

Nepal Budget

2083/84 (2026/27)

Highlights from Tax Perspective










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OVERVIEW

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Five Objectives of Budget

Strategic direction for fiscal year 2083 / 84

01

OBJECTIVE 01

High, Sustainable & Broad-Based Growth

02

OBJECTIVE 02

Foster entrepreneurship and expand public and private investment to create jobs

03

OBJECTIVE 03

Enhance economic efficiency by leveraging AI, digital infrastructure and innovation

04

OBJECTIVE 04

Establish social protection systems and balanced regional development

05

OBJECTIVE 05

Transparent, accountable and citizen-friendly service delivery

BUDGET PRIORITIES

Priorities of Budget

Strategic focus areas

Budget 2083 / 84 (2026 / 27)

01 **INFRASTRUCTURE**
NPR 286B ~ 286Arba
Road & bridge construction

Road and urban infrastructure, including upgrading the 1,028-km East–West Highway to four lanes.

02 **ENERGY**
NPR 85B ~ 85Arba
+1,040 MW → 5,535 MW total

Clean energy development across generation, transmission, and distribution.

03 **AGRICULTURE**
NPR 46B ~ 46Arba
Up to 40% capital subsidy

Agriculture revival and food security: irrigation, crop insurance, fertiliser supply, and subsidies for farmers investing up to NPR 2 crore.

04 **EDUCATION & HEALTH**
NPR 320B ~ 320Arba

Quality education and universal health services; target of 90% population under health insurance within three years.

05 **INVESTMENT & DIGITAL**
Investment Express
+ sovereign AI compute centre

Investment promotion, good governance, and digital public services, including a single-window investment system.

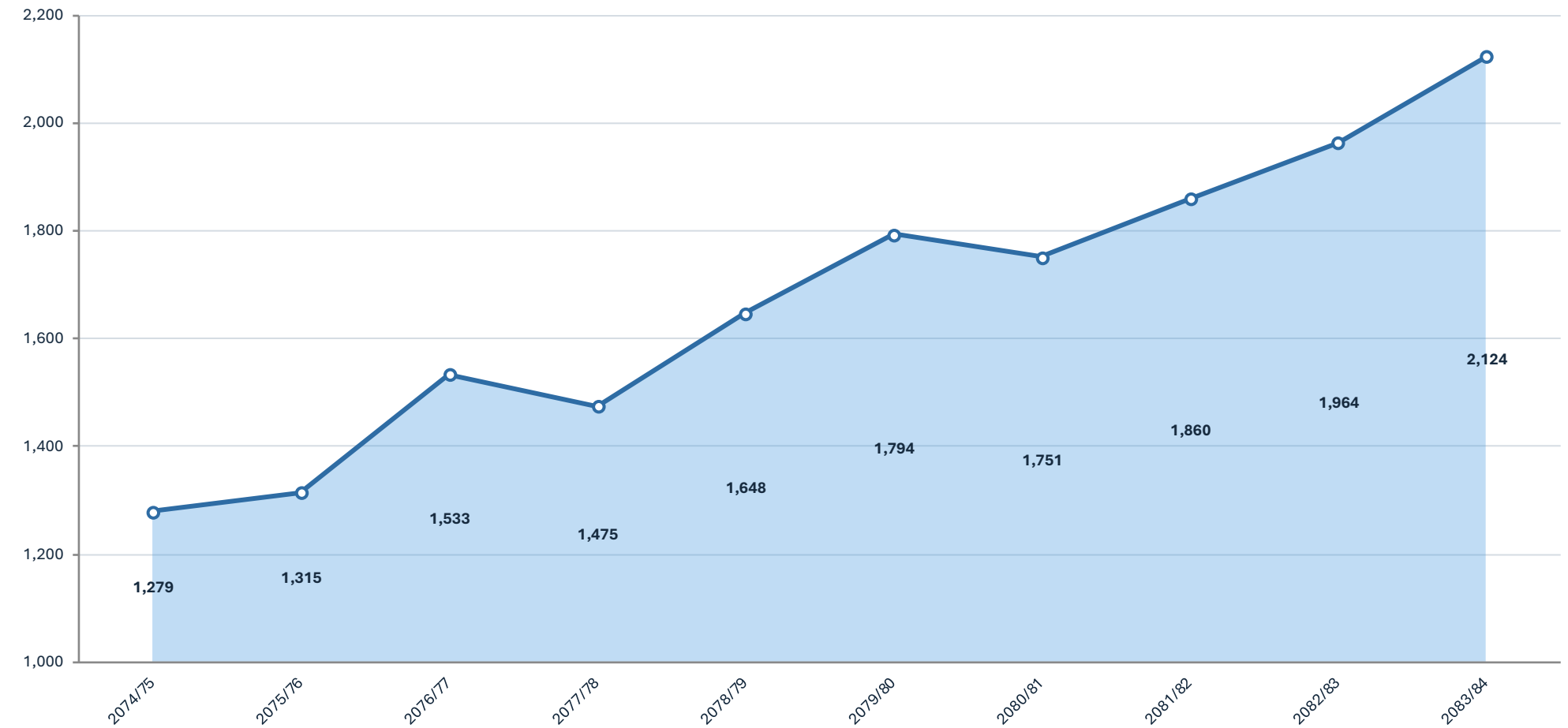
Summary of Budget

Total allocation and revenue source

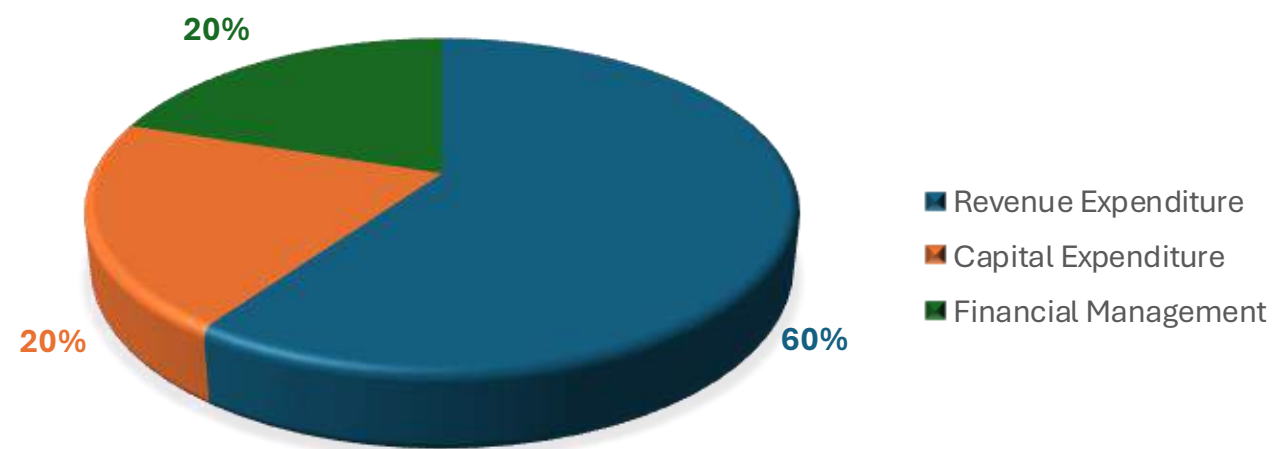
AMOUNT IN BILLIONS NPR

Particulars	Budget 2082/83	%	Budget 2083/84	%
ALLOCATION OF BUDGET				
Total Budget Allocated	1,964.11		2,124.34	
Revenue Expenditure	1,180.98	60.13%	1,270.58	59.80%
Capital Expenditure	407.89	20.77%	431.10	20.30%
Financial Management	375.24	19.10%	422.64	19.90%
SOURCE OF REVENUE				
Tax Revenue	1,315	73.67%	1,405.31	66.15%
Foreign Grant	53.45	8.20%	61.74	2.91%
Internal & Foreign Debt	595	18.13%	657.28	30.94%

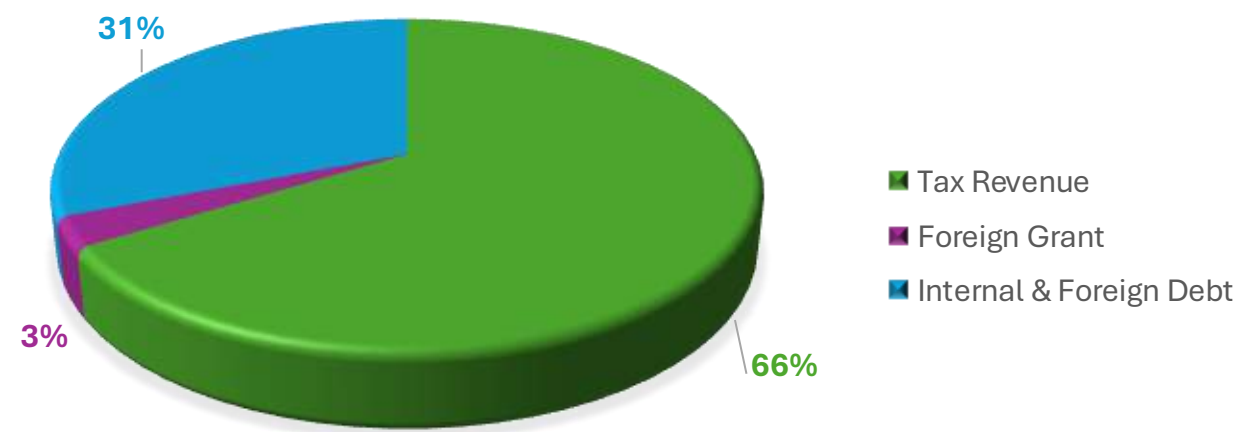
Year-wise Budget Comparison (NPR Billion)



BUDGET ALLOCATION



SOURCE OF REVENUE



Economic Vital Signs & Reform Pillars

MACROECONOMIC BAROMETER & VITAL SIGNS

Economy Size

Rs 66T

Est. · PCI USD 1,535

Forex Reserves

18.5 mo

Rs 3.49T held

Inflation

2.13%

Current average

Public Debt

43.6%

Share of GDP

Remittances

+37.7%

YoY growth

Trade Deficit

+11.2%

YoY growth

Sovereign Rating

BB-

Stable outlook

ADB Forecast

5.1%

vs 7.0% target

THE STRUCTURAL PIVOT - THREE REFORM PILLARS FOR A 7% GROWTH PROJECTION

PILLAR I



Prudence & Workforce

- 31 agencies abolished, 6 merged - NRs 20B targeted savings
- Zero-tax band raised to Rs 1M; top rate cut 39% to 29%
- Inheritance tax removed; 21% net pay rise after 4-yr freeze



PILLAR II

Hydropower-AI Value Chain

- Clean-energy surplus from Nepal's hydropower output
- Sovereign AI Centre, Syuchatar - subsidised hydro-compute
- High-value digital exports beyond geographic trade barriers



PILLAR III

Domestic & Global Capital

- Rs 3.49T forex into a structured Sovereign Wealth Fund
- Nepal Telecom 34% to public; FDI & NRN market reforms
- Diaspora bonds by Jan 2027; tax-dispute amnesty clears backlogs

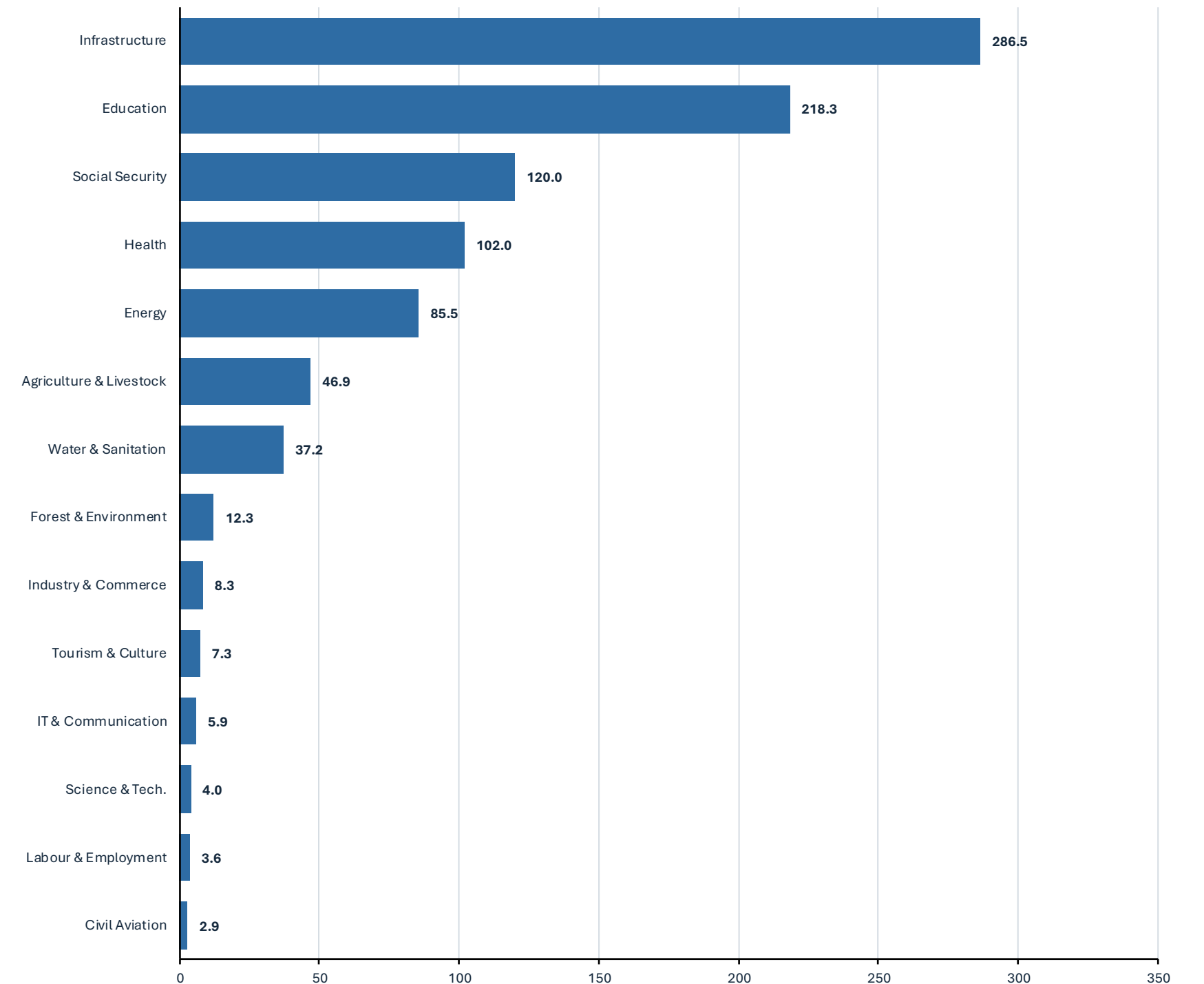
BUDGET COMPARISONS

Year-wise Comparison

● GDP & Inflation (%) - incl. FY 2083/84 Targets



● Allocation by Sector (NPR Billion)



Income Tax Reforms

Relief for individuals, incentives for IT, investment and industry

Individual Relief

- Income tax exemption limit for individuals doubled to NPR 10 lakh; top individual rate cut by 10 percentage points
- Deduct up to NPR 10,000 for residential building insurance for income tax purposes
- Children Education Fee Deductible = 25% of Annual Fee or 25,000 w.e. is lower

IT Sector Incentives

- 50% tax exemption on income from the export of IT services
- Sweat equity received by IT personnel is 100% exempt from taxable income

Investment & Industry

- Capital gains tax on sale of listed-company securities is now final
- Full 10-year income tax exemption for new cinema halls outside metro / sub-metro areas and for agriculture processing industries
- Interest earned by non-profit development finance institutions wholly owned by friendly nations on loans in Nepal is exempt

Deductions

- Donation to TEO increased to 3 lakh from 1 lakh
- CSR amount spent now deductible



AT A GLANCE

Doubling individual relief while powering IT, investment & industry growth

NPR 10 lakh

New individual exemption limit (doubled)

10 pts

Cut in top individual income-tax rate

50% / 100%

IT export exemption / sweat-equity exemption

Taxes - General

Fees, Health Risk Tax and general tax rates

Luxury & Sector Fees

Fee Type	Application	2082/83	2083/84
Luxury Fee	Service by 5-star+ hotels/resorts & imported liquor	2%	2%
Luxury Fee	Sale of gold & gold ornament	2%	Nil
Skill Promotion Fee	Sale of gold & silver jewelry to final consumers	NA	0.5%
Education Equity Fee	Educational institutions run by private sector	NA	3%
Health Equity Fee	Health services by private sector hospitals	NA	3%
Royalty	Casino via modern machines & equipment	5/1.5 cr	5.5/3 cr

Health Risk Tax

Item/Service	Tax Basis	2082/83	2083/84
Bidi	Per stick	30 Paisa	30 Paisa
Cigarettes/Cigars	Per stick	60 Paisa	60 Paisa
Heated Tobacco	On value at customs	10%	10%
E-cigarettes / vapes (nicotine or free)	Per Unit	Rs. 30	Rs. 60
Tobacco/Other	Per Kg (Khaini, Gutkha)	Rs. 60	Rs. 60

General Tax Rates

Particulars	Budget 2083/84 Rates & Provisions
Pollution Control Tax	NPR 1.50 per litre on sale of petrol and diesel.
Telephone Ownership Fee	NPR 500 per telephone customer. Mobile / SIM / recharge card: 2%. Even on change of ownership.
Telecommunication Service Fee	10% on amount charged for telephone, mobile, internet services.
Education Service Fee	3% on foreign-exchange facility for a student going abroad, toward tuition fees.
Digital Service Tax	2% on transaction value where a Non-Resident provides Digital Service to a Resident. Threshold NPR 3 Million.
Foreign Employment Service Tax	1% of foreign employment service fee received from person going abroad.
Film Development Tax	15% on every class ticket for foreign movies. Cabin showings: 20%.

No Digital Service Tax on annual transactions up to NPR 3 Million, or on sales through a digital interface to Business Users in Nepal for commercial purposes.

Indirect Tax Reforms

VAT, customs duty and excise duty measures

VALUE ADDED TAX (VAT)

Consumer Incentives

- 10% VAT discount at purchase when paying through digital methods

System Improvements

- Automatic VAT refund system plus lottery programs to encourage a billing culture

Sectoral Relief

- Concessional VAT rate on electricity use above 50 units / month for end consumers
- VAT exemption on import of machinery for cold stores, packaging & testing labs in agri-processing

Policy Review

- High-level committee to study the impact of introducing multiple VAT rates

CUSTOMS DUTY

- Customs duty levels reduced from 11 to 7
- Duties on 273 raw materials lowered to sit at least one level below finished goods
- EV duties shift from peak-power to ad-valorem basis; new “Clean Infrastructure Investment Fee” at import to support EV production & battery management
- Duty exemption on raw materials for artificial limbs & disability assistive devices
- “Blue Lane” for authorized business persons; online declaration & payment for temporary import of tourist vehicles

EXCISE DUTY

- Excise duty on 360 items abolished
- Infrastructure development tax & road maintenance fees merged into a single “Green Tax”
- New “Internal Production Promotion Fee” on certain imports to protect local industry
- Cigarette excise up ~10%; hikes on liquor and beer; micro-breweries brought under the excise net
- Digital excise stamps & “Electronic Track and Trace”; shift to a risk-based self-removal model

SECTION 04

Tax Amnesty Scheme & Benefits to Tax Payers

Waiver provisions in Tax, Vat, Excise, Customs
and others for 2083 / 84



04

Amnesty Schemes & Benefits

Scheme / Category	To Whom	How (Requirements & Deadlines)
Income Tax Waiver for Unregistered Persons	Person who earned taxable income in the past without a Permanent Account Number (PAN) and failed to file returns.	Obtain a PAN, submit income returns for fiscal years 2079/080 to 2082/083, and pay the corresponding tax by the end of Poush 2083.
Income Tax Waiver for Inactive Registered Taxpayers	Person with a PAN who had no business or income but failed to file returns for FY 2081/082 or earlier.	Submit income returns and pay tax for FY 2082/083 and apply for either business continuation or PAN cancellation by the end of Poush 2083.
Income Tax Interest & Fee Waiver for Existing Taxpayers	Person with a PAN who have outstanding taxes and returns.	Submit pending returns and pay the outstanding tax plus an additional 1% amount by the end of Poush 2083.
Value Added Tax (VAT)	VAT-registered persons who failed to collect/file tax for past transactions or failed to submit returns despite collecting tax.	Submit tax returns (up to Chaitra end 2082) and pay the outstanding tax plus an additional 1% amount by the end of Poush 2083.
Excise Duty	Persons (whether licensed or not) who failed to pay excise duty on past transactions.	Submit returns as per Section 10A of the Excise Act, pay the required excise duty, and an additional 1% amount by the end of Poush 2083.
Excise License Renewal	Licensee who failed to renew their excise license within the prescribed timeframe.	Renew the license for FY 2082/083 and pay the required renewal fees by the end of Ashoj 2083.
Amnesty for Filed Returns with Arrears	Persons who filed VAT, Income Tax, or Excise returns but have outstanding dues as of Jestha 15, 2083.	Pay the outstanding tax amount along with an additional 1% amount by the end of Poush 2083.

Amnesty Schemes & Benefits (continued)

Scheme / Category	To Whom	How (Requirements & Deadlines)
Amnesty for Tax Assessment Dues	Persons with outstanding dues arising from tax assessments (VAT, IT, Excise) made up to Jestha 15, 2083.	Pay the assessed tax amount plus an additional 1% amount by the end of Poush 2083 (this does not apply to telecommunication services).
Casino License Renewal	Casino operators who have cleared their dues up to FY 2082/083 but have not yet renewed their license.	Pay a fine equal to 15% of the renewal fee to regularize the license for FY 2083/084 after the casino fulfills the terms and criteria under Tourism Act, 2035 and Casino Regulation, 2082
Litigation Withdrawal	Persons with pending tax cases in administrative review or courts as of Jestha 15, 2083.	Withdraw the case and pay the determined tax amount plus an additional 1% amount by the end of Poush 2083 (this does not apply to telecommunication services).
Amnesty for Employees of UN/International Organization	Resident individuals working in the UN, international organizations, or diplomatic missions who are not entitled to Tax exemption under Vienna Convention have not paid income tax on their remuneration.	Obtain a PAN, submit returns for FY 2079/080 to 2082/083, and pay the tax plus an additional 1% amount by the end of Mangsir 2083.
Companies Act	Companies registered under the Companies Act, 2063, that failed to file returns or renew within the deadline.	Submit pending returns and pay the required tax and fees for FY 2082/083 by the end of Ashoj 2083.
Annual Financial Act Dues	Persons with unpaid duties, fees, or taxes under various annual Financial Acts and also case pending in court regarding same	Submit pending returns and pay the outstanding amount plus an additional 1% amount by the end of Mangsir 2083.

INCOME TAX

Income Tax - Slab Rate

Slab rates, entity rates, cooperatives and other transactions

Personal Income Tax - Slab Rates

Slab	FY 2082-83 (Single)	FY 2082-83 (Couple)	Amended FY 2083-84 (Single/Couple)
Band 1	First 500,000 @ 1%*	First 600,000 @ 1%*	Up to 1,000,000 @ 1%*
Band 2	Next 200,000 @ 10%	Next 200,000 @ 10%	Next 500,000 @ 10%
Band 3	Next 300,000 @ 20%	Next 300,000 @ 20%	Next 1,000,000 @ 20%
Band 4	Next 1,000,000 @ 30%	Next 900,000 @ 30%	Next 1,500,000 @ 27%
Band 5	Next 3,000,000 @ 36%	Next 3,000,000 @ 36%	Balance @ 29%
Additional	Above 5,000,000 @ 39%	Above 5,000,000 @ 39%	Capped at 29%

Other Transactions (Non-Resident)

Nature of Transaction	82/83	83/84
Normal transactions (Non-Resident)	25%	25%
Repatriation of income by Foreign PE	5%	5%

Entity Tax Rates

Nature of Entity	2082/83	2083/84
Normal Tax Rate (Sch 1 Sec 2(2))	25%	25%
Bank & Financial Institution	30%	30%
Financial Transactions (Bittiya Karobar)	30%	30%
General Insurance Business	30%	30%
Petroleum Industries (Act 2010)	30%	30%
Merchant Bank, Telecom, Internet, Money Transfer, Capital Market, Securities Brokers	30%	30%
Non-resident air/water/telecom embarking from Nepal	5%	5%
Non-resident: ticket booked in Nepal, foreign departure	2%	2%

Tax on Cooperatives (Sec 11)

Nature of Cooperative	2082/83	2083/84
Exempt cooperatives (Sec 11)	Nil	Nil
Saving & Credit - Metropolitan City	20%	20%
Saving & Credit - Sub-Metropolitan City	15%	15%
Saving & Credit - Other Municipalities	10%	10%
Other Cooperatives - Metropolitan City	10%	10%
Other Cooperatives - Sub-Metropolitan City	7%	7%
Other Cooperatives - Other Municipalities	5%	5%

Notes on Tax Rates

Deductions, rebates and disposal rates

1. *Natural person working in remote areas: deduction from taxable income up to Rs. 50,000.*
2. *Social Security Tax not applicable for natural persons with Pension income, SSF contributors and Proprietorship Firm.*
3. *Incapacitated Resident Natural Persons: additional 50% deduction of the amount under the first tax slab.*
4. *Resident Natural Person with life insurance: deduction of actual premium or Rs. 40,000 whichever is less.*
5. *Resident Natural Person with Health Insurance: deduction of actual premium or Rs. 20,000 whichever is less.*
6. *Resident Natural Person with House Insurance: deduction of actual premium or Rs. 10,000 whichever is less.*
7. ***Resident Natural Person has made payment for the education of his children: deduction of an amount equal to 25% of the annual tuition fee paid or Rs. 25000 whichever is lower.***
8. *Employee at foreign diplomatic mission of Nepal: only 25% of foreign allowances included in salary income.*
9. *Female employee with only employment income: 10% rebate on tax liability.*
10. *Resident natural person with pension income: additional deduction equivalent to 25% of first slab amount.*
11. *Gain on disposal of listed securities (resident natural person), levied at settlement by stock exchange: **7.5% if held more than 365 days; 10% if 365 days or less.***
12. *Gain on disposal of Non-Business Chargeable Asset : **7.5% if held 5 years or more; 10% if less than 5 years.***
13. *Resident natural person not in business but receiving foreign currency for software / electronic services outside Nepal: 5%.*
14. *Resident natural person not in business but receiving foreign currency for consultancy services outside Nepal: 5%.*
15. *Resident natural person not in business but receiving foreign currency for uploading audio visual material on social network: 5%.*

Withholding Taxes

S.N.	Nature of Transaction	FY 82/83	FY 83/84
A	Interest on deposit up to Rs 10,000 (Micro Finance, Rural Development Bank, Postal Saving Bank, Co-operatives under Sec 11(2ka) in Village Municipality)	Exempt	Exempt
B	Wind fall gains; Literature / Arts / Culture / Sports / Journalism / Science / Public Admin up to Rs 5 lakh	25% / Nil	25% / Nil
C	Rent paid by resident person (No TDS on rent paid to natural person)	10%	10%
D	Dividend paid by resident entity (Resident and Non-Resident)	5%	5%
E	Gain on investment insurance	5%	5%
F	Gain from unapproved retirement fund	5%	5%
G	Interest paid by resident BFIs / Debenture Issuer / Listed company to natural person not in business	6%	6%
H	Payment for articles published in newspaper	No TDS	No TDS
I	Interest paid to resident bank, other FIs	No TDS	No TDS
J	Inter-regional interchange fee paid to credit card issuing bank	No TDS	No TDS
K	Interest or fees paid by GoN under bilateral agreement	No TDS	No TDS
L	General insurance premium to resident insurance company	No TDS	No TDS
M	Premium to non-resident insurance company	1.5%	1.5%
N	Contract payment exceeding Rs 50,000 (single contract within 10 days)	1.5%	1.5%
O	Interest and dividend paid to Mutual Fund	No TDS	No TDS
P	Consultancy fee - Resident with VAT invoice / without VAT	1.5% / 15%	1.5% / 15%

S.N.	Nature of Transaction	FY 82/83	FY 83/84
Q	Payment on contract to Non-Resident Person (aircraft repair / repair / another contract)	5%	5%
R	TDS on dividend by Mutual Fund to natural person	5%	5%
S	Payment by Resident Person for satellite, bandwidth, optical fibre, telecom or electric transmission equipment services	10%	10%
T	Dividend paid by Partnership Firm to Partners	5%	5%
U	Freight transportation / vehicle rental (service provider not VAT registered)	2.5%	2.5%
V	Freight transportation / vehicle rental (other)	2.5%	2.5%
W	Freight / vehicle rental (service provider VAT registered)	1.5%	1.5%
X	Passenger Vehicle Rent: VAT Registered / No VAT	1.5% / 10%	1.5% / 10%
Y	Payment for question setting, answer evaluation	15%	15%
Z	Non-Resident Company - commission for reinsurance	1.5%	1.5%
AA	Payment to Consumer Committee	1.5%	1.5%
AC	Cashback / encouragement to consumers via cards, e-money, mobile banking	No TDS	No TDS
AD	Interest on Deposit of Life Insurance Companies	5%	5%
AE	Royalty to resident person for literary articles (Rachana)	1.5%	1.5%
AF	Interest on loan paid to Foreign Bank / FI by reservoir or semi-reservoir hydropower above 200 MW	5%	5%
AG	Commission Paid to Resident Insurance Agent	15%	20%

INCOME TAX

Advance Tax & Capital Gain Tax

Advance Tax

S.N.	Nature of Transaction	Rate (FY 2082/83)	Rate (FY 2083/84)
A	Profit and gain from commodity future market	10%	10%
B	Foreign Currency Exchange by resident bank for students abroad (language exam, standardised test)	15%	15%
C	Payment received by resident natural person not engaged in business in foreign currency for software / electronic services from outside Nepal (Bank / FI / Money Transfer collects)	1%	1%
D	Payment received by resident natural person not engaged in business in foreign currency for Consultancy services from outside Nepal (Bank / FI / Money Transfer collects)	5%	5%
E	Payment received by resident natural person not engaged in business in foreign currency for uploading audiovisual content (Bank / FI / Money Transfer collects)	1%	1%
F	E-commerce operator at the time of making payment to a person supplying goods, services, or both through its platform	1%	1%
G	A resident person operating a ride-sharing service shall be required to withhold advance tax at the rate of one percent on the amount payable in consideration of services rendered by a natural person affiliated with and providing services through its platform.	NA	1%

Capital Gain Tax

S.N.	Nature of Transaction	FY 2082/83	FY 2083/84
1	Capital gain from disposal of listed securities by resident individual holding shares for more than 365 days	5% of Gain	7.5% of Gain
2	Capital gain from disposal of listed securities by resident individual holding shares for 365 days or less	7.5% of Gain	10% of Gain
3	Capital gain from disposal of listed securities by resident entity	10% of Gain	10% of Gain
4	Capital gain from disposal of listed securities by other persons (e.g., non-residents)	25% of Gain	25% of Gain
5	Capital gain from disposal of unlisted securities by resident individual	10% of Gain	10% of Gain
6	Capital gain from disposal of unlisted securities by resident entity	15% of Gain	15% of Gain
7	Capital gain from disposal of unlisted securities by other persons (e.g., non-residents)	25% of Gain	25% of Gain
8	Disposal of non-business land/building owned for 5 years or more by an individual	5% of Gain	7.5% of Gain
9	Disposal of non-business land/building owned for less than 5 years by an individual	7.5% of Gain	10% of Gain
10	Disposal of land/building by persons other than those covered under Section 95A(5)	1.5% of disposal value	1.5% of disposal value
11	Compulsorily disposal of non-business taxable asset due to acquisition of land, belonging to a natural person, by the Government of Nepal	NA	2.5% of Gain
12	Where a natural person transfers, free of charge, land or a private building owned by him/her to the Government of Nepal, a Provincial Government, or a Local Level	NA	No capital gain tax

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 2 (aad)	- No corresponding provision –	<p>Subsection 4 added</p> <p>4) For the purposes of Sections 33, 33Ka and 33Kha:</p> <p>(a) An entity that, either by itself or together with its related persons, associated entities, or other persons/entities related to such associated entities, controls 30 percent or more of the income, capital, or voting rights of another entity, or derives benefit therefrom;</p> <p>(b) An entity that receives a loan amount equal to 50 percent or more of its total assets from any person providing the loan;</p> <p>(c) An entity whose income-generating activities are substantially or wholly dependent on the intellectual property rights, technical knowledge, or commercial rights of another person;</p> <p>(d) An entity that supplies 90 percent or more of the raw materials or consumable goods required by another person."</p>
Section 2 (b1)	- No corresponding provision -	<p>"(b1) 'International Transaction' means any transaction relating to goods, services, finance, or intangible assets conducted by any person with at least one non-resident person. The term also includes any other transaction that affects income, expenditure, assets, or liabilities."</p>

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 2 (aad1)	(aad1) "Adjusted taxable income" means the taxable income of any person for any income year calculated without reducing any amount under Sections 12, 12A., 12B. and 12C. or without any deduction under sub-section (2) of Section 14, Section 17 or 18.	(aad1) "Adjusted taxable income" means the taxable income of any person for any income year calculated without reducing any amount under Sections 12, 12A., 12B. 12C. And 12D. or without any deduction under sub-section (2) of Section 14, Section 17 or 18.
Section 2 (aah1)	- No corresponding provision -	'Safe Harbour Rule' means the conditions specified in Section 33A under which the transfer price shall be accepted as the arm's length market value."
Section 5	Taxable income and classification of income headings: The taxable income of any person in any income year shall be equal to the amount computed by subtracting the amount, if any, claimed pursuant to Sections 12, 12A., 12B., 12C., 63 or all these Sections from the grand total amount of assessable income of each of the following income headings in that income year:- (a) Business, (b) Employment, (c) Investment, and (d) Windfall gain.	Taxable income and classification of income headings: The taxable income of any person in any income year shall be equal to the amount computed by subtracting the amount, if any, claimed pursuant to Sections 12, 12A., 12B., 12C., 12D, 63 or all these Sections from the grand total amount of assessable income of each of the following income headings in that income year:- (a) Business, (b) Employment, (c) Investment, and (d) Windfall gain.
Section 8(3)	- No corresponding provision –	Clause e added (e) The amount equivalent to sweat equity shares received as remuneration for employment in the information technology industry.

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 10(i1)	- No corresponding provision -	Income received from the transfer, free of charge, of land or a private building owned by a natural person to the Government of Nepal, a Provincial Government, or a Local Level.
Section 10(i2)	- No corresponding provision -	Interest income earned from lending in Nepal by a financial institution established with full ownership of a foreign government and operating on a non-profit basis.
Section 10(i3)	- No corresponding provision -	Amount earned by a Drinking Water and Sanitation Consumer Organization registered under the Water Resources Act, 2049, in accordance with its objectives.
Section 10(11)	- No corresponding provision -	Amount earned by a university established and operating in Nepal in accordance with its objectives."
Section 11(2a)	No tax shall be levied on interest income of up to twenty-five thousand rupees per annum earned from deposits in a micro-financial institution, rural development bank, postal saving bank and cooperative referred to in sub-section (2) operating in the area of a Rural Municipality.	No tax shall be levied on interest income of up to twenty-five thousand rupees per annum earned from deposits in a micro-financial institution, rural development bank, postal saving bank and cooperative referred to in sub-section (2) operating in the area of a Rural Municipality. Provided that where the amount of interest exceeds NPR 25,000, tax shall be levied on the amount of interest exceeding NPR 25,000."
Section 11	Explanation: For the purposes of this Section,- (a) "Agricultural business" means a business of producing crops from a public or private land or acquiring rent or crops from a tenant using the land.	Explanation: For the purposes of this Section,- 'Agricultural Business' means a business involving the cultivation of grains and crops, fruit farming, animal and poultry farming, fish farming, and beekeeping."
Section 11(3ac)	- No corresponding provision -	A cinema hall established in areas other than Metropolitan Cities and Sub-metropolitan Cities shall be entitled to a tax exemption for a period of ten years from the date of commencement of its commercial operations.

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 12	(2) Notwithstanding anything contained in sub-section (1), the expenditure deductible in any income year pursuant to that sub-section shall not exceed one lakh rupees or five percent of the adjusted taxable income of such person for that year, whichever is the lesser.	(2) Notwithstanding anything contained in sub-section (1), the expenditure deductible in any income year pursuant to that sub-section shall not exceed three lakh rupees or five percent of the adjusted taxable income of such person for that year, whichever is the lesser.
Section 12D	- No corresponding provision -	Deduction for Corporate Social Responsibility (CSR) Expenditure A person, may deduct; while calculating taxable income for an income year, the amount spent during that year for the purpose of discharging Corporate Social Responsibility (CSR) in accordance with the prevailing law. Provided that, such deductible amount shall not exceed one percent (1%) of the total taxable income of that income year.
Section 21	(2) If a person whose annual turnover is more than twenty lakh rupees in any income year makes a cash payment of more than fifty thousand rupees at a time in that income year, he shall not be allowed to make that deduction except in the following circumstances:- (a) Payment made to the Government of Nepal, a constitutional body, a corporation or bank or financial institution owned by the Government of Nepal, (b) Payment made to a farmer or producer producing a primary agro-product, and payment to a farmer who has processed such product on his own, notwithstanding that primary processing of such product has already been carried out, (c) Payment for retirement contribution or retirement payment, (d) Payment made in a place where banking services are not available, (e) Payment made on the day when banking services are closed or payment involving a mandatory provision of payment in cash, or (f) Amount deposited in the bank account of the recipient of payment.	(2) If a person whose annual turnover is more than twenty lakh rupees in any income year makes a cash payment of more than twenty-five thousand rupees at a time in that income year, he shall not be allowed to make that deduction except in the following circumstances:- (a) Payment made to the Government of Nepal, a constitutional body, a corporation or bank or financial institution owned by the Government of Nepal, (b) Payment made to a farmer or producer producing a primary agro-product, and payment to a farmer who has processed such product on his own, notwithstanding that primary processing of such product has already been carried out, (c) Payment for retirement contribution or retirement payment, (d) Payment made in a place where banking services are not available, (e) Payment made on the day when banking services are closed or payment involving a mandatory provision of payment in cash, or (f) Amount deposited in the bank account of the recipient of payment.

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 33A	— No corresponding provision —	<p>Section 33A. Special Provisions Relating to Safe Harbour Rules</p> <p>(1) Notwithstanding anything contained in Section 33, a person having an annual turnover of up to NPR 100 crore and fulfilling the conditions prescribed in subsection (3) may determine the transfer price of a controlled transaction at the ordinary market transaction (arm's length) value under the Safe Harbour Rule.</p> <p>(2) A person opting for the Safe Harbour Rule under subsection (1) shall, while filing the income tax return, accept the transfer price as the ordinary market transaction (arm's length) value in the manner prescribed by the Department.</p> <p>(3) To qualify for the Safe Harbour Rule, any one of the following conditions must be satisfied:</p> <p>(a) The operating profit margin from Information Technology (IT) service exports is maintained at not less than five percent (5%) of operating costs.</p> <p>(b) The interest rate on intra-group loans denominated in foreign currency is fixed at a rate not exceeding the relevant benchmark rate plus 200 to 400 basis points, as prescribed.</p> <p>(c) For services with low value addition as prescribed by the Department, the service provider has added a profit mark-up of not more than five percent (5%) on the total cost of such services.</p> <p>(4) Once a taxpayer elects to apply the Safe Harbour Rule under this section, such arrangement shall continue to apply for five consecutive income years, unless there is a material change in the nature and circumstances of the transaction.</p> <p>(5) The procedures relating to the implementation of the Safe Harbour Rule under this section shall be as prescribed by the Department.</p>

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 33B	- No corresponding provision -	<p>Section 33B. Advance Pricing Agreement (APA)</p> <p>(1) Notwithstanding anything contained elsewhere in this Act, the Department may enter into an Advance Pricing Agreement (APA) with a taxpayer regarding the basis and methodology for determining the arm's length value of an international transaction between associated persons.</p> <p>(2) Where the Government of Nepal has entered into a Double Taxation Avoidance Agreement (DTAA) under Section 73 with a foreign country and such agreement contains provisions relating to the Mutual Agreement Procedure (MAP), the competent authority of Nepal may coordinate with the competent authority of the relevant foreign country and enter into an agreement under subsection (1) on a bilateral or multilateral basis.</p> <p>(3) An agreement under subsection (1) or (2) shall specify: The methodology to be applied for determining the arm's length price of the international transaction, a. Comparable assumptions, b. Critical assumptions, and c. Other necessary conditions. The value determined according to the methodology and procedure specified in the agreement shall, for the purposes of this Act, be treated as the arm's length value.</p> <p>(4) An agreement entered into under subsection (1) or (2) shall remain effective for the period specified in the agreement. However, such period shall not exceed five consecutive income years.</p> <p>(5) While entering into an agreement under subsection (1) or (2), the parties may mutually agree to include a rollback provision covering international transactions of up to four income years immediately preceding the year in which the agreement becomes effective.</p> <p>(6) An agreement entered into under this section shall be binding on both parties. Provided that, if there is a material change in the conditions specified in the agreement or in the applicable legal provisions, the agreement shall cease to be binding.</p>

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 33B		<p>(7) If it is established that a person obtained the agreement by fraud, misrepresentation of facts, or by submitting incorrect or false information, the Department may cancel such agreement with retrospective effect from the beginning. The Department shall provide notice of such cancellation to the concerned person.</p> <p>(8) The fee payable by a person wishing to enter into an agreement under this section shall be as prescribed.</p> <p>(9) The format of the application, required documents, renewal procedures of the agreement, and other related procedures under this section shall be as prescribed by the Department.</p>
Section 47A	Special provision on disposal as a result of merger of Banking and Financial institution and Insurance Companies	Removed
Section 57	<p>(1) If the ownership of any entity changes by fifty percent or more as compared to its ownership until before the last three years, the entity shall be deemed to have disposed of the property under its ownership or the liability borne by it.</p> <p>Provided that this provision shall not apply in a situation where old shareholders' and partners' share numbers and capital remain unchanged and new shareholders and partners are added and capital increases in a startup venture capital and private equity fund.</p>	<p>(1) If the ownership of any entity changes by fifty percent or more as compared to its ownership until before the last three years, the entity shall be deemed to have disposed of the property under its ownership or the liability borne by it.</p> <p>"Provided that this section shall not apply in the following circumstances:</p> <p>(a) where, in a startup venture capital fund or private equity fund, the number of shares and capital held by the existing shareholders or partners remain unchanged, and additional shareholders or partners are admitted resulting in an increase in capital; or</p> <p>(b) where, due to the death of a beneficiary (interest holder) of an entity, the interest held in that entity is transferred to the lawful heir through succession; or</p> <p>(c) where there is a change in the ownership of a resident entity solely because of a change in ownership of another resident entity holding an interest in that entity.</p>

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 72	(2) The Government of Nepal may, by a notification in the Nepal Gazette, establish large taxpayer offices, medium level taxpayer offices, inland revenue offices or taxpayer service offices under the Department and prescribe their working areas, in order to render assistance in fulfilling the responsibility of the Department mentioned in sub-section (1). The offices of which working areas have been so specified shall remain as organs of the Department.	(2) The Government of Nepal may, by a notification in the Nepal Gazette, establish large taxpayer offices, medium level taxpayer offices or inland revenue offices under the Department and prescribe their working areas, in order to render assistance in fulfilling the responsibility of the Department mentioned in sub-section (1). The offices of which working areas have been so specified shall remain as organs of the Department.
Section 75 (1a)	<i>- No corresponding provision -</i>	The interpretation made by the Department pursuant to Sub-section (1) shall be final.
Section 59	(1a) Amount up to five percent of the amount of loan due to be recovered and amount managed for non-banking property, kept in the risk bearing fund by the person operating banking business, shall be deducted as expenses, subject to the standards prescribed by the Nepal Rastra Bank.	(1a) Amount up to five percent of the amount of loan due to be recovered and amount managed for non-banking property, kept in the risk bearing fund by the person operating banking business or operating a hire-purchase business after obtaining approval from Nepal Rastra Bank , shall be deducted as expenses, subject to the standards prescribed by the Nepal Rastra Bank.
Section 81(1)	(1) Each person who is liable to pay tax pursuant to this Act shall, in Nepal, set up and maintain the following necessary documents, in addition to the documents required to be maintained in the format or type as prescribed by the Department, or to be certified or authenticated by audit or in any other manner:- (a) Necessary information and documents supporting the income returns or any other documents required to be submitted to the Department pursuant to this Act, (b) Documents assisting to assess the tax payable by that person, (c) Documents supporting the deduction of expenses.	(1) Each person who is liable to pay tax pursuant to this Act shall, in Nepal, set up and maintain the following necessary documents, in addition to the documents required to be maintained in the format or type as prescribed by the Department, or to be certified or authenticated by audit or in any other manner:- (a) Necessary information and documents supporting the income returns or any other documents required to be submitted including invoices to the Department pursuant to this Act, (b) Documents assisting to assess the tax payable by that person, (c) Documents supporting the deduction of expenses.

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 81(4)	(4) The Department may, upon prescribing the standards and procedures, give approval to any person to issue invoices through electronic means and to keep the documents required to be kept under sub-section (1) through electronic means.	(4) The Department may, upon prescribing the standards and procedures, may make necessary arrangements regarding maintenance through electronic means and to keep the documents required to be kept under sub-section (1) through electronic means.
Section 81(5)	(5) Notwithstanding anything contained in sub-section (4), the Department may, by publishing a notice, order the taxpayer specified in such notice to mandatorily issue invoices through electronic means and to connect such electronic means to the Central Billing Monitoring System (CBMS) of the Department.	(5) Notwithstanding anything contained in Sub-section (4), the Department may, by publishing a notice, require a taxpayer specified in such notice to: (a) compulsorily issue invoices through electronic means and integrate with the Department's Central Billing Monitoring System (CBMS); or (b) issue electronic invoices using the billing system provided by the Department.
Section 81 (6)	(6) The Department shall formulate and implement a working procedure relating to the security and reliability of the software or device for issuing invoices through electronic means. The relevant producer, distributor and user shall comply with such working procedure.	(6) The Department shall formulate and implement a working procedure relating to the security and reliability of the software or device for issuing invoices through electronic means.
Section 82A	- No corresponding provision -	Section 82A. Power to Obtain Information or Particulars For the implementation of this Act, the Department may, through electronic means, obtain information or particulars relating to the financial transactions of: any person residing or operating in Nepal under the prevailing laws; such person's customers; employees; service recipients; members; or any other person who possesses facts, information, or records relating to such person.

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
<p>Section 88(1)</p>	<p>(1) When a resident person makes payment for interest, natural resource, rent, royalty, service charge, commission, sales bonus, retirement payment and any other consideration having source in Nepal, and in making payment of the amount of any retirement payment, that person shall withhold tax at the rate of fifteen percent of the total amount of payment.</p> <p>Provided that tax shall be withheld in the following payments at the following rate:-</p> <p>(1) to (13) Sub-provisions</p>	<p>(1) When a resident person makes payment for interest, natural resource, rent, royalty, service charge, commission, sales bonus, retirement payment and any other consideration having source in Nepal, and in making payment of the amount, that person shall withhold tax at the rate of fifteen percent of the total amount of payment.</p> <p>Provided that tax shall be withheld in the following payments at the following rate:-</p> <p>(1) to (13) Sub-provisions same</p> <p>(14) Added: At the rate of twenty percent (20%) on service fees or commission paid to a resident individual acting as an insurance agent.</p>
<p>Section 88A</p>	<p>(1) Tax shall be withheld at the rate of twenty-five percent in making a payment for a windfall gain.</p> <p>Provided that the Government of Nepal may, by a notification in the Nepal Gazette, provide exemption from levying windfall gain tax on national and international awards for contribution made to literature, art, culture, sports, journalism, science, technology and public administration.</p> <p>(2) Notwithstanding anything contained in sub-section (1), no windfall gain tax shall be levied on a 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>Provided that if the award amount exceeds five hundred thousand rupees, windfall gain tax shall be levied on the amount exceeding that.</p>	<p>(1) Tax shall be withheld at the rate of twenty-five percent in making a payment for a windfall gain.</p> <p>Provided that the Government of Nepal may, by a notification in the Nepal Gazette, provide exemption from levying windfall gain tax on national and international awards for contribution made to literature, art, culture, sports, journalism, science, technology, agriculture and public administration.</p> <p>(2) Notwithstanding anything contained in sub-section (1), no windfall gain tax shall be levied on a national and international award of up to five hundred thousand rupees for contribution made to literature, art, culture, sports, journalism, science, technology, agriculture and public administration.</p> <p>Provided that if the award amount exceeds five hundred thousand rupees, windfall gain tax shall be levied on the amount exceeding that.</p>

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 89	(3a) Tax shall be withheld at the rate of one and half percent from payment of an amount exceeding fifty lakh rupees for a work to be carried out through a consumers' committee.	Removed
Section 92 (1) (Ja1)	- No corresponding provision -	In the case of a resident natural person and a non-resident person who are not required to submit an income statement under Section 95A(2) and (5) gain and payments in foreign currency as referred to in Sub-sections (6b), (6c), and (6d), and service payments as referred to in Sub-section (6e),
Section 92 (1) (Ja2)	- No corresponding provision -	Service fees or commission paid by a resident individual to an insurance agent.
Section 95A(2a)	In the case of benefit derived from the disposal of interest in an entity enlisted in the Securities Board of Nepal, by the entity operating the securities exchange market, at the rate of five percent of the profit amount for a resident individual who has held the interest for more than three hundred sixty-five days, seven and half percent for a resident individual who has held the interest for three hundred sixty-five days or less, ten percent of the profit for a resident entity, and twenty-five percent for others,	In the case of benefit derived from the disposal of interest in an entity listed in the Securities Board of Nepal, by the entity operating the securities exchange market, at the rate of seven and half percent of the profit amount for a resident individual who has held the interest for more than three hundred sixty-five days, ten percent for a resident individual who has held the interest for three hundred sixty-five days or less, ten percent of the profit for a resident entity, and twenty-five percent for others,
Section 95A(5)	The Land Revenue Office shall collect advance tax as follows at the time of registration on capital gain earned from the disposal of land or a private building by any individual:- (a) If the disposed non-business taxable asset (land and building) has been in ownership for five years or more, at the rate of five percent,	(5) The registering authority shall collect advance tax as follows at the time of registration on capital gain earned from the disposal of land or a private building by any individual:- (a) If the disposed non-business taxable asset (land and building) has been in ownership for five years or more, at the rate of seven and half percent,

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 95A(5)	- No corresponding provision - (b) If the disposed non-business taxable asset (land and building) has been in ownership for less than five years, at the rate of seven and half percent .	(a1) In the case of a non-business taxable asset compulsorily disposed of due to acquisition of land belonging to a natural person by the Government of Nepal, at the rate of two and one-half percent (2.5%). (b) If the disposed non-business taxable asset (land and building) has been in ownership for less than five years, at the rate of ten percent .
Section 95A(5a)	- No corresponding provision -	Notwithstanding anything contained in Sub-section (5), where a natural person transfers, free of charge, land or a private building owned by him/her to the Government of Nepal, a Provincial Government, or a Local Level, no capital gain shall be deemed to arise from such disposal of the land or private building."
Section 95A(6)	If any land or building owned by any other person except as mentioned in sub-section (5) is disposed, the Land Revenue Office shall collect advance tax at the rate of one and half percent of the value of disposal at the time of registration.	If any land or building owned by any other person except as mentioned in sub-section (5) is disposed, the registering authority shall collect advance tax at the rate of one and half percent of the value of disposal at the time of registration.
Section 95A(6f)	- No corresponding provision -	(6f) A resident ride-sharing service operator shall collect final tax at the rate of one percent (1%) on the amount paid for services to a natural person providing services through the operator's platform."

Income Tax - Section-wise Amendments

SECTION EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
<p>Section 97 (1) Except where the Department issues a written order or publishes a public notice giving an order, any of the following persons shall not be required to submit the income return of any income year pursuant to Section 96:-</p> <p>(a) Out of the persons mentioned in clause (a) of Section 3, any person not required to pay tax in that income year;</p> <p>(b) Any person mentioned in clause (c) of Section 3 in that income year;</p> <p>(c) Any resident individual to whom sub-section (3) of Section 4 applies in that income year;</p> <p>(c1) A resident individual whose income in that income year consists only of income referred to in sub-sections (6b), (6c) and (6d) of Section 95A;</p> <p>(d) If the owner of a motor vehicle paying tax pursuant to sub-section (13) of Section 1 of Schedule-1 is an individual other than a sole proprietorship firm, such an individual; and</p> <p>(e) An individual not willing to submit an income return, having income only from the disposal of non-business taxable assets.</p>	<p>(1) Notwithstanding anything contained in Section 96, the following persons shall not be required to submit an income statement (tax return):</p> <p>(a) A person who is not liable to pay tax and falls within the category of persons referred to in Section 3(a) during that income year.</p> <p>(b) A person referred to in Section 3(c) during that income year.</p> <p>(c) A resident natural person to whom Section 4(3) applies during that income year.</p> <p>(d) In the case of a natural person other than a sole proprietorship owner of a vehicle who pays tax pursuant to Schedule 1, Section 1, Sub-section (13), such natural person.</p> <p>(e) A person specified by the Department.</p> <p>Provided that, the Department may, by written order or public notice, require such person to submit an income statement."</p>

Income Tax - Section-wise Amendments

SECTION EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
<p>Section 101 (3) The Department shall complete the assessment of tax pursuant to sub-section (1) or (2) within four years from the following date:-</p> <p>(a) If tax is assessed pursuant to Section 99, the due date for the submission of income return,</p> <p>(b) If tax is assessed pursuant to sub-section (2) of Section 100, the date on which the tax assessment notice is given to the person whose tax is assessed pursuant to Section 102,</p> <p>(c) If tax is assessed pursuant to sub-section (1) or (2), the date mentioned in clause (a) or (b) related with the previous tax assessment that has been amended pursuant to sub-section (1).</p>	<p>(3) The Department shall complete the assessment of tax pursuant to sub-section (1) or (2) within three years from the following date:-</p> <p>(a) If tax is assessed pursuant to Section 99, the due date for the submission of income return,</p> <p>(b) If tax is assessed pursuant to sub-section (2) of Section 100, the date on which the tax assessment notice is given to the person whose tax is assessed pursuant to Section 102,</p> <p>(c) If tax is assessed pursuant to sub-section (1) or (2), the date mentioned in clause (a) or (b) related with the previous tax assessment that has been amended pursuant to sub-section (1).</p>
<p>Section 113 (4) The person who makes an application pursuant to sub-section (3) shall do so within two years from the latest of the following dates. If an application is not made within that time-limit, the amount referred to in sub-section (1) shall not be refunded:-</p> <p>(a) The date of expiration of the income year to which the excess payment relates,</p> <p>(b) The date on which the excess amount is paid, or</p> <p>(c) The date on which the case is decided.</p>	<p>(4) The person who makes an application pursuant to sub-section (3) shall do so within five years from the latest of the following dates. If an application is not made within that time-limit, the amount referred to in sub-section (1) shall not be refunded:-</p> <p>(a) The date of expiration of the income year to which the excess payment relates,</p> <p>(b) The date on which the excess amount is paid, or</p> <p>(c) The date on which the case is decided.</p>
<p>Section 119A Existing Provision replaced</p>	<p>A taxpayer who issues electronic invoices pursuant to Section 81(4) shall be liable to:</p> <p>(a) a penalty of NPR 500,000 (Five Hundred Thousand) if software capable of deleting or modifying data is used; and</p> <p>(b) a penalty of NPR 100,000 (One Hundred Thousand) if the other requirements of that section are not complied with.</p>

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Schedule 1 Section 1(1)	<p>In respect of a natural person:</p> <p>(1) Subject to sub-sections (2), (4) and (4a) of this Schedule, tax shall be levied on the taxable income of a resident natural person in any income year at the following rates:-</p> <p>(a) If taxable income from employment is up to five hundred thousand rupees, at the rate of one percent,</p> <p>Provided that for a taxpayer registered as a sole proprietorship firm, no tax pursuant to this clause shall be levied on income from pension, pension fund and the income of a natural person contributing to a contribution-based social security fund.</p> <p>(b) If taxable income exceeds five hundred thousand rupees but does not exceed seven hundred thousand rupees, five thousand rupees on taxable income up to five hundred thousand rupees pursuant to clause (a), and ten percent on taxable income exceeding five hundred thousand rupees;</p> <p>(c) If taxable income exceeds seven hundred thousand rupees but does not exceed one million rupees, twenty-five thousand rupees on taxable income up to seven hundred thousand rupees pursuant to clause (b), and twenty percent on taxable income exceeding seven hundred thousand rupees;</p> <p>(d) If taxable income exceeds one million rupees but does not exceed two million rupees, eighty-five thousand rupees on taxable income up to one million rupees pursuant to clause (c), and thirty percent on taxable income exceeding one million rupees, and</p> <p>(e) If taxable income exceeds two million rupees but does not exceed five million rupees, an additional surcharge of twenty percent on the rate of tax applicable pursuant to clause (d) on such excess taxable income; and if taxable income exceeds five million rupees, an additional surcharge of thirty percent on the rate of tax applicable pursuant to clause (d) on such further excess taxable income.</p>	<p>In respect of a natural person or couple:</p> <p>(1) Subject to sub-sections (2), (4) and (4a) of this Schedule, tax shall be levied on the taxable income of a resident natural person or a resident couple in any income year at the following rates:-</p> <p>(a) If taxable income from employment is up to ten lakh rupees, at the rate of one percent,</p> <p>Provided that for a taxpayer registered as a sole proprietorship firm, no tax pursuant to this clause shall be levied on income from pension, pension fund and the income of a natural person contributing to a contribution-based social security fund.</p> <p>(b) If taxable income exceeds ten lakh rupees but does not exceed fifteen lakh rupees, ten thousand rupees on taxable income up to ten lakh rupees pursuant to clause (a), and ten percent on taxable income exceeding ten lakh rupees,</p> <p>(c) If taxable income exceeds fifteen lakh rupees but does not exceed twenty-five lakh rupees, sixty thousand rupees on taxable income up to fifteen lakh rupees pursuant to clause (b), and twenty percent on taxable income exceeding fifteen lakh rupees,</p> <p>(d) If taxable income exceeds twenty-five lakh rupees but does not exceed forty lakh rupees, two lakh sixty thousand rupees on taxable income up to twenty-five lakh rupees pursuant to clause (c), and twenty seven percent on taxable income exceeding twenty-five lakh rupees, and</p> <p>(e) If taxable income exceeds forty lakh rupees, an additional tax at the rate of two percentage on the rate prescribed in clause (d) shall be levied on the amount of taxable income exceeding forty lakh rupees.</p>

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Schedule 1 Section 1(2)	Tax Rate for Couple removed	Removed
Schedule 1 Section 1(3)	(a) Where a resident natural person has income exceeding five hundred thousand rupees in any income year, or where a resident couple opting pursuant to Section 50 has income exceeding six hundred thousand rupees in any income year, and	(3) The provision of sub-section (4) shall apply in the following circumstances: (a) In the case of a resident natural person or a resident couple, where income exceeds NPR 1,000,000 in any income year.
Schedule 1 Section 1(4a)	Tax shall be levied at the rate specified in sub-section (1) or (2) of this Schedule on such natural person or couple, treating only the higher of the following amounts as the taxable income:- (1) The amount resulting from subtracting the amount of such profit from the total taxable income of such natural person or couple, and (2) Five hundred thousand rupees in the case of a natural person, or six hundred thousand rupees in the case of a couple.	Tax shall be levied at the rate specified in sub-section (1) of this Schedule on such natural person or couple, treating only the higher of the following amounts as the taxable income:- (1) The amount resulting from subtracting the amount of such profit from the total taxable income of such natural person or couple, and (2) Ten lakh rupees in the case of a natural person or a couple.
Schedule 1 Section 1(4b)	Clause 1 and 2 – No change, Change in Exception (1) If the disposed non-business taxable asset (land and building) has been in ownership for five years or more, tax shall be levied at the rate of five percent , (2) If the disposed non-business taxable asset (land and building) has been in ownership for less than five years, tax shall be levied at the rate of seven and half percent , and (3) In the case of profit derived from the disposal of interest held for more than three hundred sixty-five days in an entity listed on the Securities Board of Nepal, tax shall be levied at the rate of five percent, and in the case of interest held for three hundred sixty-five days or less, at the rate of seven and half percent .	Clause 1 and 2 – No change, Change in Exception (1) If the disposed non-business taxable asset (land and building) has been in ownership for five years or more, tax shall be levied at the rate of seven and half percent , (2) If the disposed non-business taxable asset (land and building) has been in ownership for less than five years, tax shall be levied at the rate of ten percent, and (3) In the case of profit derived from the disposal of interest held for more than three hundred sixty-five days in an entity listed on the Securities Board of Nepal, tax shall be levied at the rate of seven and half percent , and in the case of interest held for three hundred sixty-five days or less, at the rate of ten percent .

Income Tax - Section-wise Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Schedule 1 Section 1 (9a)	<p>Notwithstanding anything contained elsewhere in this Section, if any resident natural person has pension income, tax shall be computed on the remaining amount after deducting twenty-five percent of the amount mentioned in clause (a) of sub-section (1) for a natural person, or clause (a) of sub-section (2) for a couple, from the taxable income.</p> <p>Provided that the amount so deducted shall not exceed the prescribed limit.</p>	<p>Notwithstanding anything contained elsewhere in this section, where a resident natural person has retirement income, for such individual or couple, twenty-five percent (25%) of the amount referred to in Clause (a) of Sub-section (1) shall be deducted from taxable income, and tax under this section shall be computed on the remaining amount.</p> <p>Provided that, the amount so deductible shall not exceed the prescribed limit."</p>
Schedule 1 Section 1 (10)	<p>Notwithstanding anything contained elsewhere in this Section, if any resident natural person has a disability, tax shall be computed on the remaining amount after deducting fifty percent of the amount mentioned in clause (a) of sub-section (1) for a natural person, or clause (a) of sub-section (2) for a couple, from the taxable income.</p>	<p>Notwithstanding anything contained elsewhere in this section, where a resident natural person is a person with disability, for such individual or couple, an additional amount equal to fifty percent (50%) of the amount referred to in Clause (a) of Sub-section (1) shall be deducted from taxable income, and tax under this section shall be computed on the remaining amount.</p>
Schedule 1 Section 1 (16a)	<p>Notwithstanding anything contained elsewhere in this Section, if any resident natural person has made an insurance of a private building under own ownership with a resident insurance company, the annual premium paid for such insurance or five thousand rupees, whichever is lower, shall be deducted from the taxable income, and the tax pursuant to this Section shall be computed only on the remaining amount.</p>	<p>Notwithstanding anything contained elsewhere in this Section, if any resident natural person has made an insurance of a private building under own ownership with a resident insurance company, the annual premium paid for such insurance or ten thousand rupees, whichever is lower, shall be deducted from the taxable income, and the tax pursuant to this Section shall be computed only on the remaining amount.</p>
Schedule 1 Section 1 (16b)	<p>- No corresponding provision -</p>	<p>(16b) Notwithstanding anything contained elsewhere in this Section, where a resident natural person has made payment of tuition fees to a resident person for the education of his or her descendant, an amount equal to twenty-five percent of the annual tuition fee paid or twenty-five thousand rupees, whichever is lower, shall be deducted from the taxable income.</p>

Income Tax - Schedule Amendments

Schedule 1 Section 1(13): Type of Vehicles	FY 2082/83	FY 2083/84
(1) Car, Jeep, Van, Micro-bus		
(a) Up to 1300 c.c.	5,500	6,500
(b) 1301 to 2000 c.c.	6,000	7,000
(c) 2001 to 2900 c.c.	6,500	7,500
(d) 2901 to 4000 c.c.	8,000	9,500
(e) 4001 c.c. and above	9,000	11,000
(2) Mini-truck, Mini-bus, Water Tanker	8,000	9,500
(3) Mini Tipper	9,000	11,000
(4) Truck, Bus	10,500	12,500
(5) Dozer, Excavator, Loader, Roller, Crane & similar machinery equipment	15,500	17,500
(6) Oil Tanker, Gas Bullet, Tipper	15,500	17,500
(7) Tractor	2,500	3,500
(8) Power Tiller	2,000	3,000
(9) Auto Rickshaw, Three-Wheeler, Tempo	2,500	3,500
(10) Electric Vehicle		
(a) Up to 50 kilowatt	3,000	4,000
(b) 50 kilowatt to 125 kilowatt	4,000	5,000
(c) 125 kilowatt to 200 kilowatt	6,000	7,500
(d) Above 200 kilowatt	7,500	9,500
(11) E-Rickshaw	-	3,500
(12) Two Wheelers	-	3,000

火燻鰻魚	42元/份
成鮮/主料：鰻魚、香茅、五加皮酒	
古法純豆腐	38元/份
成鮮/主料：什錦豆腐	
秘製燒萝卜	36元/份
成鮮/主料：燒萝卜	
豉汁香滑口蘑	36元/份
成鮮/主料：口蘑	
快靚豉汁豆腐	28元/份
成鮮/主料：什錦豆腐	
吉祥上上羹	26元/份
成鮮/主料：大豆腐、杏鮑菇	
翡翠太陽蝦	24元/份
成鮮/主料：紅豆、黃豆、蓮子	

蟹黃鮮蟹	28元/份
成鮮/主料：鮮蟹、蟹黃	
桂花糯米藕	28元/份
成鮮/主料：藕、糯米	
當歸山藥	32元/份
成鮮/主料：山藥	
水果沙拉	38元/份
成鮮/主料：西瓜、哈密瓜、橙皮、檸檬	
④ 配面涼菜 (元/份)	
醬香萝卜	8元/份
自制泡菜	8元/份
炆拌豉豆	8元/份
白帶心拌豆腐絲	8元/份

財運丸子	38元/份
成鮮/主料：凍干籽、蝦米、	
春鮮毛豆燒雞蹄	38元/份
成鮮/主料：春鮮、雞蹄、毛豆	
魚角之恋	32元/份
成鮮/主料：魚干、紅豆	
燒菜香脆雞	32元/份
成鮮/主料：香脆雞、椒鹽雞	
椒麻香脆炒洋芋	28元/份
成鮮/主料：特別北豆腐、洋芋、香脆雞	

⑦ 養生鮮蔬 (元/份)	
清炒綠豆尖	32元/份
成鮮/主料：綠豆尖	
青貴奶菜海子菜	32元/份
成鮮/主料：奶白菜、海子菜	
白灼芥蘭	32元/份
成鮮/主料：芥蘭	
小炒香脆菜花	38元/份
成鮮/主料：特別北豆腐、芥蘭、香脆雞	

SECTION 06

Value Added Tax

VAT rate,
threshold and
Finance Bill
amendments.



VALUE ADDED TAX

VAT Rate and Threshold

Rate, registration thresholds and policy direction

13%

5% for Ride Sharing & Electricity to end user of more than 50 unit (other than sale of B2B)

VAT RATE

Section 7(1A) inserted in VAT Act - Government of Nepal may, by publishing a notice in the Nepal Gazette, fix a tax rate different from 13% and specify the goods and services subject to such rate, and the rate so specified shall apply to the supply of those goods and services.

VAT REGISTRATION THRESHOLD

Person dealing in	2082 / 83	2083 / 84
Goods	NPR 5 Million	NPR 5 Million
Services	NPR 3 Million	NPR 3 Million
Goods & Services both	NPR 3 Million	NPR 3 Million

VAT - Section Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 7(1A)	<i>- No corresponding provision -</i>	Notwithstanding anything contained in sub-section (1), the Government of Nepal may, by publishing a notice in the Nepal Gazette, fix a tax rate different from that in sub-section (1) and specify the goods and services subject to such rate, and the rate so specified shall apply to the supply of those goods and services.
Section 7(1B)	<i>- No corresponding provision -</i>	Notwithstanding anything contained in sub-sections (1) and (1A), a person who, while operating a ride-sharing service, provides transport or delivery services to persons through a platform operated by a ride-sharing service operator (ride-sharing operator), and a person who provides Electricity service to the final consumer, shall assess and realise tax at the rate of five percent of the taxable value in accordance with this Act and the Rules framed under this Act.
Section 7(2)	Notwithstanding anything contained in sub-section (1), tax on the transaction of goods or services set forth in Schedule-2 shall be levied at the rate of zero percent.	Notwithstanding anything contained in sub-section (1) or (1A) , tax on the transaction of goods or services set forth in Schedule-2 shall be levied at the rate of zero percent.
Section 8(2B)	<i>- No corresponding provision -</i>	A ride-sharing service operator (ride-sharing operator) who operates a platform providing transport or delivery services to persons shall assess and realise tax on the taxable value in accordance with this Act and the Rules framed under this Act.
Section 14A	<p>(1) The taxpayer may, with the prior approval of the Department, issue an electronic invoice:</p> <p>(2) Notwithstanding anything contained in sub-section (1), the Department may, by publishing a notice, order the taxpayers specified in the notice to issue the electronic invoice compulsorily and link such electronic means to the central invoice/billing monitoring system (CBMS) of the Department.</p>	<p>(1) The Department may set standards and procedures and make necessary arrangements regarding who may issue invoices through electronic means.</p> <p>(2) Notwithstanding anything contained in sub-section (1), the Department may, by publishing a notice, compulsorily direct the taxpayer specified in such notice to issue electronic invoices and link to the central invoice/billing monitoring system (CBMS) of the Department or to use the billing system made available by the Department to issue electronic invoices through electronic means.</p>

VAT - Section Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 14A cont.	(3) The Department shall make and enforce procedures regarding the security and reliability of the software or equipment issuing invoice through electronic means. Such procedures shall be complied with by the relevant manufacturer, distributor and user.	(3) The Department shall make and enforce procedures regarding the security and reliability of the software or equipment issuing invoices through electronic means.
Section 16B	To deduct tax paid for goods damaged: The value-added tax paid for any goods damaged or lost as a result of arson, theft, accident, wear and tear or destructive activity or having the usable date expired may be deducted as prescribed.	To deduct tax paid for goods damaged: The value-added tax paid for any goods damaged or lost as a result of arson, theft, accident, wear and tear, natural disaster , or destructive activity or having the usable date expired may be deducted as prescribed.
Section 18(1A)	Notwithstanding anything contained in sub-section (1), the taxpayers of the districts having no Inland Revenue Office or Taxpayer Service Office may submit the amount of tax and tax return to the Financial Comptroller Office of the concerned district within the 15th day of the month by which he or she is required to submit his or her tax return. The Funds and Accounts Controller Office shall send the tax return and the details of the tax payment received as such to the concerned Inland Revenue Office or Taxpayer Service Office within seven days.	Notwithstanding anything contained in sub-section (1), the taxpayers of the districts having no Inland Revenue Office may submit the amount of tax and tax return to the relevant local level or the Financial Comptroller General Office of the concerned district within the 15th day of the month by which he or she is required to submit his or her tax return. The tax return and the details of the tax payment received as such shall be sent to the concerned Inland Revenue Office within seven days.
Section 18(4)	- No corresponding provision -	If a taxpayer who has submitted a tax return within the time limit wishes to amend such return for any other reason, the taxpayer may amend the return within seven days of the date of submission of such return in accordance with the procedure specified by the Department.
Section 25(1B)	(1B) If the price of any goods or service specified by the Department by publishing a notice is paid through an electronic mode of payment pursuant to the prevailing laws by a consumer, ten percent of such payment shall be refunded to his or her bank account under the procedure prescribed by the Department as a cash incentive, and such refund shall be made immediately.	(1B) If the price of any goods or service specified by the Department by publishing a notice is paid through an electronic mode of payment pursuant to the prevailing laws by a consumer, ten percent of such payment shall be exempted under the procedure prescribed by the Department as a cash incentive immediately.

VAT - Section Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 25C(1)	Tax to be refunded in excess payment made under deed or contract – Section Removed	Omitted by Finance Bill 2083.
Section 29(1)(g2)	Five hundred thousand rupees if the taxpayer who has or has not obtained approval for issuance of electronic invoice is found to have used a software that can delete or correct data,	Five hundred thousand rupees if the taxpayer who issues electronic invoices pursuant to sub-section (1) or (2) of Section 14A is found to have used a software that can delete or correct data, and one hundred thousand rupees for the failure to comply with other arrangements mentioned in the same sub-section,
Section 29(1)(k)	One thousand rupees for each time, for the violation of this Act or the Rules framed under this Act.	Ten thousand rupees for each time, for the violation of this Act or the Rules framed under this Act.
Section 29(1)(m)	- No corresponding provision -	Fifty thousand rupees per violation, for the violation of the guidelines issued by the Department relating to the internal movement of goods for business purposes
Section 32B(4)	- No corresponding provision -	The interpretation made pursuant to sub-section (1) shall be final unless otherwise interpreted by a court.

VAT – Schedule 1: Items Added / Amended and Items Removed

GROUP	AMENDED PROVISION · FY 2083/84
ITEMS ADDED / AMENDED	
Group 1	53.03, 5303.90.00 Others (jute and other textile bast fibres) added to the VAT exempt list.
Group 2	Electricity (27.16, 2716.00.00): VAT exemption for electricity sold between electricity businesses, and for domestic consumption up to 50 units per month.
Group 3	Note 2: VAT exemption on Paneer (0406.10.00).
Group 5	30.03, 3003.90.41 Battisa, Drakshasav, Triphala, Kabjahaar, Keshari Jeevan; and 2003.90.90 Other.
Group 5	30.05, 3005.90.20 Bandages and similar articles.
Group 5	30.06, 3006.30.00 Radiopaque X-ray materials; and 3006.92.00 Placebos and blinded clinical-trial kits.
Group 5	38.22, 3822.90.00 Others.
Group 5 Notes	(11) Reworded to reference the Department of Drug Administration. (12) NEW: Eyeglasses, excluding sunglasses. (13) NEW: Goods imported on recommendation of the Ministry of Health and Population, including (a) construction materials and medical equipment for listed hospitals (Bir, TU Teaching, BP Koirala Cancer, BP Koirala Health Sci., Shahid Gangalal Heart, Manmohan Cardiothoracic, Dhulikhel); (b) anti cancer medicines for free distribution; (c) anti cancer / vaccines / family planning / nutritional goods, with grant acceptance note.
Group 9	Ride sharing and delivery platform services explicitly added to the passenger transport exemption.
Group 11 A	44.01 Fuel wood, logs, chips, sawdust; and 4401.32.00 wood briquettes added to the exempt list.
Group 11 B	Digital financial service fees and insurance agent services added to the exempt list.
Group 11 B	Solar energy items (7410.21.00 etc.) and lithium ion batteries (8507.60.00): wording revised.
Group 11 B	Green hydrogen machinery exemption: ministry reference renamed to Ministry of Energy, Water Resources and Irrigation.
Group 11 B	Note 25 (NEW): Labour charges for gold and silver ornaments included in the exempt list.
ITEMS REMOVED	
Group 11 A	8465.92.00 Planing, milling, or moulding (by cutting) machines Omitted by Finance Bill 2083, no longer VAT exempt.



SECTION 07

Excise Duty & Tariff

Definitions, fines, rate amendments and exemption notes.

Excise Duty – Section Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 2(a1)	'Excise stamp' means the ticket indicating securities mark in the format prescribed by the Department to be used in the excisable goods and this term also includes securities mark provided through electronic medium or any other mark as prescribed by the Department.	'Excise stamp' means the ticket indicating securities mark in the format prescribed by the Department to be used in the excisable goods and this term also includes securities mark provided through electronic medium or any other mark or digital excise stamp as prescribed by the Department.
Section 2(Ja1)	'Tobacco containing Goods' means pan masala, gutkha, chewing tobacco or other similar products containing mixture of tobacco or tobacco products for smoking or for consumption by chewing or to be put in mouth and this term also includes cigarette, quid of tobacco (bidi), cigar, electronic cigarette (vape) and hookah flavour.	'Tobacco and nicotine-containing goods' means substances prepared by mixing, extracting or using synthetic nicotine with the elements of tobacco or tobacco-related goods that are smoked, chewed, or kept in the mouth - paan masala, gutka, khaini or similar - and includes cigarettes, bidis, cigars, electronic cigarettes (vapes), nicotine pouches, hookah flavour and other goods designated as tobacco and nicotine-containing goods by the Department.
Section 2(Na1)	'Liquor' means any alcoholic substance with more than 0.5 percent alcohol, prepared by fermenting any grains, fruits or any other starchful substance or by other method, and this term also includes raksi, jaad, spirit, chyang, whiskey, rum, gin, brandy, vodka, beer, wine, sherry, champagne, cider, perry, mid, malt, sake, soju, vermouth, liquor mixed ready-to-drink beverages, industrial alcohol, rectified spirit, malt spirit, silent spirit, denatured spirit, E.N.A., heads spirit.	'Liquor' means a substance containing more than zero point five percent alcohol prepared by fermenting grains, fruits or other starch-containing substances through biochemical processes or by any other method, and includes raksi, jaand, chhyang, whisky, rum, gin, brandy, vodka, beer, wine, sherry, champagne, cider, perry, mead, malt, sake, soju, vermouth, prepared mixed liquor drinks, prepared cocktails, carbonated wine and liquors, spritz, shandy , industrial alcohol, rectified spirit, malt spirit, silent spirit, denatured spirit, E.N.A. and heads spirit, and other goods designated as liquor-related goods by the Department.
Section 2	No existing provision	""Risk-based selective release control system' means a system in which establishments under the physical control system are selected based on risk analysis for production, release, import and export of excisable goods under limited control of the excise officer or an employee designated by them.

Excise Duty – Section Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 3Ka(4)	Any excise duty paid for goods incurring loss due to fire, theft, accident, destructive incident or expiry of the date of utility of the good, may be deducted as prescribed by the Department.	Any excise duty paid for goods incurring loss due to fire, theft, accident, natural disaster or destructive incident or expiry of the date of utility of the good, may be deducted as prescribed by the Department.
Section 3Ka(5)	While deducting excise duty pursuant to this Section, excise duty paid on import of auxiliary raw materials, packaging materials, and raw materials and machinery parts having customs duty exemption shall not be allowed to be deducted.	While deducting excise duty pursuant to this Section, excise duty paid on import of raw materials and machinery parts having customs duty exemption shall not be allowed to be deducted.
Section 4(1)(Ka)	In case of goods produced by industry under Physical Control System, at the time of removal for sale after production from the enterprise.	(a) For goods produced by enterprises subject to the physical control system and the risk-based selective release control system, at the time of release from the establishment for sale after production; Provided that in the case of microbreweries, monthly advance excise duty calculated based on the deemed yield rate per the installed capacity shall be paid."
Section 4(Nga)	Section 4(Nga): The liquor, beer or tobacco containing products related such industry and importers as well as sellers of such products shall not operate any type of gift schemes or provide any discounts while selling such products to any other distributor. If such an act is carried out it shall be deemed a breach of the condition of the license.	Section 4(Nga): The liquor, beer or tobacco containing products related such industry other than VAT-registered sellers and importers as well as sellers of such products shall not operate any type of gift schemes or provide any discounts while selling such products to any other distributor. If such an act is carried out it shall be deemed a breach of the condition of the license.
Section 9(5), Proviso(b)	A licensee producing quids of tobacco (bidi), tobacco (surti), readymade tobacco (khaini), panmasala, gutkha, raw sugar (khadsary) industry or importer of molasses (khudo) and jaggery (gud) shall renew the license by depositing the prescribed renewal fees.	A licensee producing liquor, tobacco and nicotine-containing goods production, export, import, sale or storage, raw sugar (khadsary) industry or importer of molasses (khudo) and jaggery (gud) shall renew the license by depositing the prescribed renewal fees.

Excise Duty – Section Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 9Kha(1)	If the licensee producing excisable goods like alcohol, cigarettes or tobacco products, produces, removes or sells and distributes such goods produced by them without sticking excise duty stickers or using fake stickers or re-using old stickers; or if it is found through preliminary investigation that the excise duty has been evaded by producing and storing such goods without recording the raw materials required for production, then the Excise Duty Officer may suspend the license of such licensee for up to three months.	If the licensee producing excisable goods like alcohol, cigarettes or tobacco products, produces, removes or sells and distributes such goods produced by them without sticking excise duty stickers or using fake stickers or re-using old stickers; or if it is found through preliminary investigation that the excise duty has been evaded by producing and storing such goods without recording the raw materials required for production, then the Excise Duty Officer may suspend the license of such licensee for up to three months. Provided that if the period for renewal of an excise license expires during the suspension period, this shall not be considered an obstruction to renewing the excise license.
Section 10kha(2)	The books of purchase, production, removal, sale and stock as per Sub-section (1) shall be used for the purpose of maintaining accounts upon certifying by the concerned Excise Duty Officer.	The books of purchase, production, removal, sale and stock as per Sub-section (1) shall be used for the purpose of maintaining accounts upon certifying by the concerned Excise Duty Officer. Provided that for goods other than tobacco and nicotine-containing goods subject to the self-release system, such records shall be certified by an authorised person of the license holder.
Section 10Gha(1)(Chha)	Section 10Gha(1)(Chha): If the difference between the alcohol content in liquors removed from the factory and in the materials sent for processing for production of liquor is more than one percent.	Section 10Gha(1)(Chha): If the alcohol content in raw materials for liquor, substances in the process of spirit production, finished liquor before release, and released liquor differs from the declared alcohol capacity by more or less than zero point five percent.
Section 10 Chha	The Excise Duty Officer may at any time examine the content or quality of alcohol in the liquors removed from the factory with approval and in the substances sent for processing for production of liquor through the laboratory of the Department or a laboratory designated by the Department. The alcohol content shall not differ more than one percent or the quality shall not be substantially different.	The Excise Duty Officer may at any time raw materials for liquor, substances in the process of spirit production, finished liquor before release examine the content or quality of alcohol in the liquors removed from the factory with approval and in the substances sent for processing for production of liquor through the laboratory of the Department or a laboratory designated by the Department. The alcohol content shall more or less than zero point five percent from the declared alcohol capacity or the quality shall not be substantially different.

Excise Duty – Section Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 10Nga1	<p>Section 10Nga1:</p> <p>(1) An excise stamp shall be used on excisable goods specified by the Department that are produced or imported within Nepal.</p> <p>(2) The format of the excise stamp shall be as determined by the Department.</p>	<p>Section 10Nga1:</p> <p>(1) An excise stamp shall be used on excisable goods specified by the Department that are produced or imported within Nepal.</p> <p>(2) The format of the excise stamp shall be as determined by the Department.</p> <p>(3) The use of digital excise stamps shall be as determined by the Department.</p>
Section 10Ta1	<p>No existing provision for a track and trace system in the Excise Duty Act, 2058.</p>	<p>Section 10Ta1. Use of Track and Trace System:</p> <p>(1) The Department may implement a track and trace system to electronically control and regulate the process of production, storage, stockpiling, release, sale and distribution, and transportation of liquor and tobacco goods.</p> <p>(2) The operation, management and compliance procedures for the track and trace system shall be as determined by the Department.</p>
Section 16(2)	<p>In case licensee producing or importing liquor, beer, cigarette or tobacco products commits the following offence to conceal, hide or evade excise duty, such a person shall be punished with a fine in a sum equivalent to two hundred percent of the claimed amount or One Lakh Rupees, whichever is higher or with imprisonment for a term not exceeding one year or with both punishments for such offence and the claimed amount shall also be seized:</p> <p>(Ka) Conceal, hide or evade the excise duty,</p> <p>(Kha) Produce, remove, sell distribute, store or import liquor, cigarette and tobacco products using fake excise duty sticker or without using excise duty sticker,</p>	<p>In case licensee producing or importing liquor, beer, cigarette or tobacco products commits the following offence to conceal, hide or evade excise duty, such a person shall be punished with a fine in a sum equivalent to two hundred percent of the claimed amount or One Lakh Rupees, whichever is higher or with imprisonment for a term not exceeding one year or with both punishments for such offence and the claimed amount shall also be seized:</p> <p>(Ka) Conceal, hide or evade the excise duty,</p> <p>(Kha) Produce, remove, sell distribute, store or import liquor, cigarette and tobacco products using fake excise duty sticker or without using excise duty sticker,</p> <p>(kha1) In cases of non-compliance with track and trace compliance requirements specified by the Department, or in cases of unauthorised access to the track and trace system,</p>

Excise Duty – Section Amendments

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 16(4)(Ja)	If, upon examination pursuant to Section 10Chha, the difference of the alcoholic content is more than one percent, percent of the amount of revenue leaked.	If, upon examination pursuant to Section 10Chha, the difference of the alcoholic content is more or less than zero point five percent from the declared alcohol capacity , percent of the amount of revenue leaked.
Section 16(4)	No existing clause in Section 16(4) for additional interest on outstanding excise duty under installment provision.	(dha3) Additional interest at the annual rate of five percent on outstanding excise duty not paid within the period under section 17ka [Section 17Ka - installment payment].
Section 16(4)	No existing clause in Section 16(4) for fine on commercial use of duty-free shop liquor.	(dha4) In cases of sale, distribution or commercial use of liquor purchased from duty-free shops or under excise duty exemption facility - confiscation of such liquor and a fine equal to the assessed value or Rupees one hundred thousand, whichever is higher.
Section 16(4)(Na)	Except those mentioned in this Section, in the event of breach of this Act or the Rules framed under this Act, Ten Thousand Rupees for each instance.	Except those mentioned in this Section, in the event of breach of this Act or the regulations, guidelines and standards framed under this Act, Ten Thousand Rupees for each instance.
Section 16(5)	Exception Added	Provided that, in cases where the person who commits such offence had used such a motor vehicle in such act without permission of the owner of the vehicle, such vehicle shall not be seized, but the owner of the vehicle shall be punished with a fine of Twenty-Five Thousand Rupees and the driver shall be punished with a fine up to Fifteen Thousand Rupees or imprisonment for a term not exceeding Three months or with both punishments, based on the nature of the offence.
Section 22ka	Fee, delay fee or fine applicable under this Act shall be deemed as excise duty.	Fee, delay fee or fine and health risk tax payable pursuant to the Finance Act applicable under this Act shall be deemed as excise duty.
Section 25Ka	Power to frame manual and standards: The Department may frame necessary manuals and standards, subject to this Act and the Rules framed under this Act.	Power to Formulate Guidelines and Standards: Subject to this Act and rules made thereunder, the Department may formulate necessary guidelines and standards for regulating and controlling the production, excise quality and sale and distribution of liquor, tobacco-related goods and other excisable goods.

EXCISE DUTY - TARIFF

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
17.01	SOLID CANE SUGAR OR BEET SUGAR			
1701.13.10	Sugar (Including Flavoured and coloured), Sugar Cubes	Rs.138 per quintal	Rs.140 per quintal	RATE CHANGE
1701.14.10	Sugar (including lumps and powder), sugar lumps	Rs.138 per quintal	Rs.140 per quintal	RATE CHANGE
17.03	Molasses from sugar extraction			
1703.10.00	Sugarcane Cutter	Rs.110 per quintal	Rs.115 per quintal	RATE CHANGE
1703.90.00	Others	Rs.110 per quintal	Rs.115 per quintal	RATE CHANGE
17.04	Sugar confectionery			
1704.10.00	Chewing gum that is coated with sugar or not, or that is coated with sweet coating or not.	15%	22%	RATE CHANGE
1704.90.00	Others	15%	22%	RATE CHANGE
18.06	Chocolate & other cocoa preparations			
1806.10.00	Added cocoa powder, sugar, or sweet substances	15%	22%	RATE CHANGE
1806.20.00	Other preparations in the form of blocks, thick sheets (slabs), or rods (bars) weighing more than 2 kg, or containers with liquids, paste, dust, granules, or other bulk forms weighing more than 2 kg, or immediately packaged.	15%	22%	RATE CHANGE
	In other, larger, thicker leaves or in the form of a stem:			
1806.31.00	Filled	15%	22%	RATE CHANGE
1806.32.00	Unfilled	15%	22%	RATE CHANGE
1806.90.10	Products of heading 19.04 which, when calculated on a fully defatted basis, contain more than 6 percent cocoa by weight, or even if containing less than 6 percent cocoa, are wholly coated with chocolate.	15%	22%	RATE CHANGE
1806.90.90	Others	15%	22%	RATE CHANGE
19.02	Pasta (spaghetti, macaroni, noodles, lasagne, couscous)			
	Uncooked pasta, unfilled (also sifted) or other types not prepared:			
1902.11.00	Flowered	Rs.20/kg	Rs.35/kg	RATE CHANGE

EXCISE DUTY - TARIFF

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
1902.19.00	Others	Rs.20/kg	Rs.35/kg	RATE CHANGE
1902.20.00	-Filled pasta that is cooked, uncooked, or prepared in any other way	Rs.20/kg	Rs.35/kg	RATE CHANGE
1902.30.00	Other pasta	Rs.20/kg	Rs.35/kg	RATE CHANGE
1902.40.00	Couscous	Rs.20/kg	Rs.35/kg	RATE CHANGE
19.05	Bread, pastry, cake, biscuits, waffle (with or without cocoa)			
	Pastry and cake-related items, whether baked or not; empty capsules used for communion, wafers and similar purposes, marshmallows (shaped and counted), wafers, rice paper, and other similar products.			
1905.10.00	Crispy, crackling bread (crisp bread)	15%	22%	RATE CHANGE
1905.20.00	Gingerbread)	15%	22%	RATE CHANGE
1905.31.00	Sweet biscuits	15%	22%	RATE CHANGE
1905.32.00	Waffles and wafers	15%	22%	RATE CHANGE
1905.40.00	Dough that has been kneaded repeatedly to make it hard (rusk), baked bread, and similar baked products	15%	22%	RATE CHANGE
1905.90.20	Crispy, crunchy, lazy, cheese ball	Rs.20/kg	Rs.75/kg	RATE CHANGE
1905.90.81	Not fried	Rs.20/kg	Rs.75/kg	RATE CHANGE
1905.90.89	Others	Rs.20/kg	Rs.75/kg	RATE CHANGE
20.09	Fruit juices & vegetable juices			
2009.11.00	Frozen	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.12.00	Unfrozen, brick price not exceeding 20	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.19.00	Others	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.39.00	Others	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.41.00	Bricks value has not exceeded 20	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.49.00	Others	Rs.13.50/litre	Rs.14/litre	RATE CHANGE

EXCISE DUTY - TARIFF

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
2009.50.00	Tomato juice	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.61.00	The price of bricks has not exceeded 30.	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.69.00	Others	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.71.00	The price of bricks does not exceed 20	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.79.00	Others	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.81.00	Cranberry (Vaccinium macrocarpon, Vaccinium oxycoccos) juice; lingonberry (Vaccinium vitis-idaea) juice.	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.89.90	Others	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
2009.90.00	Juice mixtures	Rs.13.50/litre	Rs.14/litre	RATE CHANGE
21.06	Food preparations NES			
2106.90.20	Tobacco-free chewing paan	Rs.875/kg	Rs.1,150/kg	RATE CHANGE
2106.90.60	Tobacco-free fragrant betel nut	Rs.375/kg	Rs.500/kg	RATE CHANGE
22.02	Water, including mineral water and aerated water, containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages, excluding fruit, nut or vegetable juices of heading 20.09			
2202.10.00	Water, including mineral water and flowing water, with sugar or other sweetening substances added or flavored	Nil	5%	NEW INSERTION
2202.91.00	Non-alcoholic beer	Rs.45/litre	Rs.90/litre	RATE CHANGE
2202.99.10	Energy drinks	Rs.52/litre	Rs.120/litre	RATE CHANGE
2202.99.20	Light beverages	Rs.25/litre	Rs.60/litre	RATE CHANGE
2202.99.30	Fragrant milk	Rs.25/litre	Rs.60/litre	RATE CHANGE
2202.99.90	Others	Rs.25/litre	Rs.60/litre	RATE CHANGE
22.03	Beer made from malt			
2203.00.10	Containing up to 5 percent alcohol	Rs.240/litre	Rs.255/litre	RATE CHANGE
2203.00.20	More than 5 percent	Rs.240/litre	Rs.255/litre	RATE CHANGE

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
22.04	Fresh grape wine; grape must			
2204.10.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.10.20	Containing more than 12 percent and up to 17 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.10.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
2204.21.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.21.20	Containing more than 12 percent to up to 17 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.21.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
2204.22.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.22.20	Containing more than 12 percent and up to 17 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.22.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
2204.29.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.29.20	Containing more than 12 percent and up to 17 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.29.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
2204.30.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.30.20	Containing more than 12 percent and up to 17 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2204.30.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
22.05	Vermouth & other flavoured wine			
2205.10.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2205.10.20	Containing alcohol from more than 12 percent up to 17 percent	Rs.460/litre	Rs.490/litre	RATE CHANGE
2205.10.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
2205.90.10	Contains up to 12 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE
2205.90.20	Containing more than 12 percent and up to 17 percent alcohol	Rs.460/litre	Rs.490/litre	RATE CHANGE

EXCISE DUTY - TARIFF

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
2205.90.30	Containing more than 17 percent alcohol	Rs.535/litre	Rs.570/litre	RATE CHANGE
22.06	Other fermented beverages – Fresh fruit wine sub-categories			
2206.00.10	Chyang (Country Beer)	Rs.48/litre	Rs.50/litre	RATE CHANGE
	Champagne, sherry, mead, perry, cider			
2206.00.21	Champagne, Cider	Rs.516/litre	Rs.490 /litre	RATE CHANGE
2206.00.30	Sake	Rs.516/litre	Rs.540/litre	RATE CHANGE
2206.00.40	Herbal-infused liquor containing alcohol above the specified percentage, cocktails (alcoholic and alcoholic/non-alcoholic mixtures), and other fermented alcoholic beverages.	Rs.516/litre	Rs.570/litre	RATE CHANGE
2206.00.51	Up to 12% alcohol	Nil	Rs.490 per litre	NEW INSERTION
2206.00.52	Containing 12–17% alcohol	Nil	Rs.490 per litre	NEW INSERTION
2206.00.59	Containing more than 17% alcohol	Nil	Rs.570 per litre	NEW INSERTION
2206.00.90	Others	Rs.516/litre	Rs.540/litre	RATE CHANGE
24.02	Cigars, cheroots, cigarillos & cigarettes			
2402.10.00	Rolled cigars, cheroots, and small cigars	Rs.31/piece	Rs.35/piece	RATE CHANGE
2402.20.10	Cigarette without filter	Rs.778/M	Rs.780/M	RATE CHANGE
2402.20.21	Filtered, up to 70 mm	Rs.1,792/M	Rs.1,845/M (approx.)	RATE CHANGE
2402.20.22	Length of more than 70 up to 75 mm.	Rs.2,441/M	Rs.2,490/M	RATE CHANGE
2402.20.23	Length more than 75 up to 85 mm.	Rs.3,213/M	Rs.3,275/M	RATE CHANGE
2402.20.24	More than 85 mm	Rs.4,410/M	Rs.4,578/M	RATE CHANGE
2402.90.10	Ready bindhi	Rs.96/M	Rs.100/M	RATE CHANGE
2402.90.20	All types of cigars	Rs.31/piece	Rs.35/piece	RATE CHANGE
2402.90.90	Others	Rs.31/piece	Rs.35/piece	RATE CHANGE

EXCISE DUTY - TARIFF

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
24.03	Other manufactured tobacco & substitutes			
2403.11.00	Water pipe tobacco	Rs.2,000/kg	Rs.2,100/kg	RATE CHANGE
2403.19.10	Pipe tobacco	Rs.2,000/kg	Rs.2,100/kg	RATE CHANGE
2403.19.20	Processed tobacco for cigarettes and bidis	Rs.350/kg	Rs.360/kg	RATE CHANGE
2403.19.90	Others	Rs.350/kg	Rs.360/kg	RATE CHANGE
2403.91.00	Homogenized or reconstituted tobacco	Rs.500/kg	Rs.525/kg	RATE CHANGE
2403.99.10	Tobacco, khaini, snuff, gutkha, and similar mixed smoking products	Rs.880/kg	Rs.900/kg	RATE CHANGE
2403.99.20	The cotton dust of the uncut stalk of the plant	Rs.480/kg	Rs.500/kg	RATE CHANGE
2403.99.30	Chuna mixed with khura is chewable tobacco	Rs.520/kg	Rs.550/kg	RATE CHANGE
2403.99.91	Hookah flavor	Rs.1,500/kg	Rs.1,600/kg	RATE CHANGE
2403.99.99	Others	Rs.1,500/kg	Rs.1,600/kg	RATE CHANGE
24.04	E-Cigarettes, HTPs & Nicotine Products – ALL items 40%→55%			
2404.11.00	Smoked or reconstituted tobacco	40%	55%	RATE CHANGE
2404.12.10	Electronic cigarette (vape)	40%	55%	RATE CHANGE
2404.12.20	Others	40%	55%	RATE CHANGE
2404.19.00 2404.91.00 2404.92.00 2404.99.00	Others	40%	55%	RATE CHANGE
87.02	Motor vehicles for ≥10 persons – Restructured minibus categories (New combined codes)			
8702.10.20	Compression-ignition diesel – passenger motor vehicle (11 to 25 seats) [new joint category]	Nil [New combined sub-heading replacing 8702.10.20 & 8702.10.30]	45%	NEW INSERTION
8702.10.30	Compression-ignition diesel – minibuses (11 to 14 seats) [deleted – included under 8702.10.20]	55%	Nil	DELETED ITEM
8702.20.20	Diesel-electric hybrid – Motor vehicle, 11–25 seats [was 15–25 seats]	35% (was 15–25 seats only)	40%	RATE CHANGE
8702.20.30	Diesel-electric hybrid – Microbus (11 to 14 seats) [DELETED – merged into 8702.20.20]	40%	Nil (Merged/Deleted)	DELETED ITEM

Excise Tariff Changes

Heading	Description of Article	2082/83	2083/84	Change Type
8702.30.20	Spark Ignition Petrol-Electric Hybrid – Passenger Motor Vehicle (11 to 25 Seats)	Nil [New combined sub-heading replacing 8702.30.20 & 8702.30.30]	40%	NEW INSERTION
8702.30.30	Spark Ignition Petrol-Electric Hybrid – Microbuses (11 to 14 seats)	40%	Nil (Merged/Deleted)	DELETED ITEM
8702.90.20	Other engines – Motor vehicle (11 to 25 seats) [NEW COMBINED]	Nil [New combined sub-heading replacing 8702.90.20 & 8702.90.30]	45%	NEW INSERTION
8702.90.30	Other engines – Microbus (11 to 14 seats) [DELETED – merged into 8702.90.20]	55%	Nil (Merged/Deleted)	DELETED ITEM
87.04	Other motor vehicles for goods transport			
8704.21.10	Primarily a double cab pick-up vehicle used for transporting goods and capable of carrying more than 2 people including the driver.	60%	75%	RATE CHANGE
8704.22.10	Primarily a double cab pick-up vehicle used for transporting goods and capable of carrying more than two people, including the driver.	60%	75%	RATE CHANGE
8704.31.10	Primarily a double cab pick-up vehicle used for transporting goods and capable of carrying more than 2 people including the driver.	60%	75%	RATE CHANGE
8704.41.10	Diesel-electric hybrid, GVW ≤5T – Double cab pickup	60%	75%	RATE CHANGE
8704.51.10	Petrol-electric hybrid, GVW ≤5T – Double cab pickup	60%	75%	RATE CHANGE

Excise Tariff Changes

Note (11) Domestic Production - Comprehensive Tariff Exemption List

Excise duty shall not be levied on the domestic production of goods falling under the following tariff headings and sub-headings:

PART A - Tariff Headings (No Excise Duty on Domestic Production)							
02.07	08.03	08.04	08.06	08.09	08.12	08.13-11.06	12.07
16.01	16.02	16.03	16.04	16.05	20.01	20.02	20.03
20.04	20.06	20.07	20.08	21.05	24.01	25.15	25.16
39.17	39.18	39.19	48.03	48.14	70.10	72.09	72.10
72.11	72.16	72.23	72.25	72.29	73.07	73.08	73.09
73.12	73.13	73.14	73.15	73.17	73.19	76.08	76.10
84.19							
PART B - Tariff Sub-Headings (No Excise Duty on Domestic Production)							
0802.80.00	1517.90.00	1701.13.10	1701.14.10	1704.10.00	1704.90.00	1904.10.10	1904.10.91
1904.10.99	1904.20.00	1904.30.00	1904.90.90	1905.10.00	1905.20.00	1905.31.00	1905.32.00
1905.40.00	1905.90.10	1905.90.30	1905.90.40	1905.90.60	1905.90.70	2005.10.00	2005.20.90
2005.40.00	2005.51.00	2005.59.00	2005.60.00	2005.70.00	2005.80.00	2005.91.00	2005.99.00
2101.11.00	2101.12.00	2101.20.00	2101.30.00	2106.90.10	2106.90.92	2202.99.30	3307.41.00
3206.10.00	3506.91.00	3506.99.00	3824.40.00	3824.50.00	3921.90.11	3921.90.92	3923.10.20
3923.30.10	3924.10.10	4818.10.00	4818.20.00	4818.30.00	4818.50.00	4818.90.00	4823.61.00
4823.69.00	4823.70.00	7311.00.20	7311.00.90	7320.10.90			

SECTION 08

Customs Duty & Tariff

Customs Act amendments, import duty and export duty changes.



Customs Act – Section wise Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 5(1A)	Not applicable – newly inserted provision.	Sub-customs Offices shall exist under the main Customs Office as specified.
Section 20(10)	The Customs Officer may permit such amendment of details. Provided that no permission for amendment of details shall be given if the request appears to be fraudulent or in bad faith.	The Customs Officer may make such amendment of details. Provided that no amendment of details shall be made if the request appears to be fraudulent or in bad faith.
Section 20(11)	The Customs Officer may permit such amendment of declaration. Provided that no permission for amendment of declaration shall be given where: (a) Duty payable or regulatory requirement would be affected, (b) Immunity from a penalty under this Act would be obtained, (c) Unnecessary delay in clearance would result.	The Customs Officer may make such amendment of declaration. Provided that no amendment of declaration shall be made where: (a) Duty payable or regulatory requirement would be affected, (b) Immunity from a penalty under this Act would be obtained, (c) Unnecessary delay in clearance would result.
Section 53	If goods are forfeited, parcels/packets used to pack them shall also be forfeited. Provided that no aircraft, watercraft, train, container, motor car, truck, tractor, bus, or other means of transport or towing trailer shall be forfeited.	(1) If goods are forfeited, parcels/packets used to pack them shall also be forfeited. (2) The vehicle or means of transport used to transport such goods shall not be forfeited. Provided that if the owner cannot be found and no claim is made in response to the notice issued, there shall be no bar to forfeiting such vehicle.
Section 68(1A)	Not applicable – newly inserted provision.	A fee of three thousand rupees shall be charged when submitting an application pursuant to sub-section (1).
Section 70(4)(c)	Not applicable – newly inserted provision.	If small transport is used, fines shall be: (1) Cart, horse-carriage, handcart, rickshaw, or bicycle: up to NPR 10,000 on owner/driver. (2) Scooter or motorcycle: up to NPR 20,000.
Section 71(d)	To clear goods after imposing a fine equal to fifty percent of the duty chargeable, and collecting the applicable duty.	To clear goods after imposing a fine equal to twenty-five percent of the duty chargeable, and collecting the applicable duty.

Customs Act – Section wise Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 71(i)	Where a declarant attaches documents different from those required in electronic form: fine equal to ten per cent of duty chargeable.	Where a declarant intentionally attaches documents different from those required in electronic form: fine equal to ten per cent of duty chargeable.
Section 93(3)	A document evidencing payment, or having paid such amount, or placement of a cash deposit shall be annexed. Provided that a person in detention unable to pay may submit without such deposit.	A document evidencing payment, or placement of a cash deposit equivalent to such amount with the concerned Office , shall be annexed. Provided that a person in detention unable to pay may submit without such deposit.
Section 95(2)	Shall pay undisputed duty to the Customs Post Clearance Audit Office and place a cash deposit of 100% of disputed duty and fine.	Shall pay undisputed duty to the Customs Office or Customs Post Clearance Audit Office and place a cash deposit of 100% of disputed duty and fine.
Section 95(3)	A bank voucher evidencing deposit in the Customs Post Clearance Audit Office account at the Comptroller General's Office shall be submitted with the appeal.	A bank voucher evidencing deposit in the Customs Office or Customs Post Clearance Audit Office account at the Comptroller General's Office shall be submitted with the appeal.
Section 109(2)	If duty was under-collected due to false bills/invoices/documents, the Customs Officer may impose a fine equal to 300% of the duty differed.	If duty was under-collected due to false bills/invoices/documents, the Customs Officer may impose a fine equal to 300% of the duty differed. If the documents indicate forgery of government documents, the matter shall be forwarded to the concerned authority under prevailing law.
Section 114(4)	An Export or Import Registration Number not renewed within the prescribed time shall automatically lapse.	A person wishing to cancel their Export or Import Registration Number may submit an application to the Department with the renewal fee, and the Department may cancel such number.

SECTION 08 - CONTINUED

Customs Tariff

Import duty and export duty changes by heading.

08

Customs Tariff Act – Section wise Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 13(5)	In the case of goods brought back into Nepal through a foreign route from one part of Nepal, or goods re-exported abroad through Nepal after being brought from abroad, the Ministry may provide customs facilities as prescribed.	In the case of goods brought back into Nepal through a foreign route from one part of Nepal, or goods re-exported abroad through Nepal after being brought from abroad, the prescribed authority may provide customs facilities as prescribed.
Section 14 (1), (2), (3)	<p>(1) The Government of Nepal may grant any person the facility of importing goods against a bank guarantee in lieu of payment of the applicable customs duty.</p> <p>(2) Any industry wishing to import raw materials for the purpose of manufacturing and exporting goods, or selling them domestically in convertible foreign currency, may be granted the facility of importing such raw materials against a bank guarantee of the applicable customs duty amount, subject to compliance with prescribed conditions.</p> <p>(3) If goods manufactured from raw materials imported under Sub-section (2) are not exported, or not sold domestically in convertible foreign currency, within the prescribed period, the customs duty applicable on the date of import of such raw materials shall be recovered with an additional surcharge of fifteen percent (15%).</p>	<p>(1) The Government of Nepal may grant any person the facility of importing goods against a bank guarantee in lieu of payment of the applicable customs duty.</p> <p>(2) Any industry wishing to import Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) for the purpose of manufacturing and exporting goods, or selling them domestically in convertible foreign currency, may be granted the facility of importing such Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) against a bank guarantee of the applicable customs duty amount, subject to compliance with prescribed conditions.</p> <p>(3) If goods manufactured from Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) imported under Sub-section (2) are not exported, or not sold domestically in convertible foreign currency, within the prescribed period, the customs duty applicable on the date of import of such Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) shall be recovered with an additional surcharge of fifteen percent (15%).</p>
Section 15	<p>(1) Any industry intending to export its manufactured goods through a banking system or sell them domestically in convertible foreign currency may import the necessary raw materials against a cash deposit of the applicable customs duty, in the prescribed manner.</p> <p>(2) The cash deposit made under Sub-section (1) shall be refunded only after the goods manufactured from such raw materials have been exported, or sold domestically in convertible foreign currency, in the prescribed manner.</p>	<p>(1) Any industry intending to export its manufactured goods through a banking system or sell them domestically in convertible foreign currency may import the necessary Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) against a cash deposit of the applicable customs duty, in the prescribed manner.</p> <p>(2) The cash deposit made under Sub-section (1) shall be refunded only after the goods manufactured from such Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) have been exported, or sold domestically in convertible foreign currency, in the prescribed manner.</p>

Customs Tariff Act – Section wise Amendment

SECTION	EXISTING PROVISION · FY 2082/83	AMENDED PROVISION · FY 2083/84
Section 15	(3) If the goods manufactured from raw materials imported under Sub-section (1) are not exported, or not sold domestically in convertible foreign currency, within the prescribed period, the deposited amount shall be credited to the relevant revenue account and an additional fifteen percent (15%) of the customs duty applicable on the date of import shall be recovered.	(3) If the goods manufactured from Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) imported under Sub-section (1) are not exported, or not sold domestically in convertible foreign currency, within the prescribed period, the deposited amount shall be credited to the relevant revenue account and an additional fifteen percent (15%) of the customs duty applicable on the date of import shall be recovered.
Section 16(1b)	Raw materials imported for the manufacture of goods to be exported or sold domestically in convertible foreign currency may be imported against a bank guarantee equal to the applicable customs duty, subject to prescribed conditions.	Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) imported for the manufacture of goods to be exported or sold domestically in convertible foreign currency may be imported against a bank guarantee equal to the applicable customs duty, subject to prescribed conditions.
Section 16(1e)	Upon receipt of a recommendation from the SEZ Authority, accompanied by proof that goods manufactured from imported raw materials have been exported or sold in convertible foreign currency within one year, the relevant customs office shall release the bank guarantee lodged under clause (b), provided the request is made within one year from the date of import of the raw materials.	Upon receipt of a recommendation from the SEZ Authority, accompanied by proof that goods manufactured from imported Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) have been exported or sold in convertible foreign currency within one year, the relevant customs office shall release the bank guarantee lodged under clause (b), provided the request is made within one year from the date of import of the Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) .
Section 16(2)	(2) If an importer sells imported goods to an SEZ-based industry as raw materials in the prescribed manner, the customs office shall refund the customs duty already paid by such importer, in the prescribed manner.	(2) If an importer sells imported goods to an SEZ-based industry as Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) in the prescribed manner, the customs office shall refund the customs duty already paid by such importer, in the prescribed manner.
Section 16(4)	(4) If goods manufactured from raw materials imported under Sub-section (1)(b) are sold for domestic consumption within Nepal, such goods may only be removed from the SEZ after the customs duty applicable on the date of import of the raw materials has been paid to the relevant customs office.	(4) If goods manufactured from Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) imported under Sub-section (1)(b) are sold for domestic consumption within Nepal, such goods may only be removed from the SEZ after the customs duty applicable on the date of import of the Raw materials or auxiliary raw materials (including packaging materials not produced in Nepal) has been paid to the relevant customs office.
Section 28ka	N/A	A person who is dissatisfied with a decision made by a Customs Officer under this Act may seek administrative review and file an appeal in accordance with the prevailing customs laws

Custom Tariff Changes

HS CODE	DESCRIPTION OF GOODS	PREV. RATE	NEW RATE	CHANGE
2710.12.10/90	Motor Spirit (Petrol) - All Grades	Rs. 1 /litre	Rs. 15/litre	+Rs. 14/litre (+1,400%)
2710.19.30	High Speed Diesel (HSD)	Rs. 1 /litre	Rs. 13/litre	+Rs. 12/litre (+1,200%)
8703.80.91/99	Four-Wheeled Passenger EV	Flat 20% CIIF	Slab: 2.5%–130%	Up to +110% extra
0402/0405/0901/0902	Dairy, Butter, Ghee, Coffee, Tea (all varieties)	Nil DPPF	10% DPPF	New levy
8543.40.00 / 8543.90.10	Electronic Cigarettes & Vaping Devices	Nil Green Tax	60% Green Tax	+60 pts (new)
6802.10–99 / 6907.21–40	Marble, Granite, Stone, Ceramic Floor/Wall Tiles	Nil DPPF	15% DPPF	New levy
2005.20.10	Potato Chips (prepared/preserved)	18.5%	30%	+11.5 pts (+62.2%)
1902.40.00	Couscous	11.25%	30%	+18.75 pts (+166.7%)
2806.10, 2807, 2821, 2828, 2839	Acids, Iron Oxides, Hypochlorites, Silicates	7.25%	10%	+2.75 pts (+37.9%)
8507.10.00 / 8507.20.00	Lead-Acid Batteries (Vehicle Starting + Other)	Nil Green Tax	15% Green Tax	+15 pts (new)
8517.13.00	Smartphones	Nil Green Tax	5% Green Tax	+5 pts (new)
8517.62.10	Smart Watch	Nil Green Tax	15% Green Tax	+15 pts (new)
8544.70.00	Optical Fibre Cables	Nil Green Tax	15% Green Tax	+15 pts (new)
4401.21.10	Wood Chips - Of Pine (Pinus species) - Export	50% export duty	20% export duty	–30 pts (–60%)
9403.70.20	Baby Walker (Furniture of Plastics)	11.25%	20%	+8.75 pts (+77.8%)
2106.90.96 (NEW)	Food Preparations for Infants/Small Children (Retail)	Sub-heading did not exist	20% import duty	New insertion

Note: Road Construction Fee at the rate of 2.5% shall be levied on motor vehicles falling under sub-headings 8703.80.91 and 8703.80.99, where the transaction value determined by Customs at the time of importation does not exceed NPR 2,000,000.

SECTION 09

Green Tax

Green tax rates on fuels, minerals, batteries and electronic goods.

09



Green Tax Rates

HS Code	Description of Goods	Green Tax Rate	HS Code	Description of Goods	Green Tax Rate
27.01	Coal; briquettes, ovoids and similar solid fuels	Rs. 0.50 per kg	85.08	Vacuum cleaners and parts	5%
2704.00.00	Retort carbon, coke and semicoke of coal, lignite or peat	Rs. 0.50 per kg	85.11	Spark plugs and ignition equipment	5%
2710.12.10	Motor spirit (Petrol)	Rs. 15 per litre	85.12	Electrical lighting/signalling for vehicles	5%
2710.12.20	Hexane (food grade)	Rs. 1 per litre	8517.13.00	Smartphones	5%
2710.12.90	Other motor spirit	Rs. 15 per litre	8517.62.10	Smartwatch	15%
2710.19.30	High speed diesel	Rs. 13 per litre	8517.62.20/30	Networking switches and routers	5%
2710.19.50	Fuel oil (furnace oil)	Rs. 0.50 per litre	8518.10.00	Microphones and stands	15%
2710.19.60	Base oil (for mobile/lubricant use)	Rs. 0.50 per litre	8518.21/22/29	Loudspeakers (single, multiple, or other)	10% to 15%
2710.19.80	Lubricating oil	Rs. 1 per litre	8518.30/40/50	Headphones, earphones, and amplifiers	10%
2710.19.99	Other oils (Spindle, Transformer, White oil, etc.)	Rs. 0.50 to Rs. 1 per litre	85.23	Recording media (SIM cards, memory cards, etc.)	5% to 10%
2710.20.00	Petroleum oils containing biodiesel	1%	85.25	Cameras (TV, digital, video, CCTV)	5%
2710.91.00/99	Waste oils (containing PCBs or others)	1%	85.28	Monitors, projectors, and televisions	10%
27.13	Petroleum coke, bitumen and residues	Rs. 0.50 per kg	85.32 / 85.33	Electrical capacitors and resistors	10%
6811.40.00	Articles of asbestos-cement	10%	8534.00.00	Printed circuits	10%
68.13	Friction material - brake linings, pads, etc. (containing asbestos)	10%	85.36	Electrical switches and connectors (<1000V)	15%
6813.81.00/89	Friction material - not containing asbestos	10%	85.43	Electronic cigarettes and personal vaporisers	60%
8507.10.00	Electric accumulators - lead-acid, for starting piston engines	15%	8543.70.00	Other electrical machines	5%
8507.20.00	Other lead-acid accumulators	15%	85.44	Insulated wire and optical fibre cables	15%
8507.30.00	Nickel-cadmium accumulators	10%	90.30	Oscilloscopes and measuring instruments	5%
8507.40.00	Nickel-metal hydride accumulators	10%	90.26	Instruments for measuring flow, level, or pressure	5%
8507.60.00	Lithium-ion accumulators	5%	90.17	Drawing, marking-out or calculating instruments	5%
8507.80.10	Power bank (battery pack)	15%	90.11 / 90.12	Microscopes and parts	5%

DISCLAIMER

The information contained in this document has been compiled by NBSM solely for the informational use of its clients, staff and other stakeholders. While every effort has been made to ensure the accuracy and reliability of the information presented herein, it is intended for general guidance purposes only and does not constitute professional advice.





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