuals throughout the year shall be eligible for	100% income tax exemption for five years from the date of commencement of business and 50% exemption for three years thereafter.
Proviso to section 11(3)(Ga)	Provided that, special and tourism industry (excluding casino) currently in operation, where such industry increases its capital investment to at least Rs. 2 billion and provides direct employment to more than 300 individuals throughout the year along with enhancement in capacity by at least 25%, there shall be full tax exemption on income generated from enhanced capacity	100% exempt up to first five years and 50% rebate in subsequent years
11 (3Ka)	Industry established in 'Special Economic Zone' recognized in mountain areas or hill areas by the GON	Up to 10 years 100% exempt and 50% rebate in subsequent years
11 (3Ka)	Industry established in 'Special Economic Zone' other than above locations	100% exempt up to first five years and 50% rebate in subsequent years

**INCOME TAX**
**Existing provisions of Income Tax relevant to business entity not amended by Finance Act 2081**

Section	Nature of entity	Applicable for both FY 2080/81 and 2081/82
11 (3Ka)	Dividend distributed by the industry established in the special economic zone	Dividend Tax is 100% exempt up to first five years and 50% rebate in subsequent 3 years
11 (3Ka)	Income derived by the foreign investors from investment in 'Special Economic Zone'( source of income use of foreign technology, management service fee and royalty)	50% of applicable tax rate
11 (3Gha)	100% tax exemption for first ten year and 50% tax exemption for next five year from the date of commercial operation of hydro electricity, solar, wind and bio product transmission and distribution of electricity.	The sunset date of the commercial operation has been extended to Chitra end, 2084 (B.S.) from Chitra end, 2083 (B.S.)
11 (3Yna)	Income from sale by intellectual asset by a person through transfer	50% of applicable tax rate
11 (3Ta)	Tourism Industry or International Airlines established with more than NPR 2 Billion	100% Tax Exemption for first 5 Years and 50% Tax Exemption for next 3 years
11 (3Tha)	Dividend Distribution Tax in case Special Industry, Industry based in Agriculture and Tourism sector capitalizing its profit for the purpose of expansion of capacity of industry.	100% exempt of Dividend Tax
11 (3Da)	Private Company having Paid up Capital NPR 500 Million or More converted into Public Company	10% Rebate in Income Tax for 3 Years
11 (3Dha)	Domestic Tea Production & Processing Industries, Dairy Industries & Textile Industries	50% of applicable tax rate
11 (3Ana)	Health Services Provided by the Community	20% Reduction of Income Tax Act
11(3ta)	Income generated by micro industries for Seven years from the date of commencement of business or transaction. Where such industry is owned by woman, there shall be tax exemption for another three years thereafter.	100% exemption of income tax
11 (3Tha)	Dividend Distribution Tax in case Special Industry, Industry based in Agriculture and Tourism sector capitalizing its profit for the purpose of expansion of capacity of industry.	100% exempt

**INCOME TAX**
**Existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2081**

Section	Nature of entity	Applicable for both FY 2080/81 and 2081/82
11(3Cha)	Entities carrying out the following transactions shall be provided following concession for 10 years from the date of commencement of commercial transactions/operations on the income tax levied:	ka. Operation of Trolley or Tram - 40 % concession Kha. Construction and operation of Ropeway, Cable Car, Sky Bridge – 40% Concession Ga. Construction & Operation of Roads, Bridge, Tunnel Way, Tunnel, Railway, Airport - 50 %concession
11(3Chha)	Income manufacturing industry, tourism service industry hydropower generation, distribution and transmission industry listed in the security exchange (i.e. capital market)	85% of applicable tax rate
11(3Ja)	There shall be tax concession of 40 % and 25 % for ten years from the date of Operation, if an industry produces brandy, cider or wine based on fruits in highly undeveloped area and undeveloped area respectively.	There shall be tax concession of 40 % for ten years from the date of Operation, if an industry produces brandy, cider or wine based on fruits in highly undeveloped area.
11 (3Jha)	Royalty from export of Intellectual Asset by a person	75% of applicable tax rate
11 (3Dha)	Domestic Tea Production & Processing Industries, Dairy Industries & Textile Industries	50% of applicable tax rate
11 (3Ana)	Health Services Provided by the Community	20% Reduction of Income Tax Act

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

S. N.	Nature of transaction	FY 2081/82	FY 2080/81
A.	Interest income from deposit up to Rs 10000 under 'Micro Finance Program', 'Rural Development Bank', 'Postal Saving Bank' & Co-Operative (u/s-11(2ka) in Village Municipality areas	Exempt from tax	Exempt from tax
B.	Wind fall gains Wind fall gains from Literature, Arts, Culture, Sports, Journalism, Science & Technology and Public Administration amount received up to 5 lacs	25% Nil	25% Nil
C.	Payment of rent by resident person having source in Nepal However, no TDS on payment of rent to natural person.	10%	10%
D.	On dividend paid by the resident entity. – To Resident Person – To Non Resident Person	5% for both	5% for both
E.	On payment of gain in investment insurance	5%	5%
F.	On payment of gain from unapproved retirement fund	5%	5%
G.	On payment of interest or similar type having source in Nepal to natural person [ not involved in any business activity by Resident Bank, financial institutions or debenture issuing entity, or listed company	6%	6%
H.	Payment for articles published in newspaper	No TDS	No TDS
I.	Interest payment to Resident bank, other financial institutions	No TDS	No TDS
J.	Interregional interchange fee paid to credit card issuing bank	No TDS	No TDS
K.	Interest or fees paid by Government of Nepal under bilateral agreement	No TDS	No TDS
L.	On payment of general insurance premium to resident insurance company	No TDS	No TDS
M.	On payment of premium to non-resident insurance company	1.5%	1.5%
N.	Contract payment exceeding Rs 50,000 for a single contract within 10 days.	1.5%	1.5%
O.	Interest & Dividend paid to Mutual Fund	No TDS	No TDS
P.	Payment of consultancy fee: – to resident person against VAT invoice – to resident person against non VAT invoice	1.5% 15%	1.5% 15%

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

S. N.	Nature of transaction	FY 2081/82	FY 2080/81
	Payment on contract to Non Resident Person		
Q.	- On repair of aircraft & other contract	5%	5%
	- Other than above	5%	5%
R.	TDS deducted on payment of dividend made by Mutual fund to natural Person	5%	5%
S.	TDS on Payment by Resident Person for utilizing services related with Satellite, Bandwidth, Optical Fiber, equipment relating to telecommunications or electric transmission	10%	10%
T.	Dividend Paid by Partnership Firm to its Partners	5%	5%
U.	Payment for the freight to transportation service or Renting of Transportation vehicle (In case Service provider is Not registered in VAT)	2.5%	2.5%
V.	Payment for the freight to transportation service or Renting of Transportation vehicle (Service provider Not registered in VAT)	2.5%	2.5%
W.	Payment for the freight to transportation service or renting of Transportation vehicle (Service provider registered in VAT)	1.5%	1.5%
	Renting of Passenger Vehicle		
X.	-VAT Registered	1.5%	1.5%
	-No VAT Registered	10%	10%
Y.	Payment made against question setting, answer evaluation	15%	15%
Z.	Payment to Non Resident Company against Commission paid for Reinsurance	1.5%	1.5%
AA.	Payment made to Consumer Committee	1.5%	1.5%
AB.	Interest paid by resident bank and financial institution to foreign Bank/FI	5%	10%
AC.	Encouragement amount received by consumer of good and services for the payment made through payment cards, E-Money (Wallet), Mobile Banking and electronic payment during purchases as per the prevailing laws, no tax shall be deducted.	No TDS	No TDS
AD.	Interest on Deposit of Life Insurance Companies	5%	5%
AE.	Royalty to resident person for Literary articles or write up (Rachana)	1.5%	15%
AF.	Interest on Loan paid to Foreign Bank/FIs by the reservoir or semi reservoir based Hydropower above 200 MW,	5%	5%

**INCOME TAX**
**Tax Collection at Services (TCS)**

S. N.	Nature of transaction	FY 2081/82	FY 2080/81
A.	Profit and Gain from Transaction of commodity future market	10%	10%
B.	Payment made against question setting, answer evaluation	15%	15%
C.	Payment to Non Resident Company against Commission paid for Reinsurance	1.5%	1.5%
D.	Payment made to Consumer Committee	1.5%	1.5%
E.	Commercial Import of Buffalo, Goat, Sheep, Fresh & Frozen Fish, Fruits,	5% of Custom Value	5% of Custom Value
F.	On Import of Meat, Milk Product, Egg, Honey, Millet, Buckwheat, Junelo, Rice, Wheat Flour, Meslin Flour, Other Flours, Herbs, Sugarcane, Herbal products	2.5%	2.5%
G.	Foreign Currency Exchange service by resident bank for students going abroad for study making payment for language exam and standardized test	15%	15%
H.	Interest paid by resident bank and financial institution to foreign Bank/FI	5%	10%
I.	In case of the encouragement amount received by consumer of good and services for the payment made through payment cards, E-Money (Wallet), Mobile Banking and electronic payment during purchases as per the prevailing laws, no tax shall be deducted.	No TDS	No TDS
J.	Payment received by a person in foreign currency for providing software or other electronic services of similar nature outside Nepal.	1% To be Collected by Bank/FI/Money T/F	1% To be Collected by Bank/FI/Money T/F
K.	Interest on Deposit of Life Insurance Companies	5%	5%
L.	Royalty to resident person for Literary articles or write up (Rachana)	1.5%	1.5%

**INCOME TAX**
**Tax Collection at Services (TCS)**

S. N.	Nature of transaction	FY 2081/82	FY 2080/81
M.	Interest on Loan paid to Foreign Bank/FIs by the Dam or PROR based Hydropower subject to certain condition	5%	5%
N.	A resident e-commerce operator while making payment for sale of goods, services or goods & services from its platform.	1% To be collected by the E-Commerce Operator	1% To be collected by the E-Commerce Operator
	Profit and Gain from Disposal of Shares:		
	<u>In case of Natural Resident Person</u>		
	– Listed Shares held for more than 365 days	5%	5%
	– Listed Shares held for 365 days or less	7.5%	7.5%
	– Non Listed Shares	10%	10%
O.	<u>Resident Entity</u>		
	– Listed Shares	10%	10%
	– Non Listed Shares	15%	15%
	<u>Others</u>		
	– Listed Shares	25%	25%
	– Non Listed Share	25%	25%

## VALUE ADDED TAX

### VAT Rate

No Change in  
Value Added  
Tax Rate

VAT Rate  
**13%**

### VAT Threshold



Person dealing  
in goods

**5 Million NPR**



Person dealing in  
Goods & Services  
both

**3 Million NPR**



Person dealing in  
Services

**3 Million NPR**

- The threshold limit for registration of nonresident persons has been increased to NPR 3 million (earlier NPR 2 million).
- If the taxpayer fails to submit a tax return within four months from the due date of submission of the tax return, the tax officer may stop the import or export of such taxpayer. \*\*

\*\* Note: The threshold limit for VAT Registration for Service, Goods and Service mixed has been defined under VAT Regulation which is yet to be published. Since, for the purpose of cancellation under VAT, threshold limit for Services, Goods and Services mixed has been revised to NPR 3 Million, Hence it is being understood that the threshold for registration under VAT for Services or Goods and Services mixed both is NPR 3 Million.



**VALUE ADDED TAX**
**The major changes brought forward by Finance Bill 2081 relating to Value Added Tax**

Section	Amended Provision	Existing Provision
10(B1)(1)	<p>The threshold limit for registration of nonresident person has been increased to NPR 3 million (earlier 2 million)</p> <p><b>Provision related to registration of Non-Resident Person</b> Notwithstanding anything contained in this Act, non-Resident person dealing in Digital Services or <b>Offline Air Transport Services</b> for more than <b>3 million</b> <del>2 million</del> rupees in the past 12 months should be registered for VAT.</p>	<p><b>Provision related to registration of Non-Resident Person</b> Notwithstanding anything contained in this act, a non-resident person dealing in digital services of more than 2 million that are taxable in Nepal in the previous 12 months should be registered for VAT.</p>
11(1)(f)	<p><b>Deregistration</b> In case of a taxpayer whose taxable transaction have not exceeded 50 lakhs rupees in case of goods and <b>NPR 3 million</b> <del>2 million</del> rupees in case of mixed goods and services and in case of services, in the last 12 months.</p>	<p><b>Deregistration</b> In case of a taxpayer whose taxable transaction have not exceeded 50 lakhs rupees in case of goods and 20 lakhs rupees in case of mixed goods and services and in case of services, in the last 12 months.</p>
18(3)	<p><b>Tax Return to be Filed</b> If the taxpayer who is required to submit a tax return according to this section fails to submit the tax return within four months from the due date of submission of the tax return, the tax officer may stop the import or export of such taxpayer.</p>	<p>Added by Finance Bill, 2081</p>

**VALUE ADDED TAX**
**ADDED IN SCHEDULE I of VAT ACT FROM FY 2081-82 (Now Exempt from VAT)**

Heading	Sub-heading	Description of Goods or Services
<b>Group 1 : Basic Agricultural Products</b>		
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	Apples
<b>Group 3: Animals and Animal Products</b>		
02.04		Meat of sheep or goats, fresh, chilled or frozen
	0204.50.00	Meat of Goats
<b>Group 11: Other Goods and Services</b>		
84.79		Machinery and mechanical appliances; having individual functions, not mentioned any where in this chapter
	8479.89.60	Sailo

\* Notes on VAT on Petroleum Vehicles: It has been observed that the Petroleum based Vehicles which falls under Heading 8703 are exempt from the VAT. However, it seems that the intention of the lawmaker is not to exempt from the VAT. Our Opinion on the same is that those vehicles are Vatable. For which the department may clarify it in the future.

**VALUE ADDED TAX**
**REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2081-82 (Now VAT Applicable)**

Heading	Sub-heading	Description of Goods or Services
<b>Group 1: Basic Agricultural Products</b>		
08.04		Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried.
	0804.50.00	Guavas, mangoes and mangosteens
	0804.50.30	Mangosteens
<b>Group 2: Goods of Basic Necessities</b>		
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	Of bamboo
	4402.20.00	Of shell or nut
	4402.90.00	Other
<b>Group 3: Animals and Animal Products</b>		
02.04		Meat of sheep or goats, fresh, chilled or frozen.
	0204.30.00	Carcasses and half - carcasses of lamb, frozen
<b>Group 4: Agricultural Materials</b>		
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).
	3808.91.90	Others
	3808.92.00	Fungicides
	3808.93.10	Herbicides, anti-sprouting products and plant-growth regulators
	3808.99.11	Rodenticides
82.01		Hand tools, the following : spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; 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.
		Spades and shovels
	8201.10.90	Other

**VALUE ADDED TAX**
**REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2081-82 (Now VAT Applicable)**

Heading	Sub-heading	Description of Goods or Services
<b>Group 5: Medication and Similar Health Services</b>		
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; cell cultures, whether or not modified.
		Other
	3002.90.10	Diagnostic 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.
	3005.90.20	Bandages
37.01		Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs.
	3701.10.00	For X- ray
<b>Group 11: Other Goods and Services</b>		
62.11		Articles of apparel and clothing accessories, not knitted or crocheted Track suits, swimwear and other garments (not knitted or crocheted)
71.01		Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin 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.
84.21		Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases.
	8421.21.00	For filtering or purifying water



**For FY 2081-82**
**For FY 2080-81**
**Schedule 1: VAT Exempt from Goods & Services**
**Group 9: Public Transportation and carriage service**

Service from machinery bridge, public transportation carrying passengers (except [air travel](#) & cable car), and cargo service

Service from machinery bridge, public transportation carrying passengers (except cable car), and cargo service

**Schedule 2: Goods & Services subject to Zero Rate**
**Group 8:**

A Scooter designed to be used by people with disabilities.

Value Added Tax paid on import or local purchase of a scooter used by a disabled person in case such scooter is registered in his name at the Transport Management Office, on the recommendation of the Ministry of Women, Children, and Senior Citizens or the relevant district administration office, VAT paid on import will be refunded by the relevant customs office and local purchase will be refunded by the Inland Revenue Department. VAT so refunded will be recovered if sold to persons other than persons with disabilities.

## EXCISE DUTY

### Excise Duty Raised & Removed

The changes on Excise Duty on Electric Vehicle has been as illustrated below:



Electric Vehicle	FY 2080-81	FY 2081-82
Car, Jeep, Van		
50<	-	5%
50 to 100	10%	15%
100 to 200	20%	20%
200 to 300	45%	35%
>300	60%	50%
Transportation Vehicle (four-wheeler)	-	5%

Note: Custom duty charged on the unassembled electric vehicle as per same rate applicable to their respective assembled electric vehicle.



Excise duty on electric cigarettes has been changed to at the rate of 40 % from Rs. 475 per kg. Excise Duty increased on different fruits juice, non-alcoholic beer, energy drinks, alcohol (including made from malt, wine of grapes, whisky, rum, chhayang, vodka, gin and Geneva) cigarettes, Jarda, Khaini, Snuff, Ghutka, cigar, beedi, Hukka Flavor and other similar products containing tobacco, pan masala, areca nuts.

#### New Excise Duty:



Products	FY 2080-81	FY 2081-82
Supplements that are used for cement, mortar or concrete		
Non-refractory mortars and concretes		5%
Laptops and notebooks	-	10%
HYDRAULIC BRAKE FLUIDS		
Trays, plates, dishes, cups of paper & of bamboo.	-	10%
Ice Cream	20%	30%



#### Excise Duty Removed:

Excise duty removed on the tempered or laminated safety glass used in vehicles, aircraft, spacecraft, or vessels

Section	Amended Provision	Existing Provision
2(h1)	<p>“Tobacco product” means tobacco or tobacco product mixed smoking, chewing, betel spices to be kept in mouth, betel quid, chewing betel or similar other materials, and this term also includes cigarette, beedi, <b>cigar, electric cigarettes (vapes) and hookah flavor.</b></p>	<p>“Tobacco product” means tobacco or tobacco product mixed smoking, chewing, betel spices to be kept in mouth, betel quid, chewing betel or similar other materials, and this term also includes cigarette, beedi and <b>cigar.</b></p>
4C(2)(b)	<p>In the case of a motor vehicle imported by a diplomatic mission, project, person or other body (government or non-governmental organization) under tariff facility and the initial manufacturing of which has crossed <b>ten years</b>, when cancelling the registration of such old vehicle upon scraping it to be incapable of re-use, with the approval of the Ministry of Finance</p>	<p>In the case of a motor vehicle imported by a diplomatic mission, project, person or other body (government or non-governmental organization) under tariff facility and the initial manufacturing of which has crossed <b>fifteen years</b>, when cancelling the registration of such old vehicle upon scraping it to be incapable of re-use, with the approval of the Ministry of Finance</p>
9(6A)	<p>A licensee involved in manufacturing and importation, who does not make renewal within the period under sub-section (5), shall have pay a fine of <b>fifty percent of the renewal fee if it is within the first three months of the expiration of such period, hundred percent within next three months thereafter and two hundred percent</b> within the end of that financial year for renewal of the license .</p>	<p>A licensee involved in manufacturing and importation, who does not make renewal within the period under sub-section (5), shall have pay a fine of fifty percent of the renewal fee if it is within the first three months of the expiration of such period and hundred percent within next three months thereafter for renewal of the license .</p>
16(4)(k)	<p>In the event of failing to collect excise duty when selling goods and services <b>produced by the enterprise under the self-release system</b>, or in the case of collecting less excise duty than required, hundred percent of the uncollected or under collected after collecting the excise duty.</p>	<p>In the event of failing to collect excise duty when selling goods and services under the self-release system, or in the case of collecting less excise duty than required, hundred percent of the uncollected or under collected after collecting the excise duty.</p>

Section	Amended Provision	Existing Provision
10J1	(1) Excise duty ticket shall be used on excisable goods specified by the department on production and import within Nepal. (2) The format of the excise duty ticket shall be as determined by the department.	Added by Finance Bill, 2081
10L	(1) Excise tickets that are unsuitable for use due to various reasons- such as not meeting departmental standard, being kept in stock but not attached, becoming dewy, worn out, eaten by dust, torn, or otherwise damaged can be destroyed. This also includes tickets that are unusable because the Government of Nepal's seal has changed, have no matching serial numbers, mismatched sizes or shapes, or have been partially burned or vandalized. The specified committee is responsible for destroying these tickets after verifying their quantity. But in the case of old tickets where the quantity cannot be ascertained, the committee can destroy by Muchulka. (2) Expired tobacco products, cigarettes, beer, wine and non-consumable products can be destroyed as specified.	Added by Finance Bill, 2081



## EXCISE TARIFF



**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
	0801.31.00	Cashew Nut in shell (raw form)	15%	10%	Change
	0802.11.00	--Almonds - In shell	15%	10%	Change
12.03	1203.00.00	Copra (dried coconut pulp unfit for human consumption)	-	15%	Newly Introduced
		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			
	1517.90.00	-Other	-	10%	Newly Introduced
	1703.10.00		Rs.105. per quintal.	Rs.110 per quintal	Change
	1703.90.00	-Other	Rs.105. per quintal.	Rs.110 per quintal.	Change
	1904.10.10	---Preparations containing less than 6% by weight of cocoa calculated on totally defatted basis or not completely coated with chocolate.	-	10%	Change
		---other			
	1904.10.91	----Cornflakes	-	10%	Newly Introduced
	1904.10.99	----Other	-	10%	Newly Introduced
	1904.20.00	-Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals	-	10%	Newly Introduced
	1904.30.00	-Bulgar wheat (a type of wheat that has been parched and dried).	-	10%	Newly Introduced
	1904.90.90	---other	-	10%	Newly Introduced
	2009.11.00	--Frozen	Rs. 13 per litre	Rs. 13.5 per litre	Change

**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
	2009.12.00	--Unfrozen, Brix value not exceeding 20	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.19.00	--other	Rs. 13 per litre	Rs. 13.5 per litre	Change
		-Grapefruit juice; pomelo juice:			
	2009.21.00	--of as Brix value not exceeding 20	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.29.00	--other	Rs. 13 per litre	Rs. 13.5 per litre	Change
	0	-Juice of any other single citrus fruit			
	2009.31.00	--of as Brix value not exceeding 20	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.39.00	--other	Rs. 13 per litre	Rs. 13.5 per litre	Change
	0	-Pineapple juice	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.41.00	--of as Brix value not exceeding 20	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.49.00	--other	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.50.00	-Tomato Juice	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.61.00	--Grape Juice having Brix value not exceeding 30	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.69.00	--other grape juice	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.71.00	--Apple Juice having Brix value not exceeding 20	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.79.00	--other grape juice	Rs. 13 per litre	Rs. 13.5 per litre	Change

**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
		-Juice of any other single fruit, nut or vegetable:			Change
	2009.81.00	--Cranberry ( <i>Vaccinium macrocarpon</i> , <i>Vaccinium oxycoccos</i> ) juice; lingonberry ( <i>Vaccinium vitis-idaea</i> ) juice	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.89.10	--Other:	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.89.10	---mango juice	Rs. 13 per litre	Rs. 13.5 per litre	Change
	2009.90.00	-mixture of juice	Rs. 13 per litre	Rs. 13.5 per litre	Change
<b>21.05</b>		ice cream and other edible ice, whether or not containing cocoa.	20%	30%	Change
	2106.90.20	Pan masala without Tobacco	Rs. 850 per kg	Rs. 875 per kg	Change
	2106.90.60	Scented areca nuts without Tobacco	Rs. 365 per kg	Rs. 675 per kg	Change
	2202.91.00	Non-alcoholic beer	Rs. 35 per litre	Rs. 45 per litre	Change
	2202.99.10	Energy Drinks	Rs. 50 per litre	Rs. 52 per litre	Change
22.03	0	Beer made from malt:			Change
	2203.00.10	...with up to 5 percent alcohol	Rs.235 per ltr	Rs.240 per ltr	Change
	2203.00.20	...more than 5 percent	Rs.235 per ltr	Rs.240 per ltr	Change

**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of Heading 20.09			Change
	2204.10.10	---Contains up to 12 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.10.20	---More than 12 percent and up to 17 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.10.30	---More than 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
		Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:			
		--In containers holding 2 Ltr or less			
	2204.21.10	Up to 12 percent alcohol ( for import only)	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.21.20	More than 12 percent and up to 17 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.21.30	More than 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
		In containers holding more than 2 ltr but not more than 10 ltr			Change
	2204.22.10	Up to 12 percent alcohol (for import only)	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.22.20	More than 12 percent and up to 17 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.22.30	More than 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
		Other			Change
	2204.29.10	Up to 12 percent alcohol ( for import only)	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.29.20	More than 12 percent and up to 17 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.29.30	More than 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
		Other grape must:			Change
	2204.30.10	Up to 12 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.30.20	More than 12 percent and up to 17 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2204.30.30	More than 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
		Other			

**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances			
		In containers holding 2 L or less			
22.05	2205.10.10	Up to 12 percent alcohol (for import only)	Rs.444 per ltr	Rs.460 per ltr	Change
			Rs.444 per ltr	Rs.460 per ltr	Change
	2205.10.20	More than 12 percent and up to 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
	2205.10.30	More than 17 percent alcohol			
		Other			
	2205.90.10	Up to 12 percent alcohol (for import only)	Rs.444 per ltr	Rs.460 per ltr	Change
	2205.90.20	More than 12 percent and up to 17 percent alcohol	Rs.444 per ltr	Rs.460 per ltr	Change
	2205.90.30	More than 17 percent alcohol	Rs.516 per ltr	Rs.535 per ltr	Change
		Other fermented beverages (for example, cider, perry, mead, saké); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included			Change
22.06	2206.00.10	Chhayang (Country Beer)	Rs.43 per ltr	Rs.48 per ltr	Change
		Other			

**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
<b>22.08</b>	2208.20.91	Readymade liquor of 15 u.p. power ( having 48.5 percent alcohol)	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
	2208.20.92	Readymade liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1345 per ltr , Rs.1790 per LP	Rs.1390 per ltr , Rs.1843 per LP	Change
	2208.20.93	Readymade liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.20.99	others	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
		whiskeys			
	2208.30.91	Readymade liquor of 15 u.p. power ( having 48.5 percent alcohol)	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
	2208.30.92	Readymade liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.30.93	Readymade liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1853 per LP	Change
	2208.30.99	others	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change

**EXCISE DUTY**
**The Major Changes brought by Finance Bill 2081 relating to Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
		Rum and other spirits obtained by distilling fermented sugar-cane products			
		Other			
	2208.40.91	Readymade liquor of 15 u.p. power ( having 48.5 percent alcohol)	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
	22.08.40.92	Readymade liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1345 per ltr , Rs.1790 per LP	Rs.1390 per ltr , Rs.1843 per LP	Change
	2208.40.93	Readymade liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.40.99	others	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
		Gin and Geneva :			
		Other			
	2208.50.91	Readymade liquor of 15 u.p. power ( having 48.5 percent alcohol)	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
	2208.50.92	Readymade liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1345 per ltr , Rs.1790 per LP	Rs.1390 per ltr , Rs.1843 per LP	Change
	2208.50.93	Readymade liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.50.99	other	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change



**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
		Vodka			
	2208.60.91	Readymade liquor of 15 u.p. power ( having 48.5 percent alcohol)	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
	2208.60.92	Readymade liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1345 per ltr , Rs.1790 per LP	Rs.1390 per ltr , Rs.1843 per LP	Change
	2208.60.93	Readymade liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.60.99	other	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
		Liquors and cordials			
	2208.70.20	Alcoholic mixed drinks (containing up to five percent alcohol only)	-	Rs.240 per ltr	Newly Introduced
		Other			
	2208.70.91	Readymade liquor of 15 u.p. power ( having 48.5 percent alcohol)	Rs.1800 per ltr, Rs.2120 per LP	1860 per ltr 2188 per LP	Change
	2208.70.92	Readymade liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1345 per ltr, Rs.1790 per LP	1390 per ltr 1843 per LP	Change
	2208.70.93	Readymade liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.70.99	Other	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change

**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
	2208.90.91	liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change
	2208.90.92	liquor of 25 u.p. power ( having 42.8 percent alcohol)	Rs.1345 per ltr , Rs.1790 per LP	Rs.1390 per ltr , Rs.1843 per LP	Change
	2208.90.93	liquor of 30 u.p. power ( having 39.94 percent alcohol)	Rs.1250 per ltr , Rs.1790 per LP	Rs.1290 per ltr , Rs.1843 per LP	Change
	2208.90.94	liquor of 40 u.p. power ( having 34.23 percent alcohol)	Rs.630 per ltr , Rs.1050 per LP	Rs.650 per ltr , Rs.1083 per LP	Change
	2208.90.95	liquor of 50 u.p. power ( having 28.53 percent alcohol)	Rs.485 per ltr , Rs.970 per LP	Rs.490 per ltr , Rs.980 per LP	Change
	2208.90.96	liquor of 70 u.p. power ( having 17.12 percent alcohol)	Rs.50 per ltr 1 , Rs.65 per LP	Rs.60 per ltr 2 , Rs.00 per LP	Change
	2208.90.99	other	Rs.1800 per ltr , Rs.2120 per LP	Rs.1860 per ltr , Rs.2188 per LP	Change

**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.			
	2402.10.00	Cigars, cheroots and cigarillos, containing tobacco	Rs.30 per khilli	Rs.31 per khilli	Change
		Cigarettes containing tobacco			
	2402.20.10	Not filtered	Rs.730 per ym	Rs.755 per ym	Change
		Filtered			
	2402.20.21	in a length up to 70 mm.	Rs.1690 per ym	Rs.1740 per ym	Change
	2402.20.22	in a length from 70 mm. up to 75 mm.	Rs.2300 per ym	Rs.2370 per ym	Change
	2402.20.23	in a length from 75 mm. up to 85 mm.	Rs.2970 per ym	Rs.3060 per ym	Change
	2402.20.24	in a length more than 85 mm.	Rs.4080 per ym	Rs.4200 per ym	Change
		Other			
	2402.90.10	Readymade beedi	Rs.94 per ym	Rs.96 per ym	Change
	2402.90.20	All kinds of cigar	Rs.30 per khilli	Rs.31 per khilli	Change
	2402.90.90	Other	Rs.30 per khilli	Rs.31 per khilli	Change

**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
24.03		Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences			
		Smoking tobacco, whether or not containing tobacco substitutes in any proportion:			
		Other			
	2403.91.00	"Homogenised" or "reconstituted" tobacco	Rs.475 per kg	Rs.500 per kg	Change
		Other			Change
	2403.99.10	Jarda, Khaini, Snuff, Ghutka and similar preparations containing chewing tobacco	Rs.850 per kg	Rs.880 per kg	Change
	2403.99.20	Packed chewing tobacco, to be mixed in lime, put up for retail sale	Rs.475 per kg	Rs.520 per kg	Change
	2403.99.30	Cut tobacco, dust tobacco not for retail sale	Rs.475 per kg	Rs.520 per kg	Change
		other			
	2403.99.91	Hukka falvour	Rs.1 400 per kg	Rs.1 500 per kg	Change
	2403.99.99	other	Rs.475 per kg	Rs.520 per kg	Change
	2404.11.00	-Tobacco containing or reconstituted Tobacco	Rs.475 per kg	Rs.520 per kg	Change
		Others containing nicotine:			
	2404.12.10 to 2404.19.00	electronic cigarette (vhcp)	Rs.475 per kg	40%	Change

**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
	3307.20.00	Personal deodorants and antiperspirants	15%	20%	Change
	3506.01.00	glues having a net weight of not more than 1 kg	-	5%	Change
	3506.91.00	OTHER Adhesives based on polymers of heading 39.01-39.13 OR RUBBER	-	5%	Change
	3506.99.00	Other	-	5%	Change
	3819.00.10	HYDRAULIC BRAKE FLUIDS	-	10%	Change
	3819.00.90	other	-	5%	Change
	3824.40.00	Supplements are prepared for cement, mortar or concrete	-	5%	Change
	3824.50.00	Non-refractory mortars and concretes	-	5%	Change
	3918.10.10	floor coverings in the form of tiles or rolls	5%	10%	Change
	3918.10.90	Other	5%	10%	Change
		Other Plastic			
	3918.90.10	floor coverings in the form of tiles or rolls	5%	10%	Change
	3918.90.90	Other	5%	10%	Change

**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
	4823.61.00 to 4823.69.00	Trays, plates, dishes, cups, tray made of paper or paperboard and like this including made of bambo.	-	10%	Newly Introduced
	4823.70.00	Articles made by molding or pressing paper pulp	-	10%	Newly Introduced
	7007.11.00 to 7007.29.00	tempered or laminated safety glass of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels	5%	-	Newly Added
	7604.10.10	Profiles of unalloyed aluminium	-	10%	Newly Introduced
	8471.30.10	Laptops and notebooks	-	5%	Newly Introduced
	8702.40.41 to 8702.40.49	Other vehicle (car, jeep, van) having up to 10 seats and pusher electric motor (including unassembled one)	-	5%	Newly Introduced
		other vehicle (car, jeep and van) having electric motor only (i.e. EV)			Newly Introduced
	8703.80.21 to 8703.80.29	motor peak-up power not exceeding 50 kv (including unassembled one)	-	5%	Newly Introduced

**EXCISE DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Excise Duty**

Heading	Sub heading	Description of Goods or Service	Old Excise Rate	New Excise Rate	Remarks
		motor peak-up power more than 50 kv but less than 100 kv:			Newly Introduced
	8703.80.51	Unassembled one	-	15%	Newly Introduced
	8703.80.59	other	10%	15%	Newly Introduced
		motor peak-up power more than 100 kv but less than 200 kv (including unassembled one)			Newly Introduced
	8703.80.61	unassembled one	-	20%	Newly Introduced
	8703.80.69	other	20%	20%	Newly Introduced
		motor peak-up power more than 200 kv but less than 300 kv (including unassembled one)	45%	35%	Newly Introduced
	8703.80.71	unassembled one	-	35%	Newly Introduced
	8703.80.71	other	45%	35%	Newly Introduced
		motor peak-up power more than 300 kv (including unassembled one)			Newly Introduced
	8703.80.81	unassembled one	-	50%	Newly Introduced
	8703.80.89	other	60%	50%	Changed
		Other			Newly Introduced
	8703.80.91	unassembled one	-	60%	Newly Introduced
	8704.60.90	Electric transportation vehicle-four wheeler	-	5%	Newly Introduced

## CUSTOMS DUTY

### Major Highlights



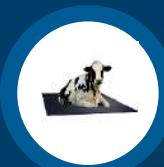
Customs relating to tariff exemption for import from Republic of India and Tibet, autonomous region of China, have been abolished.



Recovered (Waste and Scrap) paper or paperboard, Unwrought Aluminum, Unwrought Zinc are exempted from Custom Duty.



Steel milk cans imported by agricultural and dairy firms are subject to concessional duty rate of 1.00 % only.



Bedding mats for cattle imported by livestock firms and industries are subject to concessional duty rate of 1.00 % only.



Increase in Custom Duty on Import of electronic vehicle.





Section	Amended Provision	Existing Provision
34(18)	<p>The time to make post clearance audit has been reduced from four year to two year:</p> <p><b>Power to make post clearance audit</b>                      The assessment under this section can be conducted within <b>two years</b> <del>four-year</del> of check passed.                      However, if it is proved that an exporter or importer has prepared false documents or documents and filed a lower duty than the applicable law, the customs examiner may take the permission of the director general and conduct an examination even after <b>two years</b> <del>four-year</del>.</p>	<p><b>Power to make post clearance audit</b>                      The assessment under this section can be conducted within four years of check passed.                      However, if it is proved that an exporter or importer has prepared false documents or documents and filed a lower duty than the applicable law, the customs examiner may take the permission of the director general and conduct an examination even after four years.</p>
47(3)	<p><b>Ownership of goods seized and not cleared from customs belonging to Government of Nepal</b>                      The relevant customs office shall publish a public notice of <b>fifteen days</b> <del>seven days</del> for the clearance of the goods which have not been cleared within the period as per sub-section (2).</p>	<p><b>Ownership of goods seized and not cleared from customs belonging to Government of Nepal</b>                      The relevant customs office shall publish a public notice of seven days for the clearance of the goods which have not been cleared within the period as per sub-section (2).</p>
49(a)	<p><b>Goods to be forfeited</b>                      Parcel, packets or container used to pack or transport of goods <b>other than a container carried by cargo rail</b>.</p>	<p><b>Goods to be forfeited</b>                      Parcels, packets or containers used to pack or transport goods.</p>

<p>Schedule 04 Regarding Section 7(4)</p>	<p>Other Provision regarding Custom Tarrif Act: (B) In the case of gold ornaments,- (a) No duty shall be levied on gold jewelery up to twenty five grams in case of men and fifty grams in case of women. (b) In excess of the quantity up to <b>50 gm</b> (Previously 100 gm) mentioned in sub-section (a) fees will be charged at the prevailing rate. (c) In addition to the customs duty charged according to the prevailing rate, an additional duty of three percent will be charged on gold jewelery up to <b>50 grams</b> (Previously 100 gm) in excess of the quantity mentioned in sub-section (b).  But articles made in the shape of ordinary ornaments, such as rings, bangles, sikri, etc., (Chemicals not used), shall not be recognized as ornaments for the purposes of sub-section (a), (b) or (c).</p>
<p>Schedule 01 Clause 3 and 4</p>	<p>Customs relating to tariff exemption for import from Republic of India and Tibet, autonomous region of China, have been abolished.</p>
<p>Exempt from Custom duty:</p>	<p>47.07 -Recovered (Waste and Scrap) paper or paperboard 76.01 -Unwrought Aluminium 79.01 -Unwrought Zinc</p>
<p>1% Custom Duty attractive</p>	<p>72.01 -Pig iron &amp; spiegeleisen in pigs , blocks or other primary forms 72.02 -Ferro Alloys 72.04 -Ferrow waste &amp; Scrap , remelting scraps ingots of iron or steel Steel milk cans falling under subheadings 7310.10.00, 7310.21.00 and 7310.29.00 imported by agricultural and dairy firms producing more than 1000 liters of milk per day. Bedding mats for cattle falling under subheading 4016.91.00 imported by livestock firms and industries on the recommendation of the concerned local level.</p>



# CUSTOMS TARIFF



**IMPORT DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Customs**

Heading	Sub-heading	Description of Article	Unit	Import Duty (% except otherwise specified) for FY 2081-82	Import Duty (% except otherwise specified) for FY 2080-81
07.10		Vegetable (uncooked or cooked by steaming or boiling in water) , Frozen			
	0710.10.00	Potatoes	kg	15	10
08.01		Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled			
	0801.31.00	Cashew with Shell	kg	10	15
09.10		Ginger, Saffron , Turmeric , thyme , bay leaves , curry and other spices			
	0910.91.00	MiXtures (MASALA)	kg	30	20
39.26		Other articles of plastics & articles of other materials of headings 39.01 to 39.14			
	3926.90.31	Urine Bag	kg/nos	-	5
40.15		Articles of apparel and clothing accessories (including gloves, mittens and mitts), for all purposes, of vulcanised rubber other than hard rubber.			
	4015.12.00	Of a kind used for medical, surgical, dental or veterinary purposes	kg/pair	15	5
48.10		Paper and paperboard, coated on one or both sides with kaolin (China Clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size.	kg	20	15
56.04		Rubber thread and cord, textile covered; textile yarn, and strip and the like of Heading 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics.			
	5604.10.00	Rubber thread and cord, textile covered	kg	5	15



**IMPORT DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Customs**

Heading	Sub-heading	Description of Article	Unit	Import Duty (% except otherwise specified) for FY 2081-82	Import Duty (% except otherwise specified) for FY 2080-81
69.11		Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.			
	6911.10	Tableware and kitchenware	nos/kg	20	15
	6911.90	other	nos/kg	20	15
69.12	6912.00	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china.	nos/kg	20	15
71.08		Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form.	kg	20	15
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	Of cast iron, enamelled	kg	20	10
	7323.99	Other	kg	20	10
85.39		Electric filament or discharge lamps, including sealed beam lamp units and ultra-violet or infra-red lamps , arc lamps , light-emitting light diode (LED) light sources (other than Parts under HSN Code 8539.90.00)	nos	20	15
87.02		Motor vehicles for transport of ten or more persons , including the driver.			
		Jeep , Car , Van			
	8702.40.41	Unassembled	nos	15	10
	8702.40.49	other	nos	15	10

**IMPORT DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Customs**

Heading	Sub-heading	Description of Article	Unit	Import Duty (% except	Import Duty (% except
				otherwise specified) for	otherwise specified) for
				FY 2081-82	FY 2080-81
87.03		Motor cars and other motor vehicles principally designed for the transports of persons (other than those of Heading 87.02), including station wagons and racing cars.			
		Car, Jeep, Van with motor's peak power upto 50kw :			
	8703.80.21	Unassembled	nos	15	10
	8703.80.29	other	nos	15	10
		Car, Jeep, Van with motor's peak power exceeding 50 kw but not exceeding 100kw::			
	8703.80.51	Unassembled	nos	20	15
	8703.80.59	other	nos	20	15
		Car, Jeep, Van with motor's peak power exceeding 100 kw but not exceeding 200kw:			
	8703.80.61	Unassembled	nos	30	20
	8703.80.69	other	nos	30	20
		Car, Jeep, Van with motor's peak power exceeding 200 kw but not exceeding 300kw:			
	8703.80.71	Unassembled	nos	60	40
	8703.80.79	other	nos	60	40
		Car, Jeep, Van with motor's peak power exceeding 300kw:			
	8703.80.81	Unassembled	nos	80	60
	8703.80.89	other	nos	80	60
		other			
	8703.80.91	Unassembled	nos	60	40
	8703.80.99	other	nos	80	60
87.04		Motor vehicles for transport of goods:			
	8704.60.90	Other four wheelers	nos	15	10

**IMPORT DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Customs**

Heading	Sub-heading	Description of Article	Unit	Import Duty (% except otherwise specified) for FY 2081-82	Import Duty (% except otherwise specified) for FY 2080-81
87.15		Baby Carriage & Parts Thereof			
	8715.00.10	Stroller	nos/k g	30	5
95.05		Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes.			
		Articles for Christmas festivities			
	9505.10.10	of felt	kg	20	10
	9505.10.90	other	kg	20	10
96.03		Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand- operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees).	nos	15	10
96.13		Cigarette lighters and other lighters, whether or not mechanical or electrical, and parts thereof other than flints & winks (Except Parts under HSN Code 96139000)	nos	30	15
96.19		Sanitary towels (pads) and tampons, napkins (diapers), napkin liners and similar articles, of any material.			
	9619.00.40	Tampons and menstrual cups	nos/k g	5	15

**EXPORT DUTY**
**The Major Changes Brought Forward By Finance Bill 2081 Relating To Customs**

Heading Sub-heading	Description of Article	Unit	Export Duty (% except	Export Duty (% except
			otherwise specified) for FY 2081-82	otherwise specified) for FY 2080-81
07.13	Dried leguminous vegetables, shelled, whether or not skinned or split.			
0713.40.90	Split Red Lentils	kg	-	Rs 1 / kg
39.02	Primary polymers of propylene or other olefins.	kg	Rs 5 / kg	-
44.01	Fuel wood, in logs, in billets, in twigs, in faggots, or in similar forms (other than Sawdust and wood waste and scrap, agglomerated in logs, briquettes, pellets or similar forms)		50%	200%
44.01	Sawdust and wood waste and scrap, agglomerated in logs, briquettes, pellets or similar forms		-	10%
44.03	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.		50%	200%
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.		50%	200%
44.05	Wood wool, wood flour.		50%	200%
44.06	Railway or tramway sleepers (cross- ties) of wood.		50%	200%
44.07	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.		50%	200%



**FEE UNDER CARNET FACILITY**
**Existing provisions of Carnet Facility not amended by Finance Bill 2081**

S.N.	Vehicles	Fee as per New Provision	Fee as per Old Provision
a	Tractor	Rs. 500 per diem	Rs. 500 per diem
	Trailer or tractor fitted with a trailer	Rs. 800 per diem	Rs. 800 per diem
b	Car, jeep and van	Rs. 600 per diem	Rs. 600 per diem
c	Tourist vehicles including bus and mini-bus	Rs. 600 per diem	Rs. 600 per diem
d	Motorcycle including scooter	Rs. 200 per diem	Rs. 200 per diem
e	Three-wheeler vehicles	Rs. 400 per diem	Rs. 400 per diem

**ROAD TAX**
**Amendments in Road Tax of Vehicles**

Road tax on different vehicle has been amended and the amended provisions are in the Annexure – 2 of the Finance Bill 2081. Detailed classifications of the vehicles has been mentioned along with applicable rate in that schedule. Road tax is levied at custom points including unassembled vehicles in case of import and also in case of domestic production it is levied at the time of registration of such vehicle.

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**NBSM Consulting Private Limited**

Four Square Complex, Block C & D  
Narayan Chaur, Naxal, Kathmandu, Nepal  
T : 977-1-4433069 | 4415242  
E : [info@nbsm.com.np](mailto:info@nbsm.com.np)  
W: [www.nbsm.com.np](http://www.nbsm.com.np)