

Excise Duty Act, 2058 (2002)

Date of Authentication and Publication

2058.10.17 (30 January 2002)

Act Number 17 of the year 2058 (2002)

An Act made to amend and codify the laws relating to excise duty

Preamble: Whereas, it is expedient to make timely and amend and codify the laws made in respect of imposing and collecting the excise duty on the products manufactured in or imported into, or the services delivered in, Nepal in order to mobilize revenue by making effective the process of collecting revenue required for economic development of the country;

Now, therefore, be it enacted by Parliament in the first year of reign of His Majesty the King Gyanendra Bir Bikram Shah Dev.

1. **Short title and commencement:** This Act may be called as the "Excise Duty Act, 2058 (2002)."

(3) It shall come into force immediately.

2. **Definitions:** Unless the subject or the context otherwise requires, in this Act,-

- (a) "Product or service subject to excise duty" means any product or service which is subject to the excise duty pursuant to this Act or other law in force.
- (b) "Product" means both kinds of movable and immovable property.
- (c) "Service" means anything whatsoever except a product.

- (d) "Enterprise" means a firm, company or organization established pursuant to the law in force with an objective to manufacture, import, store or sell and distribute a product subject to excise duty or deliver service subject to excise duty.
- (e) "License" means a license issued pursuant to Section 9.
- (f) "Excise Duty Officer" means the officer designated by Government of Nepal for purposes of this Act.
- (g) "Production" means the act of manufacturing, making or preparing a product subject to excise duty.
- (h) "Manufacturer" means a person, firm, company or organization licensed to manufacture a product subject to excise duty and it also includes a person, firm, company or organization who delivers service subject to excise duty.
- (i) "Person" means any person, enterprise, association, partnership firm, cooperative, joint venture, director of a trust or fund, proprietor and chief representative or agent, and this term also includes any entity who manufactures or imports and sells and distributes in any manner any product or service subject to excise duty, or branch or sub-branch of such an entity or similar place of transaction.
- (j) "Factory price" means the price fixed by adding only the expenditure incurred in manufacturing, or manufacturing and selling and distributing, a product subject to excise duty and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.
- (k) "Price" means,-

- (1) Factory price, in the case of a product to be manufactured,
- (2) Price as per the invoice, in the case of service,
- (3) Price fixed as per Clause (b) of Sub-section (1) of Section 7, in the case of a product to be imported.

- (l) "Import" means the act of importing a product subject to excise duty into Nepal pursuant to the law in force.
- (m) "Invoice" means a bill, receipt or voucher indicating price issued pursuant to this Act.
- (n) "Department" means the Department specified by Government of Nepal for purposes of this Act.
- (o) "Director General" means the Director General of the Department.
- (p) "Prescribed" or "as prescribed" means prescribed or as prescribed in the Rules framed under this Act.

3. To levy and collect excise duty: In cases where any Act makes provision on levying excise duty for each year or for any one year in any product or service, such excise duty shall be collected pursuant to this Act and the Rules framed under this Act.

4. Collection of excise duty: (1) In collecting the excise duty chargeable pursuant to this Act, it shall be collected as follows:-

- (a) In the case of a product, at the time when the product of an enterprise is exported for sale,
- (b) In the case of service, at the time when the invoice is issued to the consumer,

- (c) In the case of a product to be imported, at the time when such product is imported into Nepal for purposes of customs.

(2) Notwithstanding anything contained in Sub-section (1), in cases where the excise duty has to be charged on a product at the time of its production, the procedures therefor shall be as prescribed.

- 5. **Power to appoint or designate Excise Duty Officer:** Government of Nepal may, for purposes of this Act, appoint Excise Duty Officer in the required number, and in cases where Government of Nepal thinks it necessary, it may designate any other officer of Government of Nepal to act as the Excise Duty Officer.
- 6. **Jurisdiction of Excise Duty Officer:** Jurisdiction of the Excise Duty Officer shall be as specified by Government of Nepal.
- 7. **Fixation of price of product or service subject to excise duty:** (1) In cases where the excise duty is to be levied on any product according to value (*ad valorem*), the excise duty shall be levied taking the following price as the basis.-
 - (a) Manufacture:
 - (1) the price which a manufacturer receives at the time and place of selling a product subject to excise duty to a whole sale purchaser, or
 - (2) the price specified by the Department on the basis of production/manufacturing cost.

(b) Importation:

In respect of a product to be imported, the price fixed for purposes of collecting customs tariff on such a product.

Provided that, in cases where the product to be imported is being manufactured in Nepal, too, and the Department has fixed the price of that product for purposes of Clause (a), excise duty shall be collected on the basis of the price whichever is higher out of that price and the price referred to in this Clause.

(2) Excise duty on service shall be collected by fixing the price as per the invoice.

(3) For purposes of collecting excise duty, the Department may, as per necessity, re-fix the price or fix additional price.

8. License to be obtained: (1) No one shall manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty to any other person, without obtaining a license pursuant to this Act.

(2) A person, firm, company or organization that intends to obtain a license as referred to in Sub-section (1) has to make an application to the Excise Duty Officer for the license, in such format and accompanied by such fee as prescribed.

9. Provision relating to license: (1) In cases where an application is made to the Excise Duty Officer for the license pursuant to Section 8, the Department or the Excise Duty Officer designated by the

Department shall issue such license in the prescribed format if it appears appropriate upon making necessary examination on such an application.

(2) The terms of the license to be issued pursuant to Sub-section (1) and method of its renewal and renewal fee shall be as prescribed.

10. Power to cancel license: The Department may cancel the license issued pursuant to Sub-section (1) of Section 9 in the following circumstances:-

(a) In cases where the terms and conditions specified in the license are found to have been violated,

(b) In cases where it appears to be contrary to public interest.

11. To search on adequate ground: In cases where there is a reasonable ground to suspect that any one is exporting the product subject to excise duty from an enterprise or importing it from abroad by evading excise duty, the Excise Duty Officer or the employee designated by him/her may hold up any person or motor vehicle whatsoever and require for submission of an evidence of payment of excise duty. Failure to submit the evidence of payment of excise duty shall be considered evasion of excise duty.

12. Power to search, seize or arrest: (1) In cases where any person, firm, company or organization carries on business by importing, selling or storing a product or goods subject to excise duty or by delivering service subject to excise duty without obtaining license, or the Excise Duty Officer or the employee designated by him/her receives information that excise duty is evaded pursuant to Section 11, such Officer or employee may search any enterprise, house, land, motor vehicle or place where such act is being carried out.

(2) While carrying out a search pursuant to Sub-section (1), if a business is found being carried on by manufacturing, selling, importing, storing or transporting a product subject to excise duty or delivering service subject to excise duty in contravention of this Act, the Officer or employee conducting the search may, by issuing a notice, arrest a person engaged in such act and seize the goods recovered there, by executing a memorandum (*Muchulka*).

(3) In cases where any offense under this Act is being committed in any enterprise, house, land, motor vehicle or place, and the Excise Duty Officer finds a possibility that the offender may escape or the proof and evidence of the offense may disappear if no action is taken immediately, the Excise Duty Officer or employee designated by him/her may, by executing a memorandum thereof, personally carry out or cause any of his/her subordinate employee to carry out the following acts at any time:

- (a) to enter into such enterprise, house, land, motor vehicle or place,
- (b) if there is any obstruction and objection in so entering into, to give a reasonable opportunity for any person staying in that place to leave the place, and enter into there by breaking out the window or door,
- (c) to seize the product subject to excise duty related with the offense, and such other goods and documents as may be ancillary to prove the offense,
- (d) to suspend the license, and
- (e) to arrest the suspect of the offense.

(4) In entering into any enterprise, house, land, motor vehicle or place or carrying out a search pursuant to this Section, such entry or search shall be conducted in witness of one member of the concerned Municipal Corporation, Sub-municipal Corporation, Municipality or Village Development Committee or one local person of that place.

(5) If someone has been arrested or any enterprise, house, land, motor vehicle or place has been searched out or the products subject to excise duty or other goods have been seized under this Act, the Excise Duty Officer who has so arrested, searched out or seized has to send, through faster means, a report thereof to the Director General of the Department within Twenty Four hours of such arrest, search or seizure of goods. In cases where any other employee subordinate to the Excise Duty Officer has carried out such act, such employee shall send a report thereof to the Excise Duty Officer or the Department within Twenty Four hours of carrying out such act.

(6) The Excise Duty Officer shall have the same powers in respect of investigation of the offense under this Act as the police is entitled to exercise pursuant to the law in force.

(7) In cases where the Excise Duty Officer requests the local administration or the police for assistance in search, arrest or seizure, the local administration or the police has to render such assistance immediately.

- 13. Duty to give information of offense:** (1) In cases where any person comes to know that any one is about to commit or is committing or has already committed any act contrary to this Act, it shall be the duty of such a person to give information thereof to the Excise Duty Office or to the police office or any other governmental office where the Excise Duty Office is not situated nearby. The informer may give such information

verbally or in writing. The office that receives such information has to forward such information to the concerned Excise Duty Office.

(2) In cases where the informer intends to keep his/her name secret, he/she may give his/her identity in code language.

(3) In giving information, the informer shall not be compelled to disclose the source of his/her information.

14. Reward: (1) A government employee or any other person who gives information or clue about any act which is about to be or being or has been committed contrary to this Act shall, after final settlement of the case, be awarded by the concerned Excise Duty Office a reward in a sum to be set as follows of the proceeds recovered from the claimed amount of the product subject to excise duty seized from the accused:-

- (a) Twenty per cent of the amount in controversy to the informer,
- (b) Forty per cent of the amount in controversy to one who arrests and hands over the person, along with the proof,
- (c) Twenty Five per cent of the amount in controversy to one who seizes and hands over a product only.

Provided that, in cases where the informer be more than one person, the reward shall be divided between them *pro rata*.

(2) In cases where any employee or police arrests a person, along with the goods seized, upon having a clue, Twenty Five percent of the amount in controversy shall be given to such an employee or police.

Provided that, in cases where only a product is seized, Twenty Five percent of the value of the product shall be given as reward. In

cases where the reward to be so given exceeds Fifteen Thousand Rupees per person at a time, it shall be given not in excess of that figure.

15. Penalty to the person who does not give information or render

assistance: In cases where any person who has the duty to give information that any act is about to be, being or has been committed contrary to this Act, after knowing such matter, or to render assistance as and when sought by the Excise Duty Office, does not knowingly give such information or render such assistance as the case may be, such a person shall be punished with imprisonment for a term not exceeding Three months or with a fine of up to Ten Thousand Rupees or with both punishments, based on the nature of the offense.

16. Penalties: (1) In cases where any person commits the following offense, such a person shall be punished with imprisonment for a term not exceeding One year or with a fine in a sum equivalent to the amount in controversy or with both punishments for such offence, and the amount in controversy shall also be seized:-

- (a) To conceal, hide or evade the excise duty required to be paid under this Act, or
- (b) To violate Section 8, or
- (c) To commit any offense contrary to this Act by preparing a false account or forged document.

(2) In cases where anyone attempts or abets to commit the offense referred to in Clause (a), (b) or (c), he/she shall be punished with half of the punishment.

(3) The utensils used directly or indirectly with the offense, tools machines, equipment and motor vehicle used to manufacture or make a product or service shall also be seized.

Provided that, in cases where the person who commits such offense uses a motor vehicle on hire and uses it 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 imprisonment for a term not exceeding Three months or with a fine of up to Fifteen Thousand Rupees or with both punishments, based on the nature of the offense.

(4) Notwithstanding anything contained in Sub-section (3), in cases where a motor vehicle is registered as on hire and used by its owner him/herself, such vehicle shall be seized.

17. To withhold and auction property: (1) In cases where the Excise Duty Officer has a reasonable ground for seizing the property belonging to any person pursuant to this Act or the Rules framed hereunder, the Excise Duty Officer may so withhold such property that the title to or ownership over it is incapable of being transferred to anyone else.

(2) In cases where it appears that the property so withheld can be perished, decayed or destroyed or its value can be diminished, the Excise Duty Officer has to immediately auction such product and credit the proceeds from the auction sale. In cases where the concerned person is subsequently held entitled to have the withheld property returned to him/her, only the proceeds from the auction sale shall be refunded to him/her. The concerned person shall not be entitled to claim for the return of the product itself.

18. Powers of court of law to be vested: (1) For purposes of this Act, the Excise Duty Officer shall have the powers vested in a court under the law in force in the matters of summoning the presence of the concerned person, recording of statements, examining evidence, compelling

production of documents, holding such person in detention or releasing on bail.

(2) In taking action under this Act, the Excise Duty Officer has to follow the procedures referred to in the Summary Procedure Act, 2028 (1971).

19. **Appeal:** An appeal may be made to the Revenue Tribunal against any decision made by the Excise Duty Officer pursuant to this Act within Thirty Five days.
20. **Powers that cannot be delegated:** The powers conferred on the Excise Duty Officer pursuant to Sections 15 and 16 shall not be delegated.
21. **Circumstances where proceedings for seizure are suspended:** In cases where the Excise Duty Officer has made a decision to seize the property of any person pursuant to this Act or the Rules framed hereunder and an appeal has been made against the decision, the appeal hearing authority may issue an order to the Excise Duty Officer to suspend the proceedings to seize the property pending the settlement of the appeal.

Provided that, the provision of this Section shall not apply in the cases referred to in Sub-section (2) of Section 17.

22. **Recovery of dues as governmental dues:** If a person does not pay any amount due and payable to Government of Nepal pursuant to this Act and the Rules framed hereunder, the Excise Duty Officer shall recover such amount from such person as a governmental due.
23. **Provision relating to review:** (1) In cases where a taxpayer makes an application within Thirty Five days of receipt of order levying the excise duty, claiming that tax liability has increased because of failure of the

Excise Duty Officer to observe the matters referred to in this Act or irregularity or recklessness committed by that Officer in collecting the excise duty, the Director General may, if he/she thinks it appropriate upon investigation, cancel such order and order to collect the excise duty again.

(2) The Director General shall to hold necessary investigation and dispose of the application made pursuant to Sub-section (1) within Ninety days.

(3) In cases where the concerned person is not satisfied with the decision made by the Director General, such person may make an appeal to the Revenue Tribunal within Thirty Five days of date of receipt of notice of the decision.

Provided that, in cases where an appeal is made pursuant to Section 19, no appeal can be made for review pursuant to this Section.

24. This Act to prevail on tax provision: Notwithstanding anything contained in the law in force, except in cases where the Financial Act to be enforced in every year amends this Act and provides for imposition, assessment, increase, decrease, exemption, or remission of tax, no other Act shall make any amendment to, or alter tax provisions referred to in this Act or make other tax related provisions.

25. Power to frame Rules: Government of Nepal may frame necessary Rules in order to carry out the objectives of this Act.

26. Repeal and saving: (1) The Excise Duty Act, 2015 (1959) is, hereby, repealed.

(2) All the acts done and actions taken under the Excise Duty Act, 2015 (1959) shall be deemed to have been done or taken pursuant to this Act.

Financial Ordinance, 2059 (2002)

Date of Authentication and Publication

2059.3.24 (8 July 2002)

Ordinance number 2 of the year 2059

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance Articles 72 of Constitution Kingdom of Nepal, 2047 (1990).

1. Short title and commencement: (1) This Act may be called as the "Financial Ordinance, 2059 (2002)."

(2) Sections 1, 2, 3, 4, 5, 9, Sub-section (1) of Section 17, 21 and 22 of this Act shall be deemed to have come into force on 24 *Ashad* 2059 and the other Sections on 1 *Shrawan* 2059.

21. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058(2002):

(1) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) Except Otherwise mention, in yearly enforceable Financial Act, the excise

duty set forth in the Schedule shall be levied and recovered.

(2) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) Notwithstanding contain in Sub-section (1), there shall be refunded, in exporting goods from Nepal, to be paid excise duty from the enterprise and on any sold by duty free shop (bonded warehouse or duty free shop) on the basis of sale.

- (2) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

- (3) The following Section 25A. Shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

- (4) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 25.00
2.	<i>Sakkhar</i> (<i>Gud</i>), black <i>Sajhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 55.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Kattha</i> , Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 175.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.75.00
6.	<i>Sampen</i> , sherry, mead, <i>perry</i> ,	Per liter	Rs.130.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.130.00
8.	Cider/cocktail drinks	Per liter	Rs.70.00
9.	beer	Per liter	Rs.38.00
10.	country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit,	Per liter	Rs.6.00
12.	Thinner	Per liter	Rs.25.00
13.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume	Per L.P. liter	Rs.70.00

14.	Rectified spirits, silent Spirits (E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.25.00
15.	Liquors		
	(a) less than 40 U.P. strength	Per LP liter	Rs.275.00
	(b) With 40 U.P. strength and more than that and less than 65 U.p. strength.	Per LP liter	Rs.160.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.50.00
16.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
17.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 125.00
	(b) With filter	Per M	Rs. 300.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 385.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 530.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 710.00
18.	All kinds of cigar	Per stick	Rs. 2.50
19.	Pipe tobacco	Per kilogram	Rs. 365.00
20.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 175.00
21.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 105.00

22.	All kinds of cements	Per metric ton	Rs. 105.00
23.	All kinds of <i>Polithin (plastic)</i> bags.	Per kilogram	Rs.15.00
24.	All kinds of bricks (except domestic production)	Per thousand	Rs. 525.00
25.	<i>Petrol and diesel</i> pick up van (<i>gadi</i>), (Single cab Delivery van) (customs heading 8704).	Value percent	15 percent

Note :

- (1) Less than 20 microne *polithin* bags are not permitted to sale or distribution inside the Nepal.
- (2) The Department may interpret and specify the harmonized codes of the products.

Financial Ordinance, 2059 (2003)

Date of Authentication and Publication

2059.9.22 (6 January 2003)

Ordinance number 8 of the year 2059

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Articles 72 of Constitution Kingdom of Nepal, 2047 (1990).

1. Short title and commencement: (1) This Act may be called as the "Financial Ordinance, 2059 (2003)."

(2) This ordinance shall come into force immediately.

21. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058(2002):

(1) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or importing any goods or products set forth in the Schedule, the excise duty set forth in the Schedule shall be levied and recovered.

(2) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) Notwithstanding contain in Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting goods, to be paid excise duty from the enterprise and on any sold by duty free shop (bonded warehouse or duty free shop). The procedures for the release of such bank guarantee or cash deposit shall be as prescribed by the Department

- (2) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

- (3) The following Section 25A. Shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

- (4) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 25.00
2.	<i>Sakkhar</i> (<i>Gud</i>), black <i>Sajhhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 55.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Kattha</i> , Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 175.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.75.00
6.	<i>Sampen</i> , sherry, mead, <i>perry</i> ,	Per liter	Rs.130.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.130.00
8.	Cider/cocktail drinks	Per liter	Rs.70.00
9.	beer	Per liter	Rs.38.00
10.	country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit,	Per liter	Rs.6.00
12.	Thinner	Per liter	Rs.25.00
13.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume	Per L.P. liter	Rs.70.00
14.	Rectified spirits, silent Spirits	Per liter	Rs.25.00

	(E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume		
15.	Liquors		
	(a) less than 40 U.P. strength	Per LP liter	Rs.275.00
	(b) With 40 U.P. strength and more than that less than 65 U.P. strength.	Per LP liter	Rs.160.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.50.00
16.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
17.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 125.00
	(b) With filter	Per M	Rs. 300.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 385.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 530.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 710.00
18.	All kinds of cigar	per stick	Rs. 2.50
19.	Pipe tobacco	Per kilogram	Rs. 365.00
20.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 175.00
21.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 105.00
22.	All kinds of cements	Per metric ton	Rs. 105.00
23.	All kinds of <i>Polithin (plastic)</i> bags.	Per kilogram	Rs.15.00

24.	All kinds of bricks (except domestic production)	Per thousand	Rs. 525.00
25.	<i>Petrol and diesel</i> pick up van (<i>gadi</i>), (Single cab Delivery van) (customs heading 8704).	Value percent	15 percent

Note :

- (1) Less than 20 microne *polithin* bags are not permitted to sale or distribution inside the Nepal.
- (2) The Department may interpret and specify the harmonized codes of the products.

Financial Ordinance, 2060 (2003)

Date of Authentication and Publication

2060.3.16 (1 July 2003)

Ordinance number 3 of the year 2060

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Articles 72 of Constitution Kingdom of Nepal, 2047(1990).

1. Short title and commencement: (1) This Act may be called as the "Financial Ordinance, 2060 (2003)."

(2) This ordinance come into force immediately.

(3) This ordinance shall prevail till the last day of *Ashad*, 2060 B.S.

21. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058(2002):

(1) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or importing any goods or products set forth in the Schedule,

the excise duty set forth in the Schedule shall be levied and recovered.

(2) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) Notwithstanding contain in Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting goods, to be paid excise duty from the enterprise and on any sold by duty free shop (bonded warehouse or duty free shop). The procedures for the release of such bank guarantee or cash deposit shall be as prescribed by the Department

- (2) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is twenty five percent of that amount shall be recovered.”

- (3) The following Section 25A. Shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

- (4) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 25.00
2.	<i>Sakkhar</i> (<i>Gud</i>), <i>black Sakhhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 55.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Kattha</i> , <i>Pan Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 175.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.75.00
6.	<i>Sampen</i> , sherry, mead, <i>perry</i> ,	Per liter	Rs.130.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.130.00
8.	Cider/cocktail drinks	Per liter	Rs.70.00
9.	Beer	Per liter	Rs.38.00
10.	Country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit,	Per liter	Rs.6.00
12.	Thinner	Per liter	Rs.25.00
13.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume	Per L.P. liter	Rs.70.00

14.	Rectified spirits, silent Spirits (E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.25.00
15.	Liquors		
	(a) less than 40 U.P. strength	Per LP liter	Rs.275.00
	(b) With 40 U.P. strength and more than that and less than 65 U.P. strength.	Per LP liter	Rs.160.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.50.00
16.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
17.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 125.00
	(b) With filter	Per M	Rs. 300.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 385.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 530.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 710.00
18.	All kinds of cigar	per stick	Rs. 2.50
19.	Pipe tobacco	Per kilogram	Rs. 365.00
20.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 175.00
21.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 105.00

22.	All kinds of cements	Per metric ton	Rs. 105.00
23.	All kinds of <i>Polithin (plastic)</i> bags.	Per kilogram	Rs.15.00
24.	All kinds of bricks (except domestic production)	Per thousand	Rs. 525.00
25.	<i>Petrol and disel</i> pick up van (<i>gadi</i>), (Single cab Delivery van) (customs heading 8704).	Value percent	15 percent

Note :

- (1) Less than 20 microne *polithin* bags are not permitted to sale or distribution inside the Nepal.
- (2) The Department may interpret and specify the harmonized codes of the products.

Financial Ordinance, 2060 (2003)

Date of Authentication and Publication

2060.4.1(17 July 2003)

Ordinance number 7 of the year 2060

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Articles 72 of Constitution Kingdom of Nepal, 2047(1990).

1. **Short title and commencement:** (1) This Act may be called as the "Financial Ordinance, 2060 (2003)."

(2) This ordinance shall come into force immediately.

23. **Amendment to the Excise Duty Act, 2058 (2002):** Of the Excise Duty Act, 2058(2002):

(1) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or importing any goods or products set forth in the Schedule, the excise duty set forth in the Schedule shall be levied and recovered.

Provided that, the excise duty which used in *khudo* (*molases*) or spirit in the product of liquor may be deducted from the excise duty to be paid on exporting the ready liquor.

(2) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(2) The following Sections 3A. Shall be inserted after Section 3:

“3A. Not to levy excise duty on export from the State of Nepal: (1) No excise duty shall be levied on goods which exported by an enterprise or on any goods sold by a bonded warehouse and duty free shop from the Nepal.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise. The procedures for the release of such bank guarantee or cash deposit shall be as prescribed by the Department.

(3) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum

that is Twenty Five percent of that amount shall be recovered.”

(4) Of Section 7:

(a) The words “the price set by also adding the customs duty to the price fixed” shall be substituted for the words “the price fixed” contained in Clause (b) of Sub-section (1).

(b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

“(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.

(5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A.”

(5) Of Section 16:

(a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

(b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from Five Thousand Rupees to Fifteen Thousand Rupees according to the gravity of offence:

- (a) To sell or store any product subject to excise duty without obtaining the license;
- (b) To provide any service subject to excise duty without obtaining the license;
- (c) To violate this Act and the Rules framed under this Act.”

(6) Of Section 23:

(a) The following Sub-section (1a) shall be inserted after Sub-section (1):

“(1a) while filing an application pursuant to Sub-section (1), one should deposit the excise duty or fine or both, as it has been assessed or imposed as the case may be.

(b) The words "proviso" shall be deleted contained in Sub-section (3).

(7) The following Section 25A. Shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary manuals, subject to this Act and the Rules framed under this Act.”

(8) **Repealed:** Section 19 shall be repealed.

(9) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 30.00
2.	Sakkhar (Gud), black Sakhhar, Raskat (only in import)	Per quintal	Rs. 60.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Kattha</i> , Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 185.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.75.00
6.	<i>Sampen</i> , sherry, mead, <i>perry</i> ,	Per liter	Rs.136.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.136.00
8.	Cider/cocktail drinks	Per liter	Rs.75.00
9.	beer	Per liter	Rs.42.00
10.	country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit, Anhydrous ethanol	Per liter	Rs.6.00
12.	Thinner	Per liter	Rs.25.00
13.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume	Per L.P. liter	Rs.80.00

14.	Rectified spirits, silent Spirits (E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.25.00
15.	Liquors		
	(a) Less than 40 U.P. strength	Per LP liter	Rs.320.00
	(b) With 40 U.P. strength and more than that less than 65 U.p. strength.	Per LP liter	Rs.195.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.70.00
16.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
17.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 155.00
	(b) With filter	Per M	Rs. 330.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 425.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 565.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 750.00
18.	All kinds of cigar	per stick	Rs. 2.60
19.	<i>Bidi</i>	Per M	Rs. 45.00
20.	Pipe tobacco	Per kilogram	Rs. 500.00
21.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 185.00
22.	Packed raw chewable tobacco	Per kilogram	Rs. 115.00

	containing lime		
23.	All kinds of cements	Per metric ton	Rs. 105.00
24.	All kinds of <i>Polithin (plastic)</i> bags.	Per kilogram	Rs.15.00
25.	All kinds of bricks (except domestic production)	Per thousand	Rs. 525.00
26.	Motor vehicles		
	(a) Jeep, car and van (custom heading 8702 and 8703).	Value percent	32 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702).	Value percent	32 percent
	(c) Double cab pick up (customs heading 8704) .	Value percent	32 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703).	Value percent	32 percent
	(e) Single cab pick up (customs heading 8704).	Value percent	15 percent
	(f) Delivery van (customs heading 8704).	Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25 seats) (custom heading 8702)	Value percent	4 percent
	(h) chassis of Minibus (with capacity of 15 to 25 seats) (customs heading 8706)	Value percent	4 percent
	(i) Motor cycle (custom heading 8711)	Value percent	4 percent

Note :

- (1) Less than 20 *microne polithin* bags are not permitted to sale or distribution inside the Nepal.

- (2) The Department may interpret and specify the harmonized codes of the products.

Financial Ordinance, 2060 (2003)

Date of Authentication and Publication

2060.4.1(17 July 2003)

Ordinance number 7 of the year 2060

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Articles 72 of Constitution Kingdom of Nepal, 2047 (1990).

- 1. Short title and commencement:** (1) This Act may be called as the "Financial Ordinance, 2060 (2003)."

(2) This ordinance shall come into force immediately.

- 23. Amendment to the Excise Duty Act, 2058 (2002):** Of the Excise Duty Act, 2058(2002):

- (1) The following Section 3 shall be substituted for Section 3:

"3. To levy and collect excise duty: (1) In manufacturing or importing any goods or products set forth in the Schedule,

the excise duty set forth in the Schedule shall be levied and recovered.

Provided that, the excise duty which used in *khudo* (molases) or spirit in the product of liquor may be deducted from the excise duty to be paid on exporting the ready liquor.

(2) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(2) The following Sections 3A. Shall be inserted after Section 3:

“3A. Not to levy excise duty on export from the State of Nepal: (1) No excise duty shall be levied on goods which exported by an enterprise or on any goods sold by a bonded warehouse and duty free shop from Nepal.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise. The procedures for the release of such bank guarantee or cash deposit shall be as prescribed by the Department.

(3) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant

deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is twenty five percent of that amount shall be recovered.”

(4) Of Section 7:

- (a) The words “the price set by also adding the customs duty to the price fixed” shall be substituted for the words “the price fixed” contained in Clause (b) of Sub-section (1).
- (b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

“(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.

(5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A.”

(5) Of Section 16:

- (a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

- (b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from Five Thousand Rupees to Fifteen Thousand Rupees according to the gravity of offence:

- (a) To sell or store any product subject to excise duty without obtaining the license;
- (b) To provide any service subject to excise duty without obtaining the license;
- (c) To violate this Act and the Rules framed under this Act.”

- (6) Of Section 23:

- (a) The following Sub-section (1a) shall be inserted after Sub-section (1):

“(1a) while filing an application pursuant to Sub-section (1), one should deposit the excise duty or fine or both, as it has been assessed or imposed as the case may be.

- (b) The words "proviso" shall be deleted contained in Sub-section (3).

- (7) The following Section 25A. Shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

- (8) **Repealed**: Section 19 shall be repealed.
- (9) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 30.00
2.	<i>Sakkhar</i> (Gud), black <i>Sajhhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 60.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Kattha</i> , Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 185.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.75.00
6.	Sampan, sherry, mead, <i>perry</i> ,	Per liter	Rs.136.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.136.00
8.	Cider/cocktail drinks	Per liter	Rs.75.00
9.	Beer	Per liter	Rs.42.00
10.	Country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit, Anhydrous ethanol	Per liter	Rs.6.00
12.	Thinner	Per liter	Rs.25.00
13.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume	Per L.P. liter	Rs.80.00
14.	Rectified spirits, silent Spirits (E.N.A.)	Per liter	Rs.25.00

	used as raw materials of liquors containing more than 80 percent alcohol by volume		
15.	Liquors		
	(a) less than 40 U.P. strength	Per LP liter	Rs.320.00
	(b) With 40 U.P. strength and more than that less than 65 U.P. strength.	Per LP liter	Rs.195.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.70.00
16.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
17.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 155.00
	(b) With filter	Per M	Rs. 330.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 425.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 565.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 750.00
18.	All kinds of cigar	per stick	Rs. 2.60
19.	<i>Bidi</i>	Per M	Rs. 45.00
20.	Pipe tobacco	Per kilogram	Rs. 500.00
21.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 185.00
22.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 115.00
23.	All kinds of cements	Per metric ton	Rs. 105.00

24.	All kinds of <i>Polithin (plastic)</i> bags.	Per kilogram	Rs.15.00
25.	All kinds of bricks (except domestic production)	Per thousand	Rs. 525.00
26.	Motor vehicles		
	(a) Jeep, car and van (custom heading 8702 and 8703).	Value percent	32 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702).	Value percent	32 percent
	(c) Double cab pick up (customs heading 8704).	Value percent	32 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703).	Value percent	32 percent
	(e) Single cab pick up (customs heading 8704).	Value percent	15 percent
	(f) Delivery van (customs heading 8704).	Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25 seats) (custom heading 8702)	Value percent	4 percent
	(h) chassis of Minibus (with capacity of 15 to 25 seats) (customs heading 8706)	Value percent	4 percent
	(i) Motor cycle (custom heading 8711)	Value percent	4 percent

Note :

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.
- (2) Less than 20 *microne polithin* bags are not permitted to sale or distribution inside the Nepal.

- (3) The Department may interpret and specify the harmonized codes of the products.

Financial Ordinance, 2061 (2004)

Date of Authentication and Publication

2061.4.1 (16 July 2004)

Ordinance number 3 of the year 2061

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Articles 72 of Constitution Kingdom of Nepal, 2047(1990).

- 1. Short title and commencement:** (1) This Act may be called as the "Financial Ordinance, 2061 (2004)."

(2) This ordinance shall come into force immediately.

- 23. Amendment to the Excise Duty Act, 2058 (2002):** Of the Excise Duty Act, 2058(2002):

- (1) The following Clause (j) shall be substituted for Clause (j) Of Section 2:

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.”

(2) The following Section 3 shall be substituted for Section 3:

“**3. To levy and collect excise duty:** (1) In manufacturing or importing any goods or products set forth in the Schedule, the excise duty set forth in the Schedule shall be levied and recovered.

(2) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(3) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) The following Sections 3A. and 3B. Shall be inserted after Section 3:

“**3A. Not to levy excise duty on export from the State of Nepal:** (1) No excise duty shall be levied on goods exported by an enterprise from Nepal.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise.

(3) The procedures for the release or refund of the bank guarantee or cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

3B. Not to levy excise duty on sale by duty free shop: (1)

No excise duty shall be levied on any goods sold by a bonded warehouse and duty free shop.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while purchasing a product subject to excise duty.

(3) The procedures for the release or refund of bank guarantee or the cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

(4) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

(5) Of Section 7:

(a) The following Sub-clause (1) shall be substituted for Sub-clause (1) of Clause (a) Of Sub-section (1):

- "(1) the price which a manufacturer determines at the time of selling a product subject to excise duty, or"
- (b) The words "the price set by also adding the customs duty to the price fixed" shall be substituted for the words "the price fixed" contained in Clause (b) of Sub-section (1) .
- (c) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):
- "(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.
- (5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A."
- (6) Of Section 16:
- (a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):
- "(b) To produce or import a product subject to excise duty without obtaining the license,"
- (b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from Five Thousand Rupees to Fifteen Thousand Rupees according to the gravity of offence:

- (a) To sell or store any product subject to excise duty without obtaining the license;
- (b) To provide any service subject to excise duty without obtaining the license;
- (c) To violate this Act and the Rules framed under this Act.”

(7) The words "proviso" shall be deleted contained in Sub-section (3) of Section 23:

(8) The following Section 25A. shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

(9) Section 19 shall be repealed.

(10) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 35.00
2.	<i>Sakkhar</i> (<i>Gud</i>), black <i>Sajhhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 65.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Katha</i> , <i>Pan Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 200.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.80.00
6.	Champagne, sherry, mead, Perry,	Per liter	Rs.140.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.140.00
8.	Cider/cocktail drinks	Per liter	Rs.80.00
9.	Beer	Per liter	Rs.45.00
10.	Country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit	Per liter	Rs.10.00
12.	Thinner	Per liter	Rs.30.00
13.	Anhydrous ethanol	Per liter	Rs.6.00
14.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by	Per L.P. liter	Rs.100.00

	volume		
15.	Rectified spirits, silent Spirits (E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.30.00
16.	Liquors		
	(a) less than 40 U.P. strength	Per LP liter	Rs.340.00
	(b) With 40 U.P. strength and more than that less than 65 U.P. strength.	Per LP liter	Rs.200.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.75.00
17.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
18.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 160.00
	(b) With filter	Per M	Rs. 340.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 440.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 575.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 770.00
19.	All kinds of cigar	per stick	Rs. 2.60
20.	<i>Bidi</i>	Per M	Rs. 45.00
21.	Pipe tobacco	Per kilogram	Rs. 500.00
22.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 190.00
23.	Packed raw chewable tobacco	Per kilogram	Rs. 120.00

	containing lime		
24.	All kinds of cements	Per metric ton	Rs. 105.00
25.	All kinds of <i>Polithin</i> bag (shopping bag).	Per kilogram	Rs.15.00
26.	All kinds of soil (ceramic) bricks (except domestic production)	Per thousand	Rs. 525.00
27.	Motor vehicles		
	(a) Jeep, car and van (custom heading 8702 and 8703) and their chassis (custom heading 8706)	Value percent	32 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702) and their chassis (customs heading 8706)	Value percent	32 percent
	(c) Double cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	32 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703) and their chassis thereof (customs heading 8706)	Value percent	32 percent
	(e) Single cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(f) Delivery van (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25 seats) (custom heading 8702) their chassis (customs heading 8706)	Value percent	4 percent

	(h) Motor cycle (custom heading 8711)	Value percent	4 percent
--	---------------------------------------	---------------	-----------

Note :

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.
- (2) Less than 20 *microne polithin* bags are not permitted to sale or distribution inside the Nepal.
- (3) The Department may interpret and specify the harmonized codes of the products.

Financial Ordinance, 2061 (2004)

Date of Authentication and Publication

2061.10.1(15 January 2004)

Ordinance number 22 of the year 2061

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Articles 72 of Constitution Kingdom of Nepal, 2047 (1990).

1. Short title and commencement: (1) This Act may be called as the "Financial Ordinance, 2061 (2004)."

(2) This ordinance shall come into force immediately.

23. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058(2002):

(1) The following Clause (j) shall be substituted for Clause (j) Of Section 2:

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding

the excise duty or any other tax chargeable on such product.”

(2) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or importing any goods or products set forth in the Schedule, the excise duty set forth in the Schedule shall be levied and recovered.

(2) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(3) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) The following Sections 3A. and 3B. Shall be inserted after Section 3:

“3A. Not to levy excise duty on export from the State of Nepal: (1) No excise duty shall be levied on a product exported by an enterprise from the State of Nepal.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise.

(3) The procedures for the release or refund of the bank guarantee or cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

3B. Not to levy excise duty on sale by duty free shop: (1)

No excise duty shall be levied on any product sold by a bonded warehouse and duty free shop.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while purchasing a product subject to excise duty.

(3) The procedures for the release or refund of bank guarantee or the cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

(4) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is twenty five percent of that amount shall be recovered.”

(5) Of Section 7:

(a) The following Sub-clause (1) shall be substituted for Sub-clause (1) of Clause (a) Of Sub-section (1):

- "(1) the price which a manufacturer determines at the time of selling a product subject to excise duty, or"
- (b) The words "the price set by also adding the customs duty to the price fixed" shall be substituted for the words "the price fixed" contained in Clause (b) of Sub-section (1) .
- (c) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):
- "(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.
- (5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A."
- (6) Of Section 16:
- (a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):
- "(b) To produce or import a product subject to excise duty without obtaining the license,"
- (b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from Five Thousand Rupees to Fifteen Thousand Rupees according to the gravity of offence:

- (a) To sell or store any product subject to excise duty without obtaining the license;
- (b) To provide any service subject to excise duty without obtaining the license;
- (c) To violate this Act and the Rules framed under this Act.”

(7) The following Section 25A. shall be inserted after Section 25:

“25A. Power to frame and issue manual: The Department may frame and issue necessary manuals, subject to this Act and the Rules framed under this Act.”

(8) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 35.00
2.	<i>Sakkhar (Gud)</i> , black <i>Sajhhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 65.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 2.00
4.	<i>Kattha</i> , Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 200.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.80.00
6.	sampan, sherry, mead, <i>perry</i> ,	Per liter	Rs.140.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.140.00
8.	Cider/cocktail drinks	Per liter	Rs.80.00
9.	Beer	Per liter	Rs.45.00
10.	Country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit	Per liter	Rs.10.00
12.	Thinner	Per liter	Rs.30.00
13.	Anhydrous ethanol	Per liter	Rs.6.00
14.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume	Per L.P. liter	Rs.100.00
15.	Rectified spirits, silent Spirits (E.N.A.)	Per liter	Rs.30.00

	used as raw materials of liquors containing more than 80 percent alcohol by volume		
16.	Liquors		
	(a) Less than 40 U.P. strength	Per LP liter	Rs.340.00
	(b) With 40 U.P. strength and more than that and less than 65 U.P. strength.	Per LP liter	Rs.200.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.75.00
17.	All kind of light beverages without containing alcohol.	Per liter	Rs. 2.00
18.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 160.00
	(b) With filter	Per M	Rs. 340.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 440.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 575.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 770.00
19.	All kinds of cigar	per stick	Rs. 2.60
20.	<i>Bidi</i>	Per M	Rs. 45.00
21.	Pipe tobacco	Per kilogram	Rs. 500.00
22.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 190.00
23.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 120.00
24.	All kinds of cements	Per metric ton	Rs. 105.00
25.	All kinds of soil (ceramic) bricks (except	Per thousand	Rs. 525.00

	domestic production)		
26.	Motor vehicles		
	(a) Jeep, car and van (custom heading 8702 and 8703) and their chassis (custom heading 8706)	Value percent	32 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702) and their chassis (customs heading 8706)	Value percent	32 percent
	(c) Double cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	32 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703) and their chassis thereof (customs heading 8706)	Value percent	32 percent
	(e) Single cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(f) Delivery van (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25 seats) (custom heading 8702) their chassis (customs heading 8706)	Value percent	4 percent
	(h) Motor cycle (custom heading 8711)	Value percent	4 percent

Note :

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.

- (2) The Department may interpret and specify the harmonized codes of the products/

Financial Ordinance, 2062 (2005)

Date of Authentication and Publication

2062.4.1(16, July 2005)

Ordinance number 12 of the year 2062

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King Gyanendra Bir Bikram Shah Dev has, in accordance with Article 72 of Constitution Kingdom of Nepal, 2047(1990).

- 1. Short title and commencement:** (1) This Ordinance may be called as the "Financial Ordinance, 2062 (2005)."

(2) This ordinance shall come into force immediately.

- 25. Amendment to the Excise Duty Act, 2058 (2002):** Of the Excise Duty Act, 2058(2002):

- (1) The following Clause (j) shall be substituted for Clause (j) Of Section 2:

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.”

(2) The following Section 3 shall be substituted for Section 3:

“**3. To levy and collect excise duty:** (1) In manufacturing or importing any goods or products set forth in the Schedule, the excise duty set forth in the Schedule shall be levied and recovered.

(2) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(3) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) The following Sections 3A. and 3B. Shall be inserted after Section 3:

“**3A. Not to levy excise duty on export from the State of Nepal:** (1) No excise duty shall be levied on a product exported by an enterprise from the State of Nepal.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise.

(3) The procedures for the release or refund of the bank guarantee or cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

3B. Not to levy excise duty on sale by duty free shop: (1)

No excise duty shall be levied on any product sold by a bonded warehouse and duty free shop.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while purchasing a product subject to excise duty.

(3) The procedures for the release or refund of bank guarantee or the cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

(4) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

(5) Of Section 7:

(a) The following Sub-clause (1) shall be substituted for Sub-clause (1) of Clause (a) Of Sub-section (1):

- "(1) the price which a manufacturer determines at the time of selling a product subject to excise duty, or"
- (b) The words "the price set by also adding the customs duty to the price fixed" shall be substituted for the words "the price fixed" contained in Clause (b) of Sub-section (1) .
- (c) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):
- "(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.
- (5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A."
- (6) Of Section 16:
- (a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):
- "(b) To produce or import a product subject to excise duty without obtaining the license,"
- (b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from five thousand rupees to fifteen thousand rupees according to the gravity of offence:

(a) To sell or store any product subject to excise duty without obtaining the license;

(b) To provide any service subject to excise duty without obtaining the license;

(c) To violate this Act and the Rules framed under this Act.”

(7) The following Section 25A. Shall be inserted after Section 25:

“25A. Power to frame and issue manual: The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

(8) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 35.00
2.	<i>Sakkhar</i> (<i>Gud</i>), black <i>Sajhhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 65.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 1.00
4.	<i>Katha</i> , Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 200.00
5.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.80.00
6.	Champagne, sherry, mead, <i>perry</i> ,	Per liter	Rs.140.00
7.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.140.00
8.	Cider/cocktail drinks	Per liter	Rs.80.00
9.	Beer	Per liter	Rs.45.00
10.	Country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
11.	Denatured spirit	Per liter	Rs.10.00
12.	Thinner	Per liter	Rs.30.00
13.	Anhydrous ethanol	Per liter	Rs.6.00
14.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by	Per L.P. liter	Rs.100.00

	volume		
15.	Rectified spirits, silent Spirits (E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.30.00
16.	Liquors		
	(a) less than 40 U.P. strength	Per LP liter	Rs.340.00
	(b) With 40 U.P. strength and more than that and less than 65 U.P. strength.	Per LP liter	Rs.200.00
	(c) With 65 U.P. strength and more than that U.P. strength.	Per LP liter	Rs.75.00
17.	All kind of light beverages without containing alcohol.	Per liter	Rs. 1.00
18.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 160.00
	(b) With filter	Per M	Rs. 340.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 440.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 575.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 770.00
19.	All kinds of cigar	per stick	Rs. 2.60
20.	<i>Bidi</i>	Per M	Rs. 45.00
21.	Pipe tobacco	Per kilogram	Rs. 500.00
22.	All kinds of <i>jarda</i> , <i>khaini</i> and <i>Nash</i> made from tobacco	Per kilogram	Rs. 190.00

23.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 120.00
24.	All kinds of cements	Per metric ton	Rs. 105.00
25.	All kinds of soil (ceramic) bricks (except domestic production)	Per thousand	Rs. 525.00
26.	Motor vehicles		
	(a) Jeep, car and van (custom heading 8702 and 8703) and their chassis (custom heading 8706)	Value percent	32 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702) and their chassis (customs heading 8706)	Value percent	32 percent
	(c) Double cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	32 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703) and their chassis thereof (customs heading 8706)	Value percent	32 percent
	(e) Single cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(f) Delivery van (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25 seats) (custom heading 8702) their chassis (customs heading 8706)	Value percent	4 percent
	(h) Motor cycle (custom heading 8711)	Value percent	4 percent

Note :

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.
- (2) The Department may interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.

Financial Ordinance, 2062 (2005)

Date of Authentication and Publication

2062.10.1(14 Jan. 2005)

Ordinance Number 49 of the year 2062

An Ordinance Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal and at the moment Parliament is not in session;

Now, therefore, be it enacted by His Majesty the King *Gyanendra Bir Bikram Shah Dev* has, in accordance with Article 72 of Constitution Kingdom of Nepal, 2047 (1990).

1. **Short title and commencement:** (1) This Ordinance may be called as the "Financial Ordinance, 2062 (2005)."

(2) This ordinance shall come into force immediately.

25. **Amendment to the Excise Duty Act, 2058 (2002):** Of the Excise Duty Act, 2058(2002):

(1) The following Clause (j) shall be substituted for Clause (j) Of Section 2:

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding

the excise duty or any other tax chargeable on such product.”

(2) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or importing any goods or products set forth in the Schedule or selling services set forth in the Schedule, the excise duty set forth in the Schedule shall be levied and recovered .

Provided that, the excise duty paid on the purchase or import of any product or service subject to excise duty may be deducted from the excise duty to be paid while selling such product or service.

(2) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(3) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) The following Sections 3A. and 3B. Shall be inserted after Section 3:

“3A. Not to levy excise duty on export from the State of Nepal: (1) No excise duty shall be levied on a product exported by an enterprise from the State of Nepal.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise.

(3) The procedures for the release or refund of the bank guarantee or cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

3B. Not to levy excise duty on sale by duty free shop: (1)

No excise duty shall be levied on any product sold by a bonded warehouse and duty free shop.

(2) For the purposes of Sub-section (1), there shall be furnished a bank guarantee or cash deposit for the amount of excise duty leviable while purchasing a product subject to excise duty.

(3) The procedures for the release or refund of bank guarantee or the cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

(4) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

(5) Of Section 7:

- (a) The following Sub-clause (1) shall be substituted for Sub-clause (1) of Clause (a) Of Sub-section (1):

"(1) the price which a manufacturer determines at the time of selling a product subject to excise duty, or"

- (b) The words "the price set by also adding the customs duty to the price fixed" shall be substituted for the words "the price fixed" contained in Clause (b) of Sub-section (1) .

- (c) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

"(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.

(5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A."

- (6) The following proviso shall be inserted to Clause (d) of Sub-section (3) of Section 12:

"Provided that, such suspension shall not exceed seven days; and decision shall be made no later than sixty days after the making of such suspension."

(7) Of Section 16:

- (a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

- (b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from five thousand rupees to fifteen thousand rupees according to the gravity of offence:

- (a) To sell or store any product subject to excise duty without obtaining the license;
- (b) To provide any service subject to excise duty without obtaining the license;
- (c) To violate this Act and the Rules framed under this Act.”

(8) The following Section 25A. shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary manuals, subject to this Act and the Rules framed under this Act.”

(9) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	Per quintal	Rs. 35.00
2.	<i>Sakkhar</i> (<i>Gud</i>), black <i>Sajhar</i> , <i>Raskat</i> (only in import)	Per quintal	Rs. 65.00
3.	Fruit juices or Light beverages of mixed juices.	Per liter	Rs. 1.00
4.	Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 200.00
5.	wine containing not more than 12 percent alcohol, made from <i>Chutro</i> , apple or <i>Aishalu</i>	Per liter	Rs.45.00
6.	Wine containing not more 17 percent alcohol made from fruits	Per liter	Rs.80.00
7.	Sampan, sherry, mead, <i>perry</i> ,	Per liter	Rs.140.00
8.	Wine containing more than 17 percent alcohol, wine, cocktail, liquors, and fermented.	Per liter	Rs.140.00
9	Cider/cocktail drinks	Per liter	Rs.80.00
10.	Beer	Per liter	Rs.45.00
11	Country beer (<i>Chhyang</i>)	Per liter	Rs.15.00
12.	Denatured spirit	Per liter	Rs.10.00
13.	Thinner, solvent (Heading of custom 3814)	Per liter	Rs.15.00
14.	Anhydrous ethanol	Per liter	Rs.6.00
15.	All kinds of alcoholic fluids used as raw	Per L.P. liter	Rs.100.00

	materials of liquors containing 57.38 percent to 80 percent alcohol by volume		
16.	Rectified spirits, silent Spirits (E.N.A.) used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.30.00
17.	Liquors		
	(a) With 15 U.P. strength	Per LP liter	Rs.400.00
	(b) With 25 U.P. strength	Per LP liter	Rs.350.00
	(c) With 30 U.P. strength	Per LP liter	Rs.350.00
	(d) With 40 U.P. strength	Per LP liter	Rs.200.00
	(e) With 50 U.P. strength	Per LP liter	Rs.75.00
	(f) With 70 U.P. strength	Per LP liter	Rs.10.00
	Provided that, packing the bottle of one enterprise which shall not be packed in another enterprise.		
18.	Light beverages containing less than 1 percent alcohol.	Per LP liter	Rs.3.00
19.	All kind of light beverages without containing alcohol.	Per liter	Rs. 1.00
20.	Cigarettes (all kinds of cigarettes made from tobacco)		
	(1) In up to 70 mm length		
	(a) Without filter	Per M	Rs. 160.00
	(b) With filter	Per M	Rs. 340.00
	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 440.00
	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 575.00
	(4) In more than 85 mm length (with filter)	Per M	Rs. 770.00
21.	All kinds of cigar	per stick	Rs. 2.60

22.	<i>Bidi</i>	Per M	Rs. 45.00
23	Pipe tobacco	Per kilogram	Rs. 500.00
24.	All kinds of <i>jarda</i> , <i>khaini</i> and Nash made from tobacco	Per kilogram	Rs. 190.00
25.	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 120.00
26.	All kinds of cements	Per metric ton	Rs. 105.00
27.	All kinds of soil (ceramic) bricks (except domestic production)	Per thousand	Rs. 525.00
28.	Motor vehicles		
	(a) Jeep, car and van (custom heading 8702 and 8703) and their chassis (custom heading 8706)	Value percent	32 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702) and their chassis (customs heading 8706)	Value percent	32 percent
	(c) Double cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	32 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703) and their chassis thereof (customs heading 8706)	Value percent	32 percent
	(e) Single cab pick up (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(f) Delivery van (customs heading 8704) and their chassis (customs heading 8706)	Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25	Value	4 percent

	seats) (custom heading 8702) their chassis (customs heading 8706)	percent	
	(h) Motor cycle (custom heading 8711)	Value percent	4 percent
29.	Health services which provides by Government of Nepal or other health services except provides through the Community Hospitals.	Value percent	5 percent
30.	Invoice which is issued by person who export man power to the foreign country.	Value percent	2 percent

Note :

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.
- (2) The Department may interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.

Financial Act, 2063 (2006)

Date of Authentication and publication

2063.7.20 (6 Nov. 2006)

Act number 12 of the year 2063 (2006)

An Act Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal;

Now, therefore, be it enacted by the House of Representatives in the First Year of the issuance of the Proclamation of the House of Representatives, 2063 (2006).

1. Short title and commencement: (1) This Act may be called as the "Financial Act, 2063 (2006)."

(2) Sections 1, 2, 3, 4, 5, 9 and 18 of this Act shall be deemed to have come into force on 28 *Ashad* 2063 (12 July 2006) and the other Sections on 1 *Shrawan* 2063 (17 July 2006).

29. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058 (2002):

(1) Of Section 2:

(a) The following Clause (j) shall be substituted for Clause (j):

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to production cost and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.”

- (b) The following Clause (g) shall be substituted for Clause (g):

“(g) "Production" means the manufacturing, making or preparing a product subject to excise duty, and this expression also includes re-packaging.”

- (c) The following Clause (h1) shall be inserted after Clause (h):

“(h1) “Tobacco product” means tobacco or cigarette containing mixtures of tobacco substance, *pan parag, khaini* or similar substance which is chewed or put in mouth and this expression also includes *bidi, cigar* etc.”

- (d) The following Clauses (q), (r), (s), (t), (u) and (v) shall be inserted after Clause (p):

(q) "liquors" means any alcoholic substance prepared by fermenting any grains, fruits or any other starchful substance or by other method, which has an alcoholic strength by volume of more than 0.5 percent, and this expression includes liquors, spirit, country liquor (*chhang*), whisky, rum, gin, brandy, vodka, beer, wine, sherry, cider, perry, *mid*, malt,

industrial alcohol, rectified spirit, ENA and heads spirit.

- (r) “ready-made liquors” means all kinds of alcoholic fluids prepared from mixtures with alcoholic strength by volume of less than 57.38 percent.
- (s) “L.P. means the strength of pure ethanol in London proof.
- (t) “L.P. liter” means the volume of 57.38 percent pure ethanol per liter.
- (u) “U.P.” means the strength less than London proof.
- (v) “O.P.” means the strength more than London proof.

(2) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or producing and discharging from any enterprise, importing any goods or products set forth in the Schedule or selling any such goods or products imported or selling services, the excise duty set forth in the Schedule shall be levied and collected as follows:

- (a) In the case of liquors, cigarette and beer, at the time of production and discharge from the enterprise;
- (b) In the case of any product or service to be sold under the automatic discharge system, the excise duty shall be paid within the seventh day of the month following the production or sale;

Provided that, the excise duty paid on the purchase or import of any product or service subject to excise duty may be deducted from the excise duty to be paid while selling such product or service.

(2) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(3) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) The following Sections 3A., 3B. and 3C. shall be inserted after Section 3:

“3A. Not to levy excise duty on export from the Nepal: (1)

No excise duty shall be levied on a product exported by an enterprise from the State of Nepal.

(2) For the purpose of Sub-section (1), there shall be furnished a cash deposit or bank guarantee for the amount of excise duty leviable while exporting a product subject to excise duty from the enterprise.

(3) The procedures for the release or refund of the cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

3B. Not to levy excise duty on sale by duty free shop: (1)

No excise duty shall be levied on any product sold by a bonded warehouse and duty free shop.

(2) For the purposes of Sub-section (1), there shall be furnished a cash deposit for the amount of excise duty leviable while purchasing a product subject to excise duty.

(3) The procedures for the release or refund of the cash deposit as referred to in Sub-section (2) shall be as prescribed by the Department.

3C. Obligation to pay excise duty: The following person shall have the duty to pay the excise duty under this Act:

(a) In the case of a product or service to be produced within the country, the producer or manufacturer thereof;

(b) In the case of a product to be imported, the person receiving the product as mentioned in the bill of lading;

(c) In the case of auction of a product subject to excise duty, the person taking over that product;

(d) In the event that a duty free product is resold or used for other purpose or is converted from a condition of being exempted from excise duty into a condition of being subject to excise duty, the person who has ownership of such product.”

(4) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

(5) Of Section 7:

(a) Of Sub-section (1):

(1) The following Sub-clause (1) shall be substituted for Sub-clause (1) of Clause (a):

“(1) the factory price which a manufacturer determines at the time of selling a product subject to excise duty, or”

(2) The following Sub-clause (1a) shall be inserted after Sub-clause (1) of Clause (a):

“(1a) In the case of service, the price of the service at the time of selling it.”

(a) The words “the price set by also adding the customs duty to the price fixed” shall be substituted for the words “the price fixed” contained in Clause (b).

(b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

- “(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.
- (5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A.”
- (6) The following proviso shall be inserted to Sub-section (2) of Section 8:
- “Provided that, the excise duty license shall not be required for importing any products subject to excise duty under the diplomatic privilege on the recommendation of the Ministry of Foreign Affairs.”
- (7) The following proviso shall be inserted to Clause (d) of Sub-section (3) of Section 12:
- “Provided that, such suspension shall not exceed Seven days; and decision shall be made no later than Sixty days after the making of such suspension.”
- (8) The following Clauses (a), (b) and (c) shall be substituted for Clauses (a), (b) and (c) of Sub-section (1) of Section 14:

- “(a) Ten per cent of the amount in controversy to the informer,
- (b) Twenty per cent of the amount in controversy to one who seizes and hands over a product only;
- (c) Thirty per cent of the amount in controversy to one who arrests and hands over the person, along with the proof.

Provided that, in cases where the informer who gives information or clue be more than one person, the reward shall be divided between them *pro rata*.”

(9) Of Section 16:

- (a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

- (b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from Five Thousand Rupees to Fifteen Thousand Rupees according to the gravity of offence:

- (a) To sell or store any product subject to excise duty without obtaining the license;
- (b) To provide any service subject to excise duty without obtaining the license;
- (c) To violate this Act and the Rules framed under this Act.”

(10) The following Section 17A. Shall be inserted after Section 17:

“17A. Provision on payment by installment: Where any taxpayer makes a request in writing for payment of any arrear excise duty in installment, permission may be given to pay the same in installments within One year.”

(11) The following Section 19 shall be substituted for Section 19:

“19. Appeal: (1) An appeal may lie to the Revenue Tribunal against any decision made by the Excise Duty Officer pursuant to this Act.

(2) A person who makes an appeal pursuant to Sub-section (1) shall register a copy of the appeal with the Department no later than Fifteen days of making of the appeal.

(3) The implementation of the decision set forth in Sub-section (1) of Section 16 shall not be deemed to have been affected by the reason of making an appeal pursuant to Sub-section (1).”

(12) The following Section 23A. Shall be inserted after Section 23:

“23A. There shall be levied the excise duty on the purchase, if any, by His Majesty the King, Her Majesty the Queen, His Royal Highness the Crown Prince, and members of the royal family of any product and service subject to excise duty.”

(13) The following Section 25A. Shall be inserted after Section 25:

“25A. Power to frame and issue manual: The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

(14) The following Schedule shall be inserted after Section 26:

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Heading/sub-heading No.	Unit	Rate of excise duty
1.	<i>Khudo</i> (Molasses)	1703.10.00 and 1703.90.00	Per quintal	Rs. 35.00
2.	<i>Sakhhar</i> (<i>Gud</i>), black <i>Sakhhar</i> , <i>Raskat</i> from <i>Khandsari</i> (only in import)	1701.11.90	Per quintal	Rs. 65.00
3.	Plastic packing materials	3923.10.90	Value/price percent	5
4.	Plastic packing materials	3923.21.00	Value/price percent	5
5.	Plastic packing materials	3923.29.00	Value/price percent	5
6.	Plastic packing materials	3923.90.00	Value/price percent	5
7.	Plastic packing materials	3926.90.90	Value/price percent	5
8.	<u>Fruit juices</u>			
	(a) Orange juice	2009.19.00,	Per liter	Rs. 1.00

		2009.11.00 and 2009.12.00		
	(b) Grape fruit juice	2009.29.00 and 2009.21.00	Per liter	Rs. 1.00
	(c) Any other citrus fruit	2009.39.00 and 2009.31.00	Per liter	Rs. 1.00
	(d) Pineapple juice	2009.49.00 and 2009.41.00	Per liter	Rs. 1.00
	(e) Tomato juice, grape juice including grape must	2009.69.00, 2009.50.00 and 2009.61.00	Per liter	Rs. 1.00
	(f) Apple juice	2009.79.00 and 2009.71.00	Per liter	Rs. 1.00
	(g) Juice of any other single fruit or vegetable	2009.80.00	Per liter	Rs. 1.00
	(h) Mixture of juices	2009.90.00	Per liter	Rs. 1.00
9.	Beverages:		Per liter	Rs. 1.00
	(a) All kinds of non- alcoholic beverages	2202.90.00	Per liter	Rs. 1.00
	(b) Light beverages containing less than one percent alcohol	2202.90.00	Per liter	Rs. 6.00
10.	Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	2106.90.20	Per Kilogram	Rs. 200.00
11.	<i>Kattha</i>	3203.00.00	Per Kilogram	Rs. 100.00
12.	Beer	2203.00.00	Per liter	Rs.50.00
13.	Country beer (<i>Chhang</i>)	2206.00.00	Per liter	Rs.15.00
14.	Wine made in the country (containing not more than	2204.29.00	Per liter	Rs.45.00

	12 percent alcohol, made from <i>Chutro</i> , apple or <i>Aishalu</i>) or domestic cider.			
15.	Wine containing not more than 12 percent alcohol (on import)	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Per liter	Rs.140.00
16.	Wine containing 12-17 percent alcohol	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Per liter	Rs.140.00
17.	Wine containing more than 17 percent alcohol, herbs mixed liquors, cocktail (alcoholic/non-alcoholic/non-alcoholic mixtures) and other fermented liquors.	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00, 2205.10.00 and 2206.00.90	Per liter	Rs.145.00
18.	sampan, sherry, mead, <i>perry</i> , cider	2206.00.90 and 2204.10.90	Per liter	Rs.145.00
19.	Denatured spirit (containing 80-99 percent alcohol)	2207.20.00	Per liter	Rs.15.00
20.	Thinner, solvent	3814.00.00	Per liter	Rs.20.00
21.	Anhydrous ethanol (containing more than 99 percent alcohol)	2207.10.00	Per liter	Rs.6.00

22.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume			
	(a) Wine and raw materials of brandy	2208.20.10	Per liter	Rs.100.00
	(b) Raw materials of whisky	2208.30.10	Per liter	Rs.100.00
	(c) Raw materials of rum and <i>Tafia</i>	2208.40.10	Per liter	Rs.100.00
	(d) Raw materials of gin and Geneva	2208.50.10	Per liter	Rs.100.00
	(e) Raw materials of vodka	2208.60.10	Per liter	Rs.100.00
	(f) Raw materials of liqueurs and cordials	2208.70.10	Per liter	Rs.100.00
	(g) Raw materials of other liquors(including spirit)	2208.90.10	Per liter	Rs.100.00
23.	Rectified spirits used as raw materials of liquors containing more than 80 percent alcohol by volume	2207.10.00	Per liter	Rs.30.00
24.	E.N.A.	2207.10.00	Per liter	Rs.40.00
25.	Liquors			
	(a) Wine and brandy			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.20.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 43.05	2208.20.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00

	percent alcohol content)			
	(b) Whisky			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.30.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 43.05 percent alcohol content)	2208.30.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00
	(c) Rum and <i>Tafia</i>			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.40.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 43.05 percent alcohol content)	2208.40.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00
	(d) Gin and Geneva			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.50.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 43.05 percent alcohol content)	2208.50.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00
	(e) Vodka			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.60.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 43.05 percent alcohol content)	2208.60.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00
	(f) Liquors and cordials			

	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.70.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 43.05 percent alcohol content)	2208.70.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00
	(g) Other liquors			
	(1) With 15 U.P. strength (containing 48.78 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 361.25 Rs. 425.00
	(2) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(3) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 248.50 Rs. 355.00
	(4) With 40 U.P. strength (containing 34.44 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 123.00 Rs. 205.00
	(5) With 50 U.P. strength (containing 28.70 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 45.00 Rs. 90.00
	(6) With 70 U.P. strength (containing 17.22 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 6.60 Rs. 22.00
	Provided that, in the case of imported liquors, where the quantity of alcohol specified in the above rate differs by less than one percent, the same rate shall be applicable and where that quantity differs by more than one percent, the excise duty shall be levied and collected as per the rate that is near and the highest.			

26.	Packed raw chewable tobacco containing lime	2403.91.00	Per kilogram	Rs. 130.00
27.	All kinds of <i>jarda</i> and <i>khaini</i> made from tobacco	2403.91.00	Per kilogram	Rs. 200.00
28.	Tooth cleaning material containing tobacco dust.	2403.99.00	Per kilogram	Rs. 190.00
29.	Prepared <i>bidi</i>	2403.10.90	Per M	Rs. 50.00
30.	Pipe tobacco	2403.10.10	Per kilogram	Rs. 525.00
31.	All kinds of cigar	2402.10.00 and 2402.90.00	Per stick	Rs. 3.00
32.	Iron rods	7213 and 7214 (Except sub-heading 7214.99.10)	Per metric ton	Rs. 1000.00
33.	Marble	2516.90.00, 2516.22.00, 2515.12.00, 2515.20.00, 2516.12.00, and from 6802.21.00.to 6802.99.00	Value percent	5
34.	Glaze tiles	6908	Value percent	5
35.	Noodles, macaroni, pasta	1902	Per kilogram	Rs. 10.00
36.	Preparations of meat, fish (canned)	Chapter 16	Value percent	5
37.	Dog and cat feed	2309.10.00	Value percent	5
38.	Cigarettes (all kinds of			

	cigarettes made from tobacco)			
	(1) In up to 70 mm length			
	(a) With filter	2402.20.00	Per M	Rs. 170.00
	(b) Without filter	2402.20.00	Per M	Rs. 350.00
	(2) In more than 70 mm up to 75 mm length (with filter)	2402.20.00	Per M	Rs. 450.00
	(3) In more than 75 mm up to 85 mm length (with filter)	2402.20.00	Per M	Rs. 590.00
	(4) In more than 85 mm length (with filter)	2402.20.00	Per M	Rs. 785.00
39.	Cement			
	(a) Portland cement white (whether or not colored)	2523.21.00	Per metric ton	Rs. 105.00
	(b) Portland cement (brown)	2523.29.00	Per metric ton	Rs. 105.00
	(c) Aluminous cement (Cement <i>Fondu</i>)	2523.30.00	Per metric ton	Rs. 105.00
	(d) Other hydraulic cement	2523.90.00	Per metric ton	Rs. 105.00
40.	All kinds of (ceramic) bricks (other than domestic production)	6904.10.00	Per thousand	Rs. 525.00
41.	Color television	8528.12.10	Value percent	5
42.	Spare-parts of color television only	8529.90.10	Value percent	5
43.	Motor vehicles			
	(a) Jeep, car and van		Value percent	32

	(custom heading 8702) and their chassis (custom heading 8706)			
	(b) Jeep, car and van (custom headings 87032200, 87032300 and 87032400)		Value percent	53
	(c) Other jeep, car and van falling under heading 8703 other than those falling under sub-headings mentioned in Clause (b)		Value percent	32
	(d) Chassis (custom heading 8706) of jeep, car and van (custom heading 8703)		Value percent	32
	(e) Microbus (with capacity of 11-14 seats) (customs heading 8702) and chassis thereof (customs heading 8706)		Value percent	32
	(f) Double cab pick up (customs heading 8704) and chassis thereof (customs heading 8706)		Value percent	32
	(g) Three wheeler (auto rickshaw) (customs heading 8703) and chassis thereof (customs heading 8706)		Value percent	32

	heading 8706)			
	(h) Single cab pick up (customs heading 8704) and chassis thereof (customs heading 8706)		Value percent	15
	(i) Delivery van (customs heading 8704) and chassis thereof (customs heading 8706)		Value percent	15
	(j) Minibus (with capacity of 15 to 25 seats (custom sub-heading 87021020)		Value percent	12
	(k) Minibus (with capacity of 15 to 25 seats (Custom sub-heading 870290.20)		Value percent	4
	(l) Chassis of minibus (custom heading 8706) (with capacity of 15 to 25 seats) falling under custom heading 8702		Value percent	4
	(m) Motor cycle (custom heading 8711)		Value percent	4

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.

- (2) The Department may interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.
- (3) Where one unit purchases and sells more than one type of liquors, payment of the duty at the highest rate shall suffice.
- (4) Excise duty shall also be levied on the local sale for the commercial purposes of the motor vehicles mentioned in Clauses (a) to (l) of serial number 43.

Provided that, no excise duty shall be levied on such local sale in the case of the motor vehicles already imported prior to the 28th day of the month of *Ashad* of the year 2063.

- (5) The amount of excise duty on the import of a motor vehicle may be deducted from the excise duty payable on the sale of that vehicle.
- (6) There shall be 25 percent exemption of per kilogram Rs. 10.00 excise duty leviable on noodles, macaroni and pasta under heading No. 1902.
- (7) The raw materials M.S. wire rod in coil under sub-heading No. 7213.91.10 of heading No. 7213 to be imported by an industry shall be exempted from excise duty.
- (8) A brick producer shall enjoy an exemption of Rs, 50,000.00 from the license fee payable by that producer in accordance with the Schedule of the Excise Duty Rules.
- (9) The Director General may, for statistical purposes, add a digit to the eight digit sub-heading for the purposes of the rate of excise duty.

Financial Act, 2064 (2007)

Date of Authentication and Publication

2064.3.28 (12 July, 2007)

An Act Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal;

Now, therefore, be it enacted by Legislature-Parliament.

1. **Short title and commencement:** (1) This Act may be called as the "Financial Act, 2064 (2007)."

(2) Sections 1, 2, 3, 4, 5, 9 and 11 of this Act shall be deemed to have come into force on 28 *Ashad* 2064 (11 July 2007) and the other Sections on 1 *Shrawan* 2064 (17 July 2007).

29. **Amendment to the Excise Duty Act, 2058 (2002):** Of the Excise Duty Act, 2058(2002):

(1) Of Section 2:

(a) The following clause (j) shall be substituted for clause (j):

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to production cost and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.”

- (b) The following clause (g) shall be substituted for Clause (g):
- “(g) "production" means the manufacturing, making or preparing a product subject to excise duty, and this expression also includes re-packaging.”
- (c) The following Clause (h1) shall be inserted after Clause (h):
- “(h1) “Tobacco product” means tobacco or cigarette containing mixtures of tobacco substance, *pan parag, khaini* or similar substance which is chewed or put in mouth and this expression also includes *bidi, cigar* etc.”
- (d) The following Clauses (q), (r), (s), (t), (u) and (v) shall be inserted after Clause (k):
- (q) "liquors" means any alcoholic substance prepared by fermenting any grains, fruits or any other starchful substance or by other method, which has an alcoholic strength by volume of more than 0.5 percent, and this expression includes liquors, spirit, country liquor (*chhyang*), whisky, rum, gin, brandy, vodka, beer, wine, sherry, cider, perry, *mid*, malt, industrial alcohol, rectified spirit, ENA and heads spirit.
- (r) “ready-made liquors” means all kinds of alcoholic fluids prepared from mixtures with alcoholic strength by volume of less than 57.38 percent.

- (s) “L.P. means the strength of pure ethanol in London proof.
- (t) “L.P. liter” means the volume of 57.38 percent pure ethanol per liter.
- (u) “U.P.” means the strength less than London proof.
- (v) “O.P.” means the strength more than London proof.

(2) The following Section 3 shall be substituted for Section 3:

“3. To levy and collect excise duty: (1) In manufacturing or producing and discharging from any enterprise, importing any goods or products set forth in the Schedule and selling services, the excise duty set forth in the Schedule shall be levied and recovered as follows:

- (a) In the case of liquors, cigarette and beer, at the time of production and discharge from the enterprise;
- (b) In the case of any product to be sold after producing the goods under the automatic discharge system and In the case of any service, after issue the invoice, the excise duty shall be paid within the Twenty Fifth day of the month.

Provided that,

- (d) In the case of exported vehicles for commercial purpose which are leviable to excise duty and the excise

duty may be levied and recovered includes in local sale.

(d) In the case of exported vehicles for commercial purpose which are leviable to excise duty, at the time of sale and issuance of invoice;

(2) The excise duty paid on the purchase or import of any product or service for commercial purpose subject to excise duty may be deducted from the excise duty to be paid while selling such product or service.

(2) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(3) In the event of failure to pay the excise duty referred to in Sub-section (1) within the time limit, there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

(3) The following Sections 3A., 3B. and 3C. shall be inserted after Section 3:

“3A. Not to levy excise duty on export from the Nepal: (1)
No excise duty shall be levied on a product exported by an enterprise from the State of Nepal.

(2) For the purpose of Sub-section (1), there shall be furnished a cash deposit or bank guarantee for liquor,

cigarette and beer while producing from the enterprise, subject to excise duty.

(3) The procedures for the release or refund of the cash deposit or bank guarantee as referred to in Sub-section (2) shall be as prescribed by the Department.

(4) If any goods manufactured or prepared within Nepal and already exported from Nepal are re-imported because of rejection by the concerned party or other reason, and the same goods are to be exported within Three months of the import, the goods may be released against the deposit of the excise duty leviable at the time of such return, and the deposit shall be refunded by the concerned Customs Office after the re-export of such goods."

3B. Not to levy excise duty on sale by duty free shop: (1)

No excise duty shall be levied on any product sold by a bonded warehouse and duty free shop.

(2) For the purposes of Sub-section (1), there shall be furnished a cash deposit or bank guarantee for the amount of excise duty leviable while purchasing a product subject to excise duty.

(3) The procedures for the release or refund of the cash deposit or bank guarantee as referred to in Sub-section (2) shall be as prescribed by the Department.

3C. Obligation to pay excise duty: The following person shall have the duty to pay the excise duty under this Act:

- (a) In the case of a product or service to be produced within the country, the producer or manufacturer thereof;
- (b) In the case of a product to be imported, the person receiving the product as mentioned in the bill of lading;
- (c) In the case of auction of a product subject to excise duty, the person taking over that product;
- (d) In the event that a duty free product is resold or used for other purpose or is converted from a condition of being exempted from excise duty into a condition of being subject to excise duty, the person who has ownership of such product.”

- (4) The following Sub-section (3) shall be inserted after Sub-section (2) of Section 4:

“(3) The Office may, at any time, examine the volume of alcohol and quality of liquors and other substance to be exported/produced by obtaining approval. Where the volume of alcohol is more than one percent or there is a significant deviation in the quality, the amount of controversy involved in the revenue leakage as well as additional sum that is Twenty Five percent of that amount shall be recovered.”

- (5) The following Section 4A. shall be inserted after Section 4 :

4A. Exemption from excise duty: (1) In transferring any motor vehicles that were imported by any foreign mission or donor agency with the enjoyment of the diplomatic

facility or tariff facility to the project itself in consonance with the approval annual program of the project and converting their number plates into governmental ones or in transferring, with the approval of the Ministry of Finance, any motor vehicles that were imported in the name of any project with the enjoyment of full or partial tariff facility (except those imported on inventory or bank guarantee) to any local body, community school, community hospital or governmental body after the completion of the project;

(2) If any diplomatic body, project or other body (governmental as well as non-governmental organization) intends to scrap and cancel the registration of any motor vehicle that it has imported with the enjoyment of the tariff facility and that is more than 15 years old after the year of initial production, with the approval of the Ministry of Finance, the excise duty shall not be levied on such a motor vehicle.

(3) If the owner of a motor vehicle imported for personal use with the enjoyment of partial customs tariff facility dies and the motor vehicle has to be transmitted to the husband or wife of the owner of motor vehicle, the excise duty shall not be levied on such a motor vehicle.

(6) Of Section 7:

(a) Of Sub-section (1):

(1) Of Clause (a),-

- (a) The following Sub-clause (1) shall be substituted for Sub-clause (1):

“(1) the factory price which a manufacturer determines at the time of selling a product subject to excise duty, or”

- (b) The following Sub-clause (1a) shall be inserted after Sub-clause (1):

“(1a) In the case of service, the price of the service at the time of selling it.”

- (2) The words “the price set by also adding the customs duty to the price fixed” shall be substituted for the words “the price fixed” contained in Clause (b).

- (b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

“(4) The determination of the rate of recovery of the production of ethanol, spirit or E.N.A. required to be obtained from grains, molasses, spirit or E.N.A. to be used by an industry producing anhydrides, ethanol, rectified spirit or E.N.A. shall be as prescribed.

- (5) Where it appears that the rate of production is less than the recovery rate prescribed under Sub-section (4), it shall be deemed that higher quality liquors have been produced from such different quantity of ethanol, rectified spirit or E.N.A.”

(7) The following Sub-section (1) shall be substituted to Sub-section (1) of Section 8:

(1) No one shall manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty to any other person, without obtaining the license pursuant to this Act or Rules made under this Act.

(8) The following proviso shall be inserted to Sub-section (2) of Section 8:

“Provided that, the excise duty license shall not be required for importing any products subject to excise duty under the diplomatic privilege on the recommendation of the Ministry of Foreign Affairs.”

(9) The following proviso shall be inserted to Clause (d) of Sub-section (3) of Section 12:

“Provided that, such suspension shall not exceed seven days; and decision shall be made no later than sixty days after the making of such suspension.”

(10) The following Clauses (a), (b) and (c) shall be substituted for Clauses (a), (b) and (c) of Sub-section (1) of Section 14:

- “(a) Ten per cent of the amount in controversy to the informer,
- (b) Twenty per cent of the amount in controversy to one who seizes and hands over a product only;
- (c) Thirty per cent of the amount in controversy to one who arrests and hands over the person, along with the proof.

Provided that, in cases where the informer who gives information or clue be more than one person, the reward shall be divided between them *pro rata*.”

(11) Of Section 16:

(a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

(b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, such person shall be punished with a fine from Five Thousand Rupees to Fifteen Thousand Rupees according to the gravity of offence:

(a) To sell or store any product subject to excise duty without obtaining the license;

(b) To provide any service subject to excise duty without obtaining the license;

(c) To violate this Act and the Rules framed under this Act.”

(12) The following Section 17A. Shall be inserted after Section 17:

“**17A. Provision on payment by installment:** Where any taxpayer makes a request in writing for payment of any arrear excise duty in installment, permission may be given to pay the same in installments within one year.”

(13) The following Section 19 shall be substituted for Section 19:

“19. Appeal: (1) An appeal may lie to the Revenue Tribunal against any decision made by the Excise Duty Officer pursuant to this Act.

(2) A person who makes an appeal pursuant to Sub-section (1) shall register a copy of the appeal with the Department no later than Fifteen days of making of the appeal.

(3) The implementation of the decision set forth in Sub-section (1) of Section 16 shall not be deemed to have been affected by the reason of making an appeal pursuant to Sub-section (1).”

(14) The following Sub-section (1a) shall be inserted after Sub-section (1) of Section 23:

(1a) The taxpayer who makes an application pursuant to Sub-section (1) has to pay undisputed amount of excise duty and amount of fine, order to be recovered and furnish a cash deposit of One Third of the amount of excise duty in controversy and amount of fine.

(15) The following Section 23A. shall be inserted after Section 23:

“23A. To be levied the excise duty: There shall be levied the excise duty on the purchase, if any, The King, and members of the royal family of any product and service subject to excise duty.”

(16) The following Section 25A. Shall be inserted after Section 25:

“25A. Power to frame and issue manual: The Department may frame and issue necessary manuals, subject to this Act and the Rules framed under this Act.”

- (17) The word "release" shall be substituted for "export" contained in Clauses (a) and 11 of Sub-section (1) of Section 4:
- (18) The word "Inland Revenue Office" shall be substituted for "Excise Duty Office" contained in Sub-section (1) of Section 13, Sub-section (1) of Section 14 and Section 15.
- (19) The following Schedule shall be inserted in Excise Duty Act, 2058.

Schedule

(Relating to Section 3)

Rate of excise duty:

SN	Description of product/good or service	Heading/sub-heading No.	Unit	Rate of excise duty
1.	Molasses	1701.10.00 and 1703.90.00	Per quintal	Rs. 35.00
2.	<i>Sakhhar (Gud)</i> , black <i>Sakhhar, Raskat</i> from <i>Khandsari</i>	1703.11.90	Per quintal	Rs. 65.00
3.	Plastic packing materials	3923.10.90	Value/price percent	5 percent
4.	Plastic packing materials	3923.21.00	Value/price percent	5 percent
5.	Plastic packing materials	3923.29.00	Value/price percent	5 percent
6.	Plastic packing materials	3923.90.00	Value/price percent	5 percent
7.	Plastic packing materials	3923.90.90	Value/price percent	5 percent
8.	Fruit juices			
	(a) Orange juice	2009.19.00, 2009.11.00 and 2009.12.00	Per liter	Rs. 2.00
	(b) Grape fruit juice	2009.29.00 and 2009.21.00	Per liter	Rs. 2.00
	(c) Any other citrus fruit	2009.39.00 and 2009.31.00	Per liter	Rs. 2.00

	(d) Pineapple juice	2009.49.00 and 2009.41.00	Per liter	Rs. 2.00
	(e) Tomato juice, grape juice including grape must	2009.69.00, 2009.50.00 and 2009.61.00	Per liter	Rs. 2.00
	(f) Apple juice	2009.79.00 and 2009.71.00	Per liter	Rs. 2.00
	(g) Juice of any other single fruit or vegetable	2009.80.00	Per liter	Rs. 2.00
	(h) Mixture of juices	2009.90.00	Per liter	Rs. 2.00
9.	Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	2106.90.20	Per Kilogram	Rs. 200.00
10.	<i>Kattha</i>	1404.90.00	Per Kilogram	Rs. 100.00
11.	Beverages			
	(a) All kinds of non- alcoholic beverages	2202.90.00	Per liter	Rs. 2.00
	(b) Light beverages containing less than 0.5 percent alcohol	2202.90.00	Per liter	Rs. 4.00
	(b) Light beverages containing from 0.5 percent to one percent alcohol		Per liter	Rs. 6.00
12.	Beer	2203.00.00	Per liter	Rs.50.00
13.	Country beer (<i>chhang</i>)	2206.00.10	Per liter	Rs.15.00
14.	Wine made in the country (containing not more than 12 percent alcohol, made	2204.29.00	Per liter	Rs.45.00

	from <i>Chutro</i> , apple or <i>Aishalu</i> or domestic cider)			
15.	Wine containing 12 percent alcohol and other beverages except beers (on import)		Per liter	Rs.125.00
16.	Wine containing 12 percent alcohol (on import).	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Per liter	Rs.140.00
17.	Wine containing 12-17 percent alcohol	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Per liter	Rs.140.00
18.	Wine containing more than 17 percent alcohol, herbs mixed liquors, cocktail (alcoholic/non-alcoholic/non-alcoholic mixtures) and other fermented liquors	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00, 2205.10.00 and 2206.00.90	Per liter	Rs.145.00
19.	Sampan, sherry, mead, perry, cider	2206.00.90 and 2204.10.90	Per liter	Rs.145.00
20.	Denatured spirit (containing 80-99 percent alcohol)	2207.20.00	Per liter	Rs.30.00
21.	Thinner, solvent	3814.00.00	Per liter	Rs.20.00
22.	Anhydrous ethanol	2207.10.00	Per liter	Rs.6.00

	(containing more than 99 percent alcohol)			
23.	All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume			
	(a) Wine and raw materials of brandy	2208.20.10	Per liter	Rs.100.00
	(b) Raw materials of whisky	2208.30.10	Per liter	Rs.100.00
	(c) Raw materials of rum and <i>Tafia</i>	2208.40.10	Per liter	Rs.100.00
	(d) Raw materials of gin and Geneva	2208.50.10	Per liter	Rs.100.00
	(e) Raw materials of vodka	2208.60.10	Per liter	Rs.100.00
	(f) Raw materials of liqueurs and cordials	2208.70.10	Per liter	Rs.100.00
	(g) Raw materials of other liquors (including spirit)	2208.90.10	Per liter	Rs.100.00
24.	Rectified spirits used as raw materials of liquors containing more than 80 percent alcohol by volume	2207.10.10	Per liter	Rs.30.00
25.	E.N.A.	2207.10.10	Per liter	Rs.40.00
26.	Liquors			
	(a) Wine and brandy			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.20.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength	2208.20.90	Per liter	Rs. 252.00

	(containing 40.18 percent alcohol content)		Per LP liter	Rs. 360.00
	(b) Whisky			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.30.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.30.90	Per liter Per LP liter	Rs. 252.00 Rs. 360.00
	(c) Rum and <i>Tafia</i>			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.40.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.40.90	Per liter Per LP liter	Rs. 252.00 Rs. 360.00
	(d) Gin and Geneva			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.50.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.50.90	Per liter Per LP liter	Rs. 252.00 Rs. 360.00
	(e) Vodka			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.60.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.60.90	Per liter Per LP liter	Rs. 252.00 Rs. 360.00

	(f) Liquors and cordials			
	(1) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.70.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(2) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.70.90	Per liter Per LP liter	Rs. 252.00 Rs. 360.00
	(g) Other liquors			
	(1) With 15 U.P. strength (containing 48.78 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 361.25 Rs. 425.00
	(2) With 25 U.P. strength (containing 43.05 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 270.00 Rs. 360.00
	(3) With 30 U.P. strength (containing 40.18 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 252.00 Rs. 360.00
	(4) With 40 U.P. strength (containing 34.44 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 126.00 Rs. 210.00
	(5) With 50 U.P. strength (containing 28.70 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 47.50 Rs. 95.00
	(6) With 70 U.P. strength (containing 17.22 percent alcohol content)	2208.90.90	Per liter Per LP liter	Rs. 7.80 Rs. 26.00
	Provided that, in the case of imported liquors, where the quantity of alcohol specified in the above rate differs by			

	less than one percent, the same rate shall be applicable and where that quantity differs by more than one percent, the excise duty shall be levied and collected as per the rate that is near and the highest.			
27.	Packed raw chewable tobacco containing lime	2403.91.00	Per kilogram	Rs. 130.00
28.	All kinds of <i>jarda</i> and <i>khaini</i> made from tobacco	2403.91.00	Per kilogram	Rs. 200.00
29.	Tooth cleaning material containing tobacco dust	2403.99.00	Per kilogram	Rs. 190.00
30.	Prepared <i>bidi</i>	2403.10.90	Per M	Rs. 50.00
31.	Pipe tobacco	2403.10.00	Per kilogram	Rs. 525.00
32.	All kinds of cigar	2402.10.00 and 2402.90.00	Per stick	Rs. 3.00
33.	Iron rods	7213 and 6214 (other than sub- heading 7214.99.10)	Per metric ton	Rs. 1000.00
34.	Marble	2516.90.00, 2516.20.00, 2515.12.00, 2515.20.00, 2516.12.00, and from 6802.21.00.to	Value percent	5 percent

		6802.99.00		
35.	Glaze tiles	6908	Value percent	5 percent
36.	Noodles and their piece, macaroni, pasta	1902	Per kilogram	Rs. 7.50
37.	Meat, Preparations of fish (canned)	Chapter 16	Value percent	5 percent
38.	Dog and cat feed	2309.10.00	Value percent	5 percent
39.	Cigarettes (all kinds of cigarettes made from tobacco)			
	(1) In up to 70 mm length			
	(a) Without filter	2402.20.00	Per M	Rs. 175.00
	(b) With filter	2402.20.00	Per M	Rs. 360.00
	(2) In more than 70 mm up to 75 mm length (with filter)	2402.20.00	Per M	Rs. 460.00
	(3) In more than 75 mm up to 85 mm length (with filter)	2402.20.00	Per M	Rs. 600.00
	(4) In more than 85 mm length (with filter)	2402.20.00	Per M	Rs. 795.00
40.	Cement			
	(a) Portland cement white (whether or not colored)	2523.21.00	Per metric ton	Rs. 150.00
	(b) Portland cement (brown)	2523.29.00	Per metric ton	Rs. 150.00
	(c) Aluminous cement (Cement Fondu)	2523.30.00	Per metric ton	Rs. 150.00

	(d) Other hydraulic cement	2523.90.00	Per metric ton	Rs. 150.00
41.	All kinds of paints	3208,3209,3210	Value percent	5 percent
42.	All kinds of ceramic bricks (except domestic production)	6904.10.00	Per thousand	Rs. 525.00
43.	Color television	8528.72.00	Value percent	5 percent
44.	Spare-parts of color television only	8529.90.10	Value percent	5 percent
45.	Picture tube of color television	8540.11.00	Value percent	5 percent
46.	Motor vehicles			
	(a) car, Jeep and van (custom heading 8702 and 8703) and their chassis (custom heading 8706)		Value percent	35 percent
	(b) Microbus with capacity of 11-14 seats (customs heading 8702) and their chassis (customs heading 8706)		Value percent	35 percent
	(c) Double cab pick up (customs heading 8704) and their chassis (customs heading 8706)		Value percent	35 percent
	(d) Three wheeler (auto rickshaw) (customs heading 8703) and their		Value percent	35 percent

	chassis thereof (customs heading 8706)			
	(e) Single cab pick up (customs heading 8704) and chassis thereof (customs heading 8706)		Value percent	20 percent
	(f) Delivery van (customs heading 8704) and chassis thereof (customs heading 8706)		Value percent	15 percent
	(g) Minibus (with capacity of 15 to 25 seats (custom sub-heading 87021020))		Value percent	15 percent
	(h) Minibus (with capacity of 15 to 25 seats (custom sub-heading 870290.20))		Value percent	10 percent
	(i) Chassis of minibus (custom heading 8706) (with capacity of 15 to 25 seats) falling under custom heading 8702		Value percent	10 percent
	(j) Motor cycle (custom heading 8711)		Value percent	10 percent

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on ambulances, corpse carrying vehicles and battery tempos.

- (2) The Department may, as required and in consultation with the Customs Department, interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.
- (3) The amount of excise duty on the import of a motor vehicle may be deducted from the excise duty payable on the sale of that vehicle.
- (4) The raw materials M.S. wire rod in coil under sub-heading No. 7213.91.10 of heading No. 7213 to be imported by an industry shall be exempted from excise duty.
- (5) The Director General may, for statistical purposes, add a digit to the eight digit sub-heading for the purposes of the rate of excise duty.
- (6) No local production of marble shall be subject to excise duty.

Financial Act, 2065 (2008)

Date of Authentication and Publication

2065.6.3 (19 Nov. 2008)

An Act Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal;

Now, therefore, be it enacted by the Constitution Assembly pursuant to Sub-articles (1) of Article 83 of Interim Constitution of Nepal, 2063 (2006).

1. Short title and commencement: (1) This Act may be called the "Financial Act, 2065 (2008)."

(2) This Act shall come into force immediately.

38. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058 (2002):

(1) Of Section 2:

(a) The following clause (g) shall be substituted for clause (g):

"(g) "Production" means the act of manufacturing, making or preparing a product subject to excise duty.

(b) The following clause (h1) shall be inserted after clause (h):

“(h1) “Tobacco product” means tobacco or cigarette containing mixtures of tobacco substance, *pan parag*, *khaini* or similar substance which is chewed or put in mouth, and this expression also includes cigarette, *bidi*, cigar etc.”

(c) The following clause (j) shall be substituted for clause (j):

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.”

(d) The following clauses (o1), (o2), (o3), (o4), (o5), (o6), (o7), (o8) and (o9) shall be inserted after clause (o):

(o1) "liquors" means any alcoholic substance prepared by fermenting any grains, fruits or any other starchful substance or by other method, which has an alcoholic strength by volume of more than 0.5 percent, and this expression includes liqueurs, spirit, country liquor, whisky, rum, gin, brandy, vodka, beer, wine, sherry, *sampan*, cider, perry, mid, malt, industrial alcohol, rectified spirit, malt spirit, ENA and heads spirit.

(o2) “ready-made liquors” means all kinds of alcoholic fluids prepared from mixtures with alcoholic strength by volume of less than 57.06 percent.

(o3) “L.P” means the strength of pure ethanol in London proof.

- (o4) "L.P. liter" means the volume of 57.06 percent pure ethanol per liter.
 - (05) "U.P." means the strength less than London proof.
 - (06) "O.P." means the strength more than London proof.
 - (07) "Physical control system" means the system of production, release, import and export of a product subject to excise duty under the control of the Excise Duty Officer or employee designated by him or her.
 - (08) "Self-release system" means the system of production, release, import and export of a product subject to excise duty other than that based on the physical control system.
 - (09) "Determination of excise duty" means the determination of excise duty made pursuant to this Act.
- (2) The following Section 3 shall be substituted for Section 3:
- "3. To levy excise duty:** In manufacturing or producing and discharging from any enterprise, importing any products or services subject to excise duty and selling any services, the excise duty as set forth in the Schedule shall be levied."
- (3) The following Sections 3A. and 3B. shall be inserted after Section 3:
- "3A. Determination and recovery of excise duty:** (1) The producer or manufacturer of goods or services subject to

excise duty shall be liable to determine and recover the excise duty under this Act.

Provided that, the concerned Customs Office shall determine and recover the excise duty of the goods to be imported.

(2) If any product is subject to excise duty at the sale and distribution in addition to its production or importation, the importer or seller shall be liable to determine and recover the excise duty under this Act.

(3) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

(4) The excise duty paid on the purchase or import of any goods or services subject to excise duty for commercial purposes may be deducted from the excise duty payable while selling such goods or services.

(5) The excise duty paid on the goods damaged due to arson, theft, accident, disruptive act or expiration of date of goods may be deducted as specified by the Department.

3B. Not to levy excise duty: (1) No excise duty shall be levied on any goods or services subject to excise duty pursuant to Section 3, in the following circumstances.

(a) If any goods or services are exported from Nepal or any goods other than liquors and cigarette are sold to a licensed bonded

warehouse and duty free shop, on such goods or services.

Provided that, there shall be furnished a cash deposit or bank guarantee for the amount of excise duty leviable on such goods or service before selling to the duty free shop or in import.

- (b) No excise duty shall be levied on the cigarette and liquors sold by the licensed bonded warehouse to any person or body enjoying diplomatic and tariff privilege, as recommended by the Government of Nepal, Ministry of Foreign Affairs.

Provided that:

- (1) Nothing contained herein shall bar the sale and distribution of goods by a bonded warehouse other than cigarette and liquors, without charging excise duty.
- (2) In importing any goods subject to excise duty to be sold by a bonded warehouse, there shall be furnished a cash deposit or bank guarantee for the amount of excise duty leviable on such goods.
- (2) The procedures for the release or refund of the cash deposit or bank guarantee as referred to in clause

(b) of sub-section (1) shall be as prescribed by the Department.

(3) If any goods manufactured or prepared within Nepal and already exported from Nepal are re-imported because of rejection by the concerned party or other reason, and the same goods are to be exported within Three months of the import, the goods may be released against the deposit of the excise duty leviable at the time of such return, and the deposit shall be refunded by the concerned Customs Office after the re-export of such goods."

(4) The following Section 4 shall be substituted for Section 4:

"4. **Recovery of excise duty**: Except as otherwise provided in this Act, the excise duty shall be collected on the goods and services subject to excise duty pursuant to this Act as follows:

- (a) In the case of goods basis on subject to the physical control system, at the time of production and discharge from the enterprise for sale;
- (b) In the case of any product and service to be sold under the automatic discharge system, at the time of issue of invoice;
- (c) In the case of goods to be imported, at the customs point at the time of entering of such goods into Nepal;
- (d) In the case of exported vehicles for commercial purpose which are leviable to

excise duty, at the time of sale and issuance of invoice;

- (e) In the case of services to be imported, as prescribed by the Department.

(2) Notwithstanding anything contained in Sub-section (1), the Department may so prescribe, in the case of any goods or services, that the excise duty has to be collected at the time of production of such goods or delivery of such services."

- (5) The following Sections 4A., 4B., 4C. and 4D. shall be inserted after Section 4:

"4A. Obligation to pay excise duty: The following person shall be liable to pay the excise duty pursuant to this Act:

- (a) In the case of a product or service to be produced within the country, the producer or manufacturer thereof;
- (b) In the case of a product to be imported, the person receiving the product as mentioned in the bill of lading, airway bill.
- (c) In the case of auction of a product subject to excise duty, the person taking over that product;
- (d) In the event of resale of any goods, other than liquors and cigarette sold by a duty free shop or the use of such goods in other purpose, the person reselling or reusing them;

- (e) In the event of conversion of goods from a condition of being exempted from excise duty into a condition of being subject to excise duty, the person who has ownership of such product;
- (f) In the circumstances other than those set forth in Clauses (a) through (e), the person as specified by the Department.

4B. Time limit for payment of excise duty: (1) The excise duty recovered pursuant to this Act shall be paid as follows:

- (a) In the case of goods subject to the physical control system, at the time of discharge of such goods;
- (b) In the case of any goods or services to be sold under the automatic discharge system, within the 25th day of the month following the issue of invoice;
- (c) In the case of goods to be imported, at the time of entering of such goods into Nepal;
- (d) In the case of services to be imported, as prescribed by the Department.

(2) In the event of failure to pay the excise duty within the time limit as referred to in Clause (b) of Sub-section (1), there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

4C. Exemption from excise duty: (1) No excise duty shall be levied on any goods to be imported by a person or body enjoying diplomatic facility on the recommendation of the Ministry of Foreign Affairs.

(2) Notwithstanding anything contained in Sub-section (1), the excise duty shall also be exempted in the following circumstances:

- (a) In transferring any motor vehicles that were imported by any foreign mission or donor agency with the enjoyment of the diplomatic facility or tariff facility to the project itself in consonance with the approval annual programme of the project and converting their number plates into governmental ones or in transferring, with the approval of the Ministry of Finance, any motor vehicles that were imported in the name of any project with the enjoyment of full or partial tariff facility (except those imported on inventory or bank guarantee) to any local body, community school, community hospital or governmental body after the completion of the project;
- (b) If any diplomatic body (mission), project or other body (governmental as well as non-governmental organization) intends to scrap and cancel the registration of any motor vehicle that it has imported with the enjoyment of the tariff facility and that is

more than Fifteen years old after the year of initial production, with the approval of the Ministry of Finance, the excise duty shall not be levied on such a motor vehicle.

- (c) If the owner of a motor vehicle imported for personal use with the enjoyment of partial customs tariff facility dies and the motor vehicle has to be transmitted to the husband or wife of the owner of motor vehicle, the excise duty shall not be levied on such a motor vehicle.

4D. Control of sale and distribution: The Government of Nepal may, if it so considers necessary, control the sale and distribution of goods subject to excise duty and manage such sale and distribution as prescribed."

- (6) The following Section 7 shall be substituted for Section 7:

"7. Fixation of price of product or service subject to excise duty: (1) In cases where the excise duty is to be levied on any product or service according to value (ad valorem), the excise duty shall be levied taking the following price as the basis

- (a) The factory price which a manufacturer determines at the time of selling a product subject to excise duty;
- (b) In the case of service, the price of the service at the time of selling it; or

(c) The price specified by the Department on the basis of production/manufacturing cost.

(2) In respect of a product to be imported into Nepal, the excise duty shall be levied on the price fixed by adding the customs tariff on such a product to the price fixed for the purpose of collecting customs tariff.

(3) Excise duty on service shall be collected by fixing the price as per the invoice.

(4) For purposes of collecting excise duty, the Department may, as per necessity, re-fix the price or fix additional price."

(7) The following Section 9 shall be substituted for Section 9:

"9. Provisions relating to license: (1) No one shall manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty to any other person, without obtaining the license pursuant to this Act or the Rules framed under this Act.

Provided that, no excise duty license is required to import the goods subject to excise duty under the diplomatic facility on the recommendation of the Ministry of Foreign Affairs.

(2) A person, firm, company or organization that intends to obtain the license referred to in sub-section (1) has to make an application to the Excise Duty Officer for the license, in such format and accompanied by such fee as prescribed.

(3) In cases where an application is made to the Excise Duty Officer for the license pursuant to Sub-section (2), the Department or the Excise Duty Officer designated by the Department shall issue the license in the prescribed format if it appears proper upon making necessary examination on such an application.

(4) The term of the license issued pursuant to Sub-section (3) shall remain valid until one Fiscal Year.

(5) A licensee who intends to obtain the renewal of license has to obtain the renewal within the month of *Shrwan* after the expiration of the period specified pursuant to Sub-section (4) by paying the fees as prescribed.

Provided that, if any licensee so intends, the licensee may obtain the renewal by for three Fiscal Years by paying the renewal fees at the same time.

(6) A licensee who fails to obtain the renewal within the period as referred to in Sub-section (5) has to pay the fine of Twenty Five percent of the renewal fees for obtaining the renewal within the first Three months of the expiration of such a period, that of Fifty percent of the renewal fees for obtaining the renewal within Three months thereafter, that of Seventy Five percent of the renewal fees for obtaining the renewal within Three months thereafter and that of cent percent of the renewal fees for obtaining the renewal within the last day of the month of *Ashad* thereafter.

(7) If a licensee intends to obtain the renewal of license after the expiration of the period specified in Sub-section (6), the licensee may obtain the renewal by paying the cent percent additional license fees for each Fiscal Year and due amounts, in addition to the license fees as prescribed.

(8) If any person does transaction without obtaining the license as referred to in Sub-section (1), the person shall not be exempted from the fees chargeable for the license and for its renewal."

(8) The following Section 10. shall be substituted after Section 10:

10. Power to cancel license: The Department may cancel the license in the following circumstances:-

- (a) In cases where the terms and conditions specified in the license are found violated,
- (b) In cases where it appears to be contrary to public interest.
- (c) Not to pay the leviable excise duty.

(9) The following Sections 10A., 10B., 10C., 10D., 10E., 10F., 10G., and 10H. shall be inserted after Section 10:

"10A. To furnish excise duty returns: A person who has obligation to determine and recover the excise pursuant to Section 3A. has to furnish the returns of transaction subject to excise duty for each month to the Excise Duty Officer or the prescribed excise duty returns by a registered post within Twenty Five days. Such returns have to be furnished irrespective of whether transaction subject to excise duty has been carried on in that month or not.

10B. To maintain accounts: (1) A person who has obligation to furnish the excise duty returns pursuant to Section 10A. has to maintain accounts of the production and sale of goods or services subject to excise duty, of purchase, consumption of raw materials, subsidiary raw materials with specification of their price and quantity and of closing balance, along with the prescribed details, and shall provide such details as and when the Excise Duty Officer so demands for inspection.

(2) The accounts of purchase, production, release, sale and balance as referred to in Sub-section (1) shall be got certified by the concerned Excise Duty Officer and used for the purpose of maintaining accounts.

(3) The licensee has to safely retain the accounts of transaction for until Six years.

(4) For the implementation of this Act, the Excise Duty Officer may, by giving a notice in writing, seek information as to the transaction of goods and services subject to excise duty.

10C. Records processed by computer to be eligible as evidence: (1) Notwithstanding contained in the laws in force, the records relating to excise duty of any person processed by the computer installed in the Department or offices thereunder or offices designated to administer the excise duty shall be eligible as evidence for purposes of excise duty, except as otherwise proved.

(2) The Department may so prescribe that the data relating to the goods or services subject to excise duty can

be automatically retrieved by the Department or the office designated by the Department.

(3) The Department may make necessary arrangements on the submission of excise duty returns and payment of excise duty through electronic medium."

10D. Power of Excise Duty Officer to determine excise duty:

(1) The Excise Duty Officer may determine the excise duty in any of the following circumstances:

- (a) In the event of failure to submit the excise duty returns within the time limit,
- (b) In the event of submission of incomplete or erroneous excise duty returns,
- (c) In the event of submission of false excise duty returns,
- (d) In the event of existence of a reliable ground for the Excise Duty Officer to believe that lesser amount of excise duty has been shown or the amount of excise duty is not accurate,
- (e) Where there is a ground and reason for the Excise Duty Officer to believe that the sales price has been under-invoiced and it is necessary to re-determine the price or to determine additional price pursuant to Sub-section (4) of Section 7,

- (f) If the ceiling of production of goods or services subject to the excise duty is specified pursuant to or under this Act, the production ceiling is not met,
- (g) If the difference between the liquors released and the alcohol content of waste material or substance is more than One percent,
- (h) In the event of evasion of excise duty,
- (i) If any person does transaction of goods subject to excise duty without obtaining the license.

Provided that, except in the condition of Clause (c) and (h), excise duty shall be assessed within Four years from the date of submission of the details of excise duty.

(2) In determining the excise duty pursuant to Sub-section (1), the Excise Duty Officer shall give a time-limit of Fifteen days to the concerned person to defend him/herself.

(3) The Department may make monitoring of the determination of excise duty made pursuant to Sub-section (1). If any error is found upon monitoring, the Department may order the re-determination of excise duty.

(4) The Excise Duty Officer shall have the following powers for the purposes of determination of excise duty pursuant to Sub-section (1) or examination of the excise duty returns submitted duty pursuant to Section 10A.:

- (a) To examine the goods, places, documents, accounts and records related with the liability of excise duty,
- (b) To search the place of transaction of any person or other places where evidences related with the acts deemed offence under this Act can be found,
- (c) To seek information from the persons who prepare any records, books, accounts and documents or fill up details therein in the course of discharge of their duty,
- (d) To take possession of or take elsewhere any documents, books and records situated in the place of transaction of goods and services subject to excise duty or other place related thereto,
- (e) To make audit of excise duty in the place of transaction or office or other appropriate place,

- (f) The Excise Duty Officer may seek information of any matter from a bank or financial institution or any person in relation to the transaction of goods and services subject to excise duty.

(5) It shall be the duty of such a bank and financial institution or person to give information as sought by the Excise Duty Officer pursuant to this Section.

10E. **Power to have expert's service:** The Department may obtain the service of liquor expert, brewing expert, chemical expert and other expert, as required, for the effective implementation of this Act.

10F. **Power to specify ceiling of production of goods and services subject to excise duty:** (1) The rate of production ceiling of ethanol, spirit or ENA required to be obtained from grains, molasses or *Khudo* used by an industry producing *Anhydrous* ethanol, rectified spirit or ENA shall be determined in accordance with the procedures as prescribed.

(2) If it appears that the production is less than the rate of ceiling prescribed pursuant to Sub-section (1), the production of highest quality liquors to be produced by the industry shall be deemed to have been made from the ethanol, spirit or ENA in such different quantity.

(3) The Department may specify the rate of ceiling of production of other goods and services subject to excise duty.

10G. **To test the volume of alcohol:** The Excise Duty Officer may at any time test or examine the content of alcohol of the liquors discharged with approval and of the waste substance and quality thereof. The alcohol content shall not be different more than One percent or quality shall not be altered significantly.

10H. **Recovery of due excise duty:** If any person does not pay the excise duty to be paid within the time limit as referred to in this Act, the concerned Excise Duty Officer may recover the same by way of any or all of the following measures:

- (a) Deducting the amount, if any, refundable to such a person,
- (b) By having deduction of such amount from the amount payable by the Government of Nepal or any corporate body owned by the Government of Nepal or local body to such a person,
- (c) By having deduction of such amount from the interest of such a person in a bank, financial institution or other institution,

Explanation: For the purposes of this Clause, the term "interest" includes deposits and investments held in a bank, financial or other institution.

- (d) By withholding the sale, export, import and other business by and of such a person,
- (e) By seizing the movable and immovable property of such a person,

- (f) By auction selling any or all of the movable and immovable properties of such person at one time or at different times as prescribed.
- (10) The word "release" shall be substituted for the word "export" contained in Section 11.
- (11) The following provision shall be inserted in Clause (d) of Sub-section (3) of Section 12:
- “Provided that, such suspension shall not exceed seven days; and decision shall be made no later than Sixty days after the making of such suspension.”
- (12) Of Section 13,
- (a) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in various places of Sub-section (1).
- (b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):
- "(4) The Department may give an information incentive expense of a maximum of Ten Thousand Rupees as prescribed to a person who provides information of the offence as referred to in this Section.
- (5) The details of the person giving information of offence pursuant to this Section shall be kept secret."
- (13) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in various places of Sub-section (1) of Section 14 and the following Clauses (a), (b) and (c) shall be substituted for Clauses (a), (b) and (c) of the same Sub-section:

- "(a) Ten per cent of the amount in controversy to the informer,
- (b) Twenty per cent of the amount in controversy to one who seizes and hands over a product only;
- (c) Thirty per cent of the amount in controversy to one who arrests and hands over the person, along with the proof.

Provided, however, that in cases where the informer who gives information or clue be more than one person, the reward shall be divided between them pro rata.”

(14) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in Section 15:

(15) Of Section 16:

(a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

(b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, the Excise Duty Officer may punish such a person with a fine as follows:

(a) In the event of re-determination of the price or determination of additional price pursuant to Sub-section (4) of Section 7, cent percent amount of the amount of excise duty to be added,

- (b) In the event of making sale or storage of goods or services subject to excise duty without obtaining the license, from Five Thousand Rupees to Fifteen Thousand Rupees.
- (c) In the event of violation of the provision of Section 10A., the amount of 0.05 percent of the leviable excise duty per day or One Thousand Rupees for each return, whichever is the higher.
- (d) In the event of failure to maintain updated accounts as referred to in Sub-section (1) of Section 10B., Ten Thousand Rupees and Five Thousand Rupees for each instance in the event of not allowing the accounts of transactions to be inspected,
- (e) In the event of violation of Sub-section (2) of Section 10B., upto Five Thousand Rupees,
- (f) In the event of violation of Sub-section (3) of Section 10B., Ten Thousand Rupees,
- (g) In the event of obstruction in the act as referred to in Sub-section (3) of Section 10D., Five Thousand Rupees for each instance,
- (h) If, upon examination pursuant to Section 10G., the difference between the liquors released and the alcohol content of waste material or substance is

more than One percent, cent percent of the amount of revenue leaked,

- (i) If the ceiling of production of goods or services subject to the excise duty is specified and the production ceiling is not met, cent percent of the amount of excise duty to be added,
- (j) In the event of violation of Section 4B., Ten Thousand Rupees for each instance,
- (k) In the event of violation of this Act or the Rules framed under this Act, One Thousand Rupees for each instance.

(16) The following Section 17A. shall be inserted after Section 17:

"17A. Provision on payment by installment: Where any taxpayer makes a request in writing for the payment of any arrear excise duty by installment, permission may be given to pay the same by installment for One year."

(17) The following Section 19 shall be substituted for Section 19:

"19. Provisions relating to administrative review and appeal: (1) A person who is not satisfied with any decision by the Excise Duty Officer of excise duty assessment and recovery thereof may make an application for administrative review to the Department against the decision within Thirty days of the date of receipt of a notice of that decision.

Provided that a person may make an appeal in the Revenue Tribunal against the decision of punishment of

imprisonment for any offences as referred to in Sub-sections (1), (2), (3) and (4) of Section 16.

(2) In cases where the time limit for making application pursuant to Sub-section (1) expires and any person makes an application for the extension of time limit within Seven days from the date of expiration of the time limit, the Department may extend the time limit for a period not exceeding Thirty days from the date of expiration of the time limit.

(3) If the claim of the applicant appears to be true upon examining the evidence and documents including the application made by the taxpayer pursuant to Sub-section (1), the Director General may, by executing a memorandum setting out the clear reasons, void that excise duty assessment order and direct the concerned Excise Duty Officer to make re-assessment of excise duty.

(4) The Department shall make decision on the application within Sixty days after the date of making of application pursuant to Sub-section (1).

(5) The taxpayer who makes an application pursuant to sub-section (1) has to pay undisputed amount of excise duty and amount of fine, out of the amount of excise duty assessed, and furnish a cash deposit of One Third of the amount of excise duty in controversy and amount of fine.

(6) If the Department does not give decision within the time limit as referred to in Sub-section (4), the concerned person may appeal in the Revenue Tribunal.

(7) A person who makes an application for administrative review or an appeal pursuant to this Section

shall register a copy of the application or appeal with the concerned Office no later than Fifteen days.

(8)The implementation of the decision set forth in sub-section (1) of Section 16 shall not be deemed to have been affected by the reason of making an application for administrative review or appeal appeal pursuant to sub-section (1).”

(18) The following Section 23 shall be substituted for Section 23:

“23. Department to be responsible for implementation and administration: The Department shall be responsible for the implementation and administration of this Act.”

(19) The following Section 25A. Shall be inserted after Section 25:

“25A. Power to frame and issue manual: The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

(20) Section 8 shall be repealed.

(23) The following Schedule shall be inserted in the Excise Duty Act, 2058 (2002):

Schedule

(Relating to Section 3)

Rate of excise duty

SN	Heading/sub-heading No.	Description of product/good or service	Unit	Rate of excise duty
1.	1701.10.00 and 1703.90.00	Molasses	Per quintal	Rs. 40.00
2.	1703.11.90	<i>Sakkhar (Gud)</i> , black <i>Sakkhar</i> , <i>Raskat from Khandsari</i> (Only on import)	Per quintal	Rs. 72.00
3.	3923.10.90	Plastic packing materials	Value/price percent	5 percent
	3923.21.00	Plastic packing materials	Value/price percent	5 percent
	3923.29.00	Plastic packing materials	Value/price percent	5 percent
	3923.90.00	Plastic packing materials	Value/price percent	5 percent
	6305	Plastic packing materials	Value/price percent	5 percent
	3926.90.90	Other plastic materials	Value/price	5 percent

			percent	
4.		Fruit juices		
	2009.19.00, 2009.11.00 and 2009.12.00	(a) Orange juice	Per liter	Rs. 2.00
	2009.29.00 and 2009.21.00	(b) Grape fruit juice	Per liter	Rs. 2.00
	2009.39.00 and 2009.31.00	(c) Any other citrus fruit	Per liter	Rs. 2.00
	2009.49.00 and 2009.41.00	(d) Pineapple juice	Per liter	Rs. 2.00
	2009.69.00, 2009.50.00 and 2009.61.00	(e) Tomato juice, grape juice including grape must	Per liter	Rs. 2.00
	2009.79.00 and 2009.71.00	(f) Apple juice	Per liter	Rs. 2.00
	2009.80.00	(g) Juice of nay other single fruit or vegetable	Per liter	Rs. 2.00
	2009.90.00	(h) Mixture of juices	Per liter	Rs.2.00
5.	2106.90.20	Pan <i>Masala</i> and similar other goods with or without nicotine containing	Per Kilogram	Rs. 230.00

		lime		
6.	1404.90.00	<i>Kattha</i>	Per Kilogram	Rs. 115.00
7.	2202.90.00	All kinds of non-alcoholic beverages	Per liter	Rs. 2.50
8.	2203.00.00	Beer	Per liter	Rs.60.00
		Country beer (<i>chhang</i>)	Per liter	Rs.20.00
9.	2204.29.00	Wine made in the country (containing not more than 12 percent alcohol, made from <i>Chutro</i> , apple or <i>Aishalu</i>) or domestic cider	Per liter	Rs.50.00
		Other beverages than wine and beer containing up to 12 percent alcohol(on import)	Per liter	Rs.140.00
	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Wine containing not more than 12 percent alcohol (on import)	Per liter	Rs.150.00
	2204.10.00, 2205.90.00,	Wine containing 12-17 percent alcohol	Per liter	Rs.150.00

	2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00			
10.	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00, 2205.10.00 and 2206.00.90	Wine containing more than 17 percent alcohol, herbs mixed liquors, cocktail (alcoholic/non-alcoholic/non-alcoholic mixtures) and other fermented liquors	Per liter	Rs.160.00
11.	2206.00.90 and 2204.10.90	Champagne, sherry, mead, perry, cider	Per liter	Rs.160.00
12.	2207.20.00	Denatured spirit (containing 80-99 percent alcohol)	Per liter	Rs.33.00
13.	3814.00.00	Thinner, solvent	Per liter	Rs.22.00
14.	2207.10.00	Anhydrous ethanol (containing more than 99 percent alcohol)	Per liter	Rs.6.00
15.		All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume		
	2208.20.10	(a) Wine and raw	Per liter	Rs.108.00

		materials of brandy		
	2208.30.10	(b) Raw materials of whisky	Per liter	Rs.108.00
	2208.40.10	(c) Raw materials of rum and Tafia	Per liter	Rs.108.00
	2208.50.10	(d) Raw materials of gin and Geneva	Per liter	Rs.108.00
	2208.60.10	(e) Raw materials of vodka	Per liter	Rs.108.00
	2208.70.10	(f) Raw materials of liqueurs and cordials	Per liter	Rs.108.00
	2208.90.10	(g) Raw materials of other liquors (including spirit)	Per liter	Rs.108.00
16.	2207.10.10	Rectified spirits used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.33.00
	2207.10.10	E.N.A.	Per liter	Rs.44.00
17.		Liquors		
	2208.20.90	(a) Wine and brandy		

		(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs. 432.00
	2208.20.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 302.00 Rs.432.00
		(b) Whisky		
	2208.30.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs.324.00 or Rs.432.00
	2208.30.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 302.00 Rs.432.00
		(c) Rum and <i>Tafia</i>		
	2208.40.90	(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 Rs. 432.00
	2208.40.90	(2) With 30 U.P. strength (containing	Per liter Per LP liter	Rs. 302.00 Rs. 432.00

		39.94 percent alcohol content)		
		(d) Gin and Geneva		
	2208.50.90	(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs.324.00 Rs. 432.00
	2208.50.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 302.00 Rs. 432.00
		(e) Vodka		
	2208.60.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 Rs. 432.00
	2208.60.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs.302.00 Rs. 432.00
		(f) Liquors and cordials		
	2208.70.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 Rs. 432.00

	2208.70.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 302.00 Rs. 432.00
		(g) Other liquors		
	2208.90.90	(1) With 15 U.P. strength (containing 48.5 percent alcohol content)	Per liter Per LP liter	Rs. 434.00 Rs. 511.00
	2208.90.90	(2) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 Rs. 432.00
	2208.90.90	(3) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 302.00 Rs. 432.00
	2208.90.90	(4) With 40 U.P. strength (containing 34.23 percent alcohol content)	Per liter Per LP liter	Rs. 152.00 Rs. 254.00
	2208.90.90	(5) With 50 U.P. strength (containing 28.53 percent alcohol content)	Per liter Per LP liter	Rs. 57.00 Rs. 114.00
	2208.90.90	(6) With 70 U.P.	Per liter	Rs. 15.00

		strength (containing 17.12 percent alcohol content)	Per LP liter	Rs. 50.00
		Provided that in the case of imported liquors, where the quantity of alcohol specified in the above rate differs by less than one percent, the same rate shall be applicable and where that quantity differs by more than one percent, the excise duty shall be levied and collected as per the rate that is near and the highest.		
18.	2401	Only on import of raw tobacco not packed (other than that used as raw materials by industries)	Per kilogram	Rs. 50.00
	2403.91.00	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 130.00
	2403.91.00	All kinds of jarda and khaini made from tobacco	Per kilogram	Rs. 200.00
	2403.99.00	Tooth cleaning material containing tobacco dust	Per kilogram	Rs. 190.00
	2403.10.90	Prepared bidi	Per M	Rs. 50.00
	2403.10.10	Pipe tobacco	Per kilogram	Rs. 575.00
19.	2402.10.00 and	All kinds of cigar	Per stick	Rs. 4.00

	2402.90.00			
20.	7213 and 6214 (except sub- heading 7214.99.10)	Iron rods	Per metric ton	Rs. 1000.00
21.	2516.90.00, 2516.20.00, 2515.12.00, 2515.20.00, 2516.12.00, and from 6802.21.00.to 6802.99.00	Marble	Value percent	5 percent
	6908	Glaze tiles	Value percent	5 percent
22.	1902	Noodles, macaroni, pasta	Per kilogram	Rs. 7.50
	2106.90.10	Junk foods (Kurkure, Kurmure, cheeseballs, pastry etc.)	Per kilogram	Rs. 7.50
23.	Chapter 16	Preparations of meat, fish (canned)	Value percent	5 percent
	2309.10.00	Dog and rat feed	Value percent	5 percent
24.		Cigarettes (all kinds of cigarettes made from tobacco)		

		(1) In up to 70 mm length		
	2402.20.00	(a) Without filter	Per M	Rs. 195.00
	2402.20.00	(b) With filter	Per M	Rs.415.00
	2402.20.00	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 530.00
	2402.20.00	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs.690.00
	2402.20.00	(4) In more than 85 mm length (with filter)	Per M	Rs. 915.00
25.		Cement		
	2523.21.00	(a) Portland cement white (whether or not colored)	Per metric ton	Rs. 170.00
	2523.29.00	(b) Portland cement (brown)	Per metric ton	Rs. 170.00
	2523.30.00	(c) Aluminous cement	Per metric ton	Rs. 170.00
	2523.90.00	(d) Other hydraulic cement	Per metric ton	Rs. 170.00
26.	3208, 3209, 3210	All kinds of paints	Value percent	5
27.	6904.10.00	All kinds of ceramic	Per thousand	Rs. 580.00

		bricks (other than domestic production)		
28.		Motor vehicles		
		(a) Jeep, car and van (customs headings 8702 and 8703) and their chassis (customs heading 8706)	Value percent	45 percent
		(b) Microbus (with capacity of 11-14 seats) (customs heading 8702) and chassis thereof (customs heading 8706)	Value percent	35 percent
		(c) Double cab pick up (customs heading 8704) and chassis thereof (customs heading 8706)	Value percent	35 percent
		(d) Three wheeler (auto rickshaw) (customs heading 8703) and chassis thereof (customs heading 8706)	Value percent	35 percent
		(e) Single cab pick up	Value percent	30 percent

		(customs heading 8704) and chassis thereof(customs heading 8706)		
		(f) Delivery van (customs heading 8704) and chassis thereof(customs heading 8706)	Value percent	25 percent
		(g) Minibus (with capacity of 15 to 25 seats(custom sub-heading 870210.20)	Value percent	25 percent
		(h) Minibus (with capacity of 15 to 25 seats(custom sub-heading 870290.20)	Value percent	20 percent
		(i) Chassis of minibus (custom heading 8706) (with capacity of 15 to 25 seats) falling under custom heading 8702	Value percent	20 percent
		(j) Buses and trucks (customs heading 8702, 8794) and their chassis (customs heading 8706)	Value percent	5 percent

		(k) Motor cycle (custom heading 8711)	Value percent	15 percent
29.	84.43	Plates, cylinders, and printing machinery used for printing other than those of heading 84.42, other printing machines, copying machines, fax machines, whether installed or not, and their parts and accessories		
		Other printers, copying machines, fax machines, whether installed or not		
	8443.31.00	Out of the printers, copying machines and fax machines, those with two or more than two multiple functions and of such nature as can be linked to or installed with automated data processing machine or network	Value percent	10
	8443.39.00	Others	Value percent	10
30	84.72	Other office machines (for example, hectograph or stencil duplicating machine, addressing machines, automatic banknote dispensers, coin-sorting machines, coin-counting or wrapping machines, pencil sharpening machines, perforating or stapling machines)		
	8472.90.00	Others	Value percent	15

31.	84.79	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter		
		Others		
	8479.89.90	Others	Value percent	10
32.	85.17	Telephone sets, including telephones used for cellular networks or other cordless networks, equipment to broadcast or transmit or store sound, images or other data, appliances used in line or cordless network for communication in (such as local or wide area network), communication or transmission or store equipment under headings 84.43, 84.25, 85.27 or 85.28		
		Equipment to broadcast or transmit or store sound, images, including equipment used in line or cordless network for communication in (such as local or wide area network)		
	8517.61.10	Base stations	Value percent	5
	8517.62.00	Machines/equipment to store, change, reproduce and transmit sounds, images or other data, including switching and routing equipment	Value percent	5
	8517.69.00	Others	Value percent	5

	8517.70.00	Parts	Value percent	5
32.	85.18	Microphone and stands thereof, loudspeakers, whether or not mounted in their enclosures, headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers, audio-frequency electric amplifiers, electric sound amplifier sets		
	8518.18.00	Microphones and their stands Loudspeakers, whether or not mounted in their enclosures	Value percent	5
	8518.29.00	Others	Value percent	5
34.	85.23	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37		
		Magnetic means		
	8523.29.90	Others	Value percent	5
	8523.40.00	Optical means	Value percent	5
	8523.51.00	Solid state non-volatile storage equipment	Value percent	5

	8523.52.00	Smart cards	Value percent	5
	8523.59.00	Others	Value percent	5
	8523.80.00	Others	Value percent	5
35.	85.25	Transmission apparatus for radio-telephony, radio-telegraphy, radio broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus, television cameras, still image video cameras and other video camera recorders, digital cameras		
	8525.60.00	Transmission apparatus incorporating reception apparatus	Value percent	5
	8525.80.00	Television cameras, digital cameras and video camera recorders	Value percent	5
36.	85.28	Reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus, video monitors and video projectors		
		Projectors		
	8528.61.00	Apparatus of such kind as to be solely or principally used in the	Value percent	10

		automated data processing system of heading 84.71		
37.	8528.72.00	Color television	Value percent	5
	8540.11.00	Picture tubes of color television	Value percent	5
38.	85.29	Parts suitable for use solely or principally with the apparatus of headings of 85.25 to 85.28		
		Others		
	8529.90.10	Of television receiver	Value percent	15
39.	85.31	Electric sound or visual signaling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms) other than those of Heading 85.12 or 85.30		
	8531.20.00	Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes	Value percent	10

		(LED)		
	8531.90.00	Spare parts	Value percent	10
40.	85.32	Electrical capacitors. Fixed variable or adjustable (preset)		
	8532.10.00	Fixed capacitors designed for use in 50/60 HZ circuits and having a reactive power handling capacity of not less than 0.5 kvar (power capacitors)	Value percent	10
		Other capacitors		
	8532.21.00	Tantalum	Value percent	10
	8532.22.00	Aluminium electrolytic	Value percent	10
	8532.23.00	Ceramic dielectric, single layer	Value percent	10
	8532.24.00	Ceramic dielectric, multiple layer	Value percent	10
	8532.25.00	Dielectric of paper or plastics	Value percent	10
	8532.29.00	Others	Value percent	10

	8532.30.00	Variable or adjustable (preset) capacitors	Value percent	10
	8532.90.00	Parts	Value percent	10
41.	85.33	Electrical resistors (including rheostats and potentiometers), other than heating resistors		
	8533.10.00	Fixed carbon resistors, composition or films	Value percent	10
		Other fixed resistors		
	8533.21.00	For a power handling capacity not exceeding 20W	Value percent	10
	8533.29.00	Others	Value percent	10
		Other variable resistors, including rheostats and potentiometers		
	8533.31.00	For a power handling capacity not exceeding 20W	Value percent	10
	8533.39.00	Others	Value percent	10

	8533.40.00	Other variable resistors, including rheostats and potentiometers	Value percent	10
	8533.90.00	Parts	Value percent	10
	8534.00.00	Printed circuits	Value percent	10
42.	85.36	Electrical apparatus for switching or protecting electrical circuits or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppression, plugs, sockets, lamp-holders, junction boxes, for a voltage not exceeding 1,000 volts)		
	8536.50.00	Other switches	Value percent	10
		Lamp-holders, plugs and sockets		
	8536.69.00	Others	Value percent	10
	8536.90.00	Other equipment	Value percent	10
43.	85.44	Insulated (including enameled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors, optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors		
		Other electric		

		conductors, for a voltage not exceeding 80 v		
	8544.42.00	Connected with conductors	Value percent	15
	8544.49.00	Others	Value percent	15
	8544.70.00	Optical fibre cable	Value percent	10
44.	90.10	Apparatus and equipment for photographic (including cinematographic) laboratories, not specified or included elsewhere in this Chapter; negatoscopes, projection screens		
	9010.90.00	Parts and accessories	Value percent	10
45.	90.11	Compound optical microscopes, including those for microphotography microcinematography or microprojection		
	9011.10.00	Stereoscopic microscopes	Value percent	5
	9011.20.00	Other microscopes for microphotography microcinematography or microprojection	Value percent	5
	9011.90.00	Parts and accessories	Value percent	5
46.	90.12	Microscopes other		

		than optical microscopes, diffraction apparatus		
	9012.10.00	Microscopes other than optical microscopes, diffraction apparatus	Value percent	5
	9012.90.00	Parts and accessories	Value percent	5
47.	90.17	Drawing, marking out or mathematical calculating instruments (for example, drafting machines, pantographics, protractors, drawing sets, slide rules, disc calculators), instruments for measuring length, for use in the land (for example, measuring rods and tapes, micrometers, calipers) not specified or included elsewhere in this Chapter		
	9017.20.00	Other drawing, marking-out or mathematical calculating instruments	Value percent	5
	9017.90.00	Parts and accessories	Value percent	5
48.	90.26	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading 90.14, 90.15, 90.28 or 90.32		

	9026.10.00	For measuring or checking the flow or level of liquids	Value percent	5
	9026.20.00	For measuring or checking pressure	Value percent	5
	9026.80	Other instruments or apparatus	Value percent	5
	9026.90.00	Parts and accessories	Value percent	5
49.	90.27	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus), instrument and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like, instruments and apparatus for measuring or checking quantities or heat, sound or light (including exposure meters), microtomes		
	9027.20.00	Chromatographs and electrophoresis instruments	Value percent	5
	9027.50.00	Other instruments and apparatus using optical radiators (UV, visible, IR)	Value percent	5
	9027.80.00	Other instruments or apparatus	Value percent	5

50.	90.30	Oscilloscopes, spectrum analyzers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading number 90.28, instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionising radiators		
	9030.40.00	Other instruments and apparatus, specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments, distortion factor meters, psophometers)	Value percent	5
	9030.90.00	Parts and accessories	Value percent	5

Note:

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on the chassis of ambulances, corpse carrying vehicles and battery tempus.
- (2) The Department may, as required and in consultation with the Customs Department, interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.

- (3) The amount of excise duty on the import of a motor vehicle may be deducted from the excise duty payable on the sale of that vehicle.
- (4) Exemption of excise duty shall be granted, on the recommendation of the Department of Industries, to the raw materials imported by industries and used to produce goods as referred to in sub-heading 7213.91.10 of heading 7213.
- (5) The Director General may, for statistical purposes, add a digit to the eight digit sub-heading for the purposes of the rate of excise duty.
- (6) In the event of cocktail of any liquors, the rate of tariff set forth in serial number 10 shall be applicable.
- (7) No local production of marble shall be subject to excise duty.
- (8) excise duty shall be levied on the goods of personal use imported enjoying the customs duty exemption facility under the Luggage and Baggage Order Facility.

Financial Act, 2066 (2010)

Date of Authentication and Publication

2066.3.29 (13 July 2009)

An Act Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal;

Now, therefore, be it enacted by the Constitution Assembly pursuant to Sub-articles (1) of Article 83 of Interim Constitution of Nepal, 2063 (2007).

1. Short title and commencement: (1) This Act may be called the "Financial Act, 2067 (2010)."

(2) Sections 1, 2, 3, 4, 5 and 10 of this Act shall be deemed to have come into force immediately and the other Sections on 1 *Shrawan* 2066 (17 July 2009).

30. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058 (2002):

(1) Of Section 2:

(a) The following Clause (g) shall be substituted for Clause (g):

"(g) "Production" means the act of manufacturing, making or preparing a product subject to excise duty.

(b) The following Clause (h1) shall be inserted after Clause (h):

"(h1) "Tobacco product" means tobacco or cigarette containing mixtures of tobacco substance, *pan parag*, *khaini* or similar substance which is chewed

or put in mouth, and this expression also includes cigarette, *bidi*, cigar etc.”

(c) The following Clause (j) shall be substituted for Clause (j):

“(j) "factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product.”

(d) The following Sub-clause (3) shall be substituted for Sub-clause (3) of Clause (k):

"(3) price fixed as per Sub-section (2) of Section 7, in the case of a product to be imported."

(e) The following Clauses (o1), (o2), (o3), (o4), (o5), (o6), (o7), (o8) and (o9) shall be inserted after Clause (o):

(o1) "liquors" means any alcoholic substance prepared by fermenting any grains, fruits or any other starchful substance or by other method, which has an alcoholic strength by volume of more than 0.5 percent, and this expression includes liqueurs, spirit, country liquor, whisky, rum, gin, brandy, vodka, beer, wine, sherry, *sampan*, cider, *perry*, mid, malt, industrial alcohol, rectified spirit, malt spirit, ENA and heads spirit.

(o2) “ready-made liquors” means all kinds of alcoholic fluids prepared from mixtures with alcoholic strength by volume of less than 57.06 percent.

- (o3) "L.P." means the strength of pure ethanol in London proof.
 - (o4) "L.P. liter" means the volume of 57.06 percent pure ethanol per liter.
 - (05) "U.P." means the strength less than London proof.
 - (06) "O.P." means the strength more than London proof.
 - (07) "Physical control system" means the system of production, release, import and export of a product subject to excise duty under the control of the Excise Duty Officer or employee designated by him or her.
 - (08) "Self-release system" means the system of production, release, import and export of a product subject to excise duty other than that based on the physical control system.
 - (09) "Determination of excise duty" means the determination of excise duty made pursuant to this Act.
- (2) The following Section 3 shall be substituted for Section 3:
- “3. To levy excise duty: In manufacturing or producing and discharging from any enterprise, importing any products or services subject to excise duty and selling any services, the excise duty as set forth in the Schedule shall be levied.”**
- (3) The following Sections 3A. and 3B. shall be inserted after Section 3:

"3A. Determination and recovery of excise duty: (1) The producer or manufacturer of goods or services subject to excise duty shall be liable to determine and recover the excise duty under this Act.

Provided that, the concerned Customs Office shall determine and recover the excise duty of the goods to be imported.

(2) If any product is subject to excise duty at the sale and distribution in addition to its production or importation, the importer or seller shall be liable to determine and recover the excise duty under this Act.

(3) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be deducted from the excise duty to be paid while exporting the finished product.

Provided that, the excise duty paid by any industry subject to the self-release system on the purchase or import of raw materials may be deducted from the excise duty payable while selling the finished product.

(4) The excise duty paid on the purchase or import of any goods or services subject to excise duty for commercial purposes may be deducted from the excise duty payable while selling such goods or services.

(5) The excise duty paid on the goods damaged due to arson, theft, accident, disruptive act or expiration of date of goods may be deducted as specified by the Department.

3B. Not to levy excise duty: (1) No excise duty shall be levied on any goods or services subject to excise duty pursuant to Section 3, in the following circumstances.

- (a) If any goods or services are exported from Nepal or any goods other than liquors and cigarette are sold to a licensed bonded warehouse and duty free shop, on such goods or services.
- (b) No excise duty shall be levied on the cigarette and liquors sold by the licensed bonded warehouse to any person or body enjoying diplomatic and tariff privilege, as recommended by the Government of Nepal, Ministry of Foreign Affairs.

Provided that:

- (1) Nothing contained herein shall bar the sale and distribution of goods by a bonded warehouse other than cigarette and liquors, without charging excise duty.
- (2) In importing any goods subject to excise duty to be sold by a bonded warehouse, there shall be furnished a cash deposit or bank guarantee for the amount of excise duty leviable on such goods.

(2) The procedures for the release or refund of the cash deposit or bank guarantee as referred to in Clause (b) of Sub-section (1) shall be as prescribed by the Department.

(3) If any goods manufactured or prepared within Nepal and already exported from Nepal are re-imported because of rejection by the concerned party or other reason, and the same goods are to be exported within Three months of the import, the goods may be released against the deposit of the excise duty leviable at the time of such return, and the deposit shall be refunded by the concerned Customs Office after the re-export of such goods."

(4) The following Section 4 shall be substituted for Section 4:

"4. **Recovery of excise duty:** Except as otherwise provided in this Act, the excise duty shall be collected on the goods and services subject to excise duty pursuant to this Act as follows:

- (a) In the case of goods produced by an industry subject to the physical control system, at the time of production and discharge from the enterprise for sale;
- (b) In the case of any product and service to be sold under the automatic discharge system, at the time of issue of invoice;

- (c) In the case of goods to be imported, at the customs point at the time of entering of such goods into Nepal;
- (d) In the case of services to be imported, as prescribed by the Department.

(2) Notwithstanding anything contained in Sub-section (1), the Department may so prescribe, in the case of any goods or services, that the excise duty has to be collected at the time of production of such goods or delivery of such services."

- (5) The following Sections 4A., 4B., 4C. and 4D. shall be inserted after Section 4:

"4A. Obligation to pay excise duty: The following person shall be liable to pay the excise duty pursuant to this Act:

- (a) In the case of a product or service to be produced within the country, the producer or manufacturer thereof;
- (b) In the case of a product to be imported, the person receiving the product as mentioned in the bill of lading, airway bill.
- (c) In the case of auction of a product subject to excise duty, the person taking over that product;
- (d) In the event of resale of any goods, other than liquors and cigarette sold by a duty free shop or the use of such goods in other purpose, the person reselling or reusing them;

- (e) In the event of conversion of goods from a condition of being exempted from excise duty into a condition of being subject to excise duty, the person who has ownership of such product;
- (f) In the circumstances other than those set forth in Clauses (a) through (e), the person as specified by the Department.

4B. Time limit for payment of excise duty: (1) The excise duty recovered pursuant to this Act shall be paid as follows:

- (a) In the case of goods subject to the physical control system, at the time of discharge of such goods;
- (b) In the case of any goods or services to be sold under the automatic discharge system, within the 25th day of the month following the issue of invoice;
- (c) In the case of goods to be imported, at the time of entering of such goods into Nepal;
- (d) In the case of services to be imported, as prescribed by the Department.

(2) In the event of failure to pay the excise duty within the time limit as referred to in Clause (b) of Sub-section (1), there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

4C. Exemption from excise duty: (1) No excise duty shall be levied on any goods to be imported by a person or body enjoying diplomatic facility on the recommendation of the Ministry of Foreign Affairs.

(2) Notwithstanding anything contained in Sub-section (1), the excise duty shall also be exempted in the following circumstances:

- (a) In transferring any motor vehicles that were imported by any foreign mission or donor agency with the enjoyment of the diplomatic facility or tariff facility to the project itself in consonance with the approval annual programme of the project and converting their number plates into governmental ones or in transferring, with the approval of the Ministry of Finance, any motor vehicles that were imported in the name of any project with the enjoyment of full or partial tariff facility (except those imported on inventory or bank guarantee) to any local body, community school, community hospital or governmental body after the completion of the project;
- (b) If any diplomatic body (mission), project or other body (governmental as well as non-governmental organization) intends to scrap and cancel the registration of any motor vehicle that it has imported with the enjoyment of the tariff facility and that is

more than Fifteen years old after the year of initial production, with the approval of the Ministry of Finance, the excise duty shall not be levied on such a motor vehicle.

- (c) If the owner of a motor vehicle imported for personal use with the enjoyment of partial customs tariff facility dies and the motor vehicle has to be transmitted to the husband or wife of the owner of motor vehicle, the excise duty shall not be levied on such a motor vehicle.

4D. Control of sale and distribution: The Government of Nepal may, if it so considers necessary, control the sale and distribution of goods subject to excise duty and manage such sale and distribution as prescribed."

- (6) The following Section 7 shall be substituted for Section 7:

"7. Fixation of price of product or service subject to excise duty: (1) In cases where the excise duty is to be levied on any product or service according to value (ad valorem), the excise duty shall be levied taking the following price as the basis:-

- (a) The factory price which a manufacturer determines at the time of selling a product subject to excise duty;
- (b) In the case of service, the price of the service at the time of selling it; or

(c) The price specified by the Department on the basis of production/manufacturing cost.

(2) In respect of a product to be imported into Nepal, the excise duty shall be levied on the price fixed by adding the customs tariff on such a product to the price fixed for the purpose of collecting customs tariff.

(3) Excise duty on service shall be collected by fixing the price as per the invoice.

(4) For purposes of collecting excise duty, the Department may, as per necessity, re-fix the price or fix additional price."

(7) The following Section 9 shall be substituted for Section 9:

"9. Provisions relating to license: (1) No one shall manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty to any other person, without obtaining the license pursuant to this Act or the Rules framed under this Act.

Provided that, no excise duty license is required to manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty by an industry subject to automatic release system, except the manufacturing of bricks, stone crusher, *bidi*, tobacco, *khaini*, pan *masala*, *gudkha*, *khandsari* industry and import of molasses and *Gund* and import of goods subject to excise duty under the diplomatic facility on the recommendation of the Ministry of Foreign Affairs.

(2) A person, firm, company or organization that intends to obtain the license referred to in Sub-section (1) has to make an application to the Excise Duty Officer for the license, in such format and accompanied by such fee as prescribed.

(3) In cases where an application is made to the Excise Duty Officer for the license pursuant to Sub-section (2), the Department or the Excise Duty Officer designated by the Department shall issue the license in the prescribed format if it appears proper upon making necessary examination on such an application.

(4) The term of the license issued pursuant to Sub-section (3) shall remain valid until one Fiscal Year.

(5) A licensee who intends to obtain the renewal of license has to obtain the renewal within the month of *Shrawan* after the expiration of the period specified pursuant to Sub-section (4) by paying the fees as prescribed.

Provided that, if any licensee so intends, the licensee may obtain the renewal by for three Fiscal Years by paying the renewal fees at the same time.

(6) A licensee who fails to obtain the renewal within the period as referred to in Sub-section (5) has to pay the fine of Twenty Five percent of the renewal fees for obtaining the renewal within the first Three months of the expiration of such a period, that of Fifty percent of the renewal fees for obtaining the renewal within Three months thereafter, that of Seventy Five percent of the

renewal fees for obtaining the renewal within Three months thereafter and that of cent percent of the renewal fees for obtaining the renewal within the last day of the month of *Ashad* thereafter.

(7) If a licensee intends to obtain the renewal of license after the expiration of the period specified in Sub-section (6), the licensee may obtain the renewal by paying the cent percent additional license fees for each Fiscal Year and due amounts, in addition to the license fees as prescribed.

(8) If any person does transaction without obtaining the license as referred to in Sub-section (1), the person shall not be exempted from the fees chargeable for the license and for its renewal."

(8) The following Section 10. shall be substituted after Section 10:

10. Power to cancel license: The Department may cancel the license in the following circumstances:-

- (a) In cases where the terms and conditions specified in the license are found violated,
- (b) In cases where it appears to be contrary to public interest.
- (c) Not to pay the leviable excise duty.

(9) The following Sections 10A., 10B., 10C., 10D., 10E., 10F., 10G., 10H. and 10I shall be inserted after Section 10:

"10A. To furnish excise duty returns: A person who has obligation to determine and recover the excise pursuant to

Section 3A. has to furnish the returns of transaction subject to excise duty for each month to the Excise Duty Officer or the prescribed excise duty returns by a registered post within Twenty Five days. Such returns have to be furnished irrespective of whether transaction subject to excise duty has been carried on in that month or not.

10B. To maintain accounts: (1) A person who has obligation to furnish the excise duty returns pursuant to Section 10A. has to maintain accounts of the production and sale of goods or services subject to excise duty, of purchase, consumption of raw materials, subsidiary raw materials with specification of their price and quantity and of closing balance, along with the prescribed details, and shall provide such details as and when the Excise Duty Officer so demands for inspection.

(2) The accounts of purchase, production, release, sale and balance as referred to in Sub-section (1) shall be got certified by the concerned Excise Duty Officer and used for the purpose of maintaining accounts.

(3) The licensee has to safely retain the accounts of transaction for until Six years.

(4) For the implementation of this Act, the Excise Duty Officer may, by giving a notice in writing, seek information as to the transaction of goods and services subject to excise duty.

10C. Records processed by computer to be eligible as evidence: (1) Notwithstanding contained in the laws prevailing, the records relating to excise duty of any

person processed by the computer installed in the Department or offices thereunder or offices designated to administer the excise duty shall be eligible as evidence for purposes of excise duty, except as otherwise proved.

(2) The Department may so prescribe that the data relating to the goods or services subject to excise duty can be automatically retrieved by the Department or the office designated by the Department.

(3) The Department may make necessary arrangements on the submission of excise duty returns and payment of excise duty through electronic medium."

10D. Power of Excise Duty Officer to determine excise duty:

(1) The Excise Duty Officer may determine the excise duty in any of the following circumstances:

- (a) In the event of failure to submit the excise duty returns within the time limit,
- (b) In the event of submission of incomplete or erroneous excise duty returns,
- (c) In the event of submission of false excise duty returns,
- (d) In the event of existence of a reliable ground for the Excise Duty Officer to believe that lesser amount of excise duty has been shown or the amount of excise duty is not accurate,

- (e) Where there is a ground and reason for the Excise Duty Officer to believe that the sales price has been under-invoiced and it is necessary to re-determine the price or to determine additional price pursuant to Sub-section (4) of Section 7,
- (f) If the ceiling of production of goods or services subject to the excise duty is specified pursuant to or under this Act, the production ceiling is not met,
- (g) If the difference between the liquors released and the alcohol content of waste material or substance is more than One percent,
- (h) In the event of evasion of excise duty,
- (i) If any person does transaction of goods subject to excise duty without obtaining the license.

Provided that, except in the condition of Clause (c) and (h), excise duty shall be assessed within Four years from the date of submission of the details of excise duty.

(2) In determining the excise duty pursuant to Sub-section (1), the Excise Duty Officer shall give a time-limit

of Fifteen days to the concerned person to defend him/herself.

(3) The Department may make monitoring of the determination of excise duty made pursuant to Sub-section (1). If any error is found upon monitoring, the Department may order the redetermination of excise duty.

(4) The Excise Duty Officer shall have the following powers for the purposes of determination of excise duty pursuant to Sub-section (1) or examination of the excise duty returns submitted duty pursuant to Section 10A.:

- (a) To examine the goods, places, documents, accounts and records related with the liability of excise duty,
- (b) To search the place of transaction of any person or other places where evidences related with the acts deemed offence under this Act can be found,
- (c) To seek information from the persons who prepare any records, books, accounts and documents or fill up details therein in the course of discharge of their duty,
- (d) To take possession of or take elsewhere any documents, books and records situated in the place of

transaction of goods and services subject to excise duty or other place related thereto,

(e) To make audit of excise duty in the place of transaction or office or other appropriate place,

(f) The Excise Duty Officer may seek information of any matter from a bank or financial institution or any person in relation to the transaction of goods and services subject to excise duty.

(5) It shall be the duty of such a bank and financial institution or person to give information as sought by the Excise Duty Officer pursuant to this Section.

10E. Power to have expert's service: The Department may obtain the service of liquor expert, brewing expert, chemical expert and other expert, as required, for the effective implementation of this Act.

10F. Power to specify ceiling of production of goods and services subject to excise duty: (1) The rate of production ceiling of ethanol, spirit or ENA required to be obtained from grains, molasses or *Khudo* used by an industry producing *Anhydrous* ethanol, rectified spirit or ENA shall be determined in accordance with the procedures as prescribed.

(2) If it appears that the production is less than the rate of ceiling prescribed pursuant to Sub-section (1), the

production of highest quality liquors to be produced by the industry shall be deemed to have been made from the ethanol, spirit or ENA in such different quantity.

(3) The Department may specify the rate of ceiling of production of other goods and services subject to excise duty.

10G. To test the volume of alcohol: The Excise Duty Officer may at any time test or examine the content of alcohol of the liquors discharged with approval and of the waste substance and quality thereof. The alcohol content shall not be different more than One percent or quality shall not be altered significantly.

10H. Recovery of due excise duty: If any person does not pay the excise duty to be paid within the time limit as referred to in this Act, the concerned Excise Duty Officer may recover the same by way of any or all of the following measures:

- (g) Deducting the amount, if any, refundable to such a person,
- (h) By having deduction of such amount from the amount payable by the Government of Nepal or any corporate body owned by the Government of Nepal or local body to such a person,
- (i) By having deduction of such amount from the interest of such a person in a bank, financial institution or other institution,

Explanation: For the purposes of this Clause, the term "interest" includes deposits and investments held in a bank, financial or other institution.

- (j) By withholding the sale, export, import and other business by and of such a person,
- (k) By seizing the movable and immovable property of such a person,
- (l) By auction selling any or all of the movable and immovable properties of such person at one time or at different times as prescribed.

10I. Delay fee: In the event of failure of a person to pay the excise duty within the time limit as referred to in this Act after the determination of the excise duty or for any other reason, except a circumstance as referred to in Clause (a) of Sub-section (1) of Section 4, there shall be charged a delay fee by 0.05 percent on the due and payable amount of excise duty per day."

(10) The word "release" shall be substituted for the word "export" contained in Section 11.

(11) The following proviso shall be inserted in Clause (d) of Sub-section (3) of Section 12:

“Provided that such suspension shall not exceed seven days; and decision shall be made no later than Sixty days after the making of such suspension.”

(12) Of Section 13,

- (a) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in various places of Sub-section (1).
- (b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

"(4) The Department may give an information incentive expense of a maximum of Ten Thousand Rupees as prescribed to a person who provides information of the offence as referred to in this Section.

(5) The details of the person giving information of offence pursuant to this Section shall be kept secret."

- (13) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in various places of Sub-section (1) of Section 14 and the following Clauses (a), (b) and (c) shall be substituted for Clauses (a), (b) and (c) of the same Sub-section:

- "(a) Ten per cent of the amount in controversy to the informer,
- (b) Twenty per cent of the amount in controversy to one who seizes and hands over a product only;
- (c) Thirty per cent of the amount in controversy to one who arrests and hands over the person, along with the proof.

Provided that, in cases where the informer who gives information or clue be more than one person, the reward shall be divided between them *pro rata*."

- (14) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in Section 15:

(15) Of Section 16:

(a) The following Clause (b) shall be substituted for Clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

(b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) where any person commits any of the following offences, the Excise Duty Officer may punish such a person with a fine as follows:

(l) In the event of re-determination of the price or determination of additional price pursuant to Sub-section (4) of Section 7, cent percent amount of the amount of excise duty to be added,

(m) In the event of making sale or storage of goods or services subject to excise duty without obtaining the license, from Five Thousand Rupees to Fifteen Thousand Rupees.

(n) In the event of violation of the provision of Section 10A., the amount of 0.05 percent of the leviable excise duty per day or One Thousand Rupees for each return, whichever is the higher.

- (o) In the event of failure to maintain updated accounts as referred to in Sub-section (1) of Section 10B., Ten Thousand Rupees and Five Thousand Rupees for each instance in the event of not allowing the accounts of transactions to be inspected,
- (p) In the event of violation of Sub-section (2) of Section 10B., upto Five Thousand Rupees,
- (q) In the event of violation of Sub-section (3) of Section 10B., Ten Thousand Rupees,
- (r) In the event of obstruction in the act as referred to in Sub-section (3) of Section 10D., Five Thousand Rupees for each instance,
- (s) If, upon examination pursuant to Section 10G., the difference between the liquors released and the alcohol content of waste material or substance is more than One percent, cent percent of the amount of revenue leaked,
- (t) If the ceiling of production of goods or services subject to the excise duty is specified and the production ceiling is not met, cent percent of the amount of excise duty to be added,

- (u) In the event of violation of Section 4B., Ten Thousand Rupees for each instance,
 - (v) In the event of violation of this Act or the Rules framed under this Act, One Thousand Rupees for each instance.
- (16) The following Section 17A. shall be inserted after Section 17:

“17A. Provision on payment by installment: Where any taxpayer makes a request in writing for the payment of any arrear excise duty by installment, permission may be given to pay the same by installment for One year.”

- (17) The following Section 19 shall be substituted for Section 19:

"19. Provisions relating to administrative review and appeal: (1) A person who is not satisfied with any decision by the Excise Duty Officer of excise duty assessment and recovery thereof may make an application for administrative review to the Department against the decision within Thirty days of the date of receipt of a notice of that decision.

Provided that, a person may make an appeal in the Revenue Tribunal against the decision of punishment of imprisonment for any offences as referred to in Sub-sections (1), (2), (3) and (4) of Section 16.

(2) In cases where the time limit for making application pursuant to Sub-section (1) expires and any person makes an application for the extension of time limit within Seven days from the date of expiration of the time limit, the Department may extend the time limit for a

period not exceeding Thirty days from the date of expiration of the time limit.

(3) If the claim of the applicant appears to be true upon examining the evidence and documents including the application made by the taxpayer pursuant to Sub-section (1), the Director General may, by executing a memorandum setting out the clear reasons, void that excise duty assessment order and direct the concerned Excise Duty Officer to make re-assessment of excise duty.

(4) The Department shall make decision on the application within Sixty days after the date of making of application pursuant to Sub-section (1).

(5) The taxpayer who makes an application pursuant to Sub-section (1) has to pay undisputed amount of excise duty and amount of fine, out of the amount of excise duty assessed, and furnish a cash deposit of One Third of the amount of excise duty in controversy and amount of fine.

(6) If the Department does not give decision within the time limit as referred to in Sub-section (4), the concerned person may, after the expiration of that time-limit, make an appeal to the Revenue Tribunal or if the person is not satisfied with the decision made by the Department, the person may make such an appeal in the Revenue Tribunal within Thirty Five days after the date of receipt of notice of the decision.

(7) A person who makes an application for administrative review or an appeal pursuant to this Section

shall register a copy of the application or appeal with the concerned Office no later than Fifteen days.

(8) The implementation of the decision set forth in Sub-section (1) of Section 16 shall not be deemed to have been affected by the reason of making an application for administrative review or appeal pursuant to Sub-section (1).”

(18) The following Section 22A. shall be inserted after Section 22:

“**22A. Deemed to be excise duty:** Any charge, delay fee or fine imposable pursuant to this Act shall be deemed to be the excise duty imposable pursuant to this Act.”

(19) The following Section 23 shall be substituted for Section 23:

“**23. Department to be responsible for implementation and administration:** The Department shall be responsible for the implementation and administration of this Act.”

(20) The following Section 25A. shall be inserted after Section 25:

“**25A. Power to frame and issue manual:** The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act.”

(21) The following Schedule shall be inserted in the Excise Duty Act, 2058 (2002):

Schedule

(Relating to Section 3)

Rate of excise duty

SN	Heading/sub-heading No.	Description of product/good or service	Unit	Rate of excise duty
1.	1703.10.00 and 1703.90.00	<i>Khudo</i> (Molasses)	Per quintal	Rs. 40.00
2.	1701.11.90	<i>Sakkhar (Gud)</i> , black <i>Sakkhar, Raskat</i> from <i>Khandsari</i> (Only on import)	Per quintal	Rs. 72.00
3.	Under 3923	Plastic packing materials	Value/price percent	5 percent
	3920, 3921	Plastic Seats	Value/price percent	5 percent
	3926.90.90	Other plastic materials	Value/price percent	5 percent
4.		Fruit juices		

	2009.19.00, 2009.11.00 and 2009.12.00	(a) Orange juice	Per liter	Rs. 2.00
	2009.29.00 and 2009.21.00	(b) Grape fruit juice	Per liter	Rs. 2.00
	2009.39.00 and 2009.31.00	(c) Any other citrus fruit	Per liter	Rs. 2.00
	2009.49.00 and 2009.41.00	(d) Pineapple juice	Per liter	Rs. 2.00
	2009.69.00, 2009.50.00 and 2009.61.00	(e) Tomato juice, grape juice including grape must	Per liter	Rs. 2.00
	2009.79.00 and 2009.71.00	(f) Apple juice	Per liter	Rs. 2.00
	2009.80.00	(g) Juice of any other single fruit or vegetable	Per liter	Rs. 2.00
	2009.90.00	(h) Mixture of juices	Per liter	Rs.2.00
5.	2106.90.20	Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 230.00
6.	1404.90.00	<i>Kattha</i>	Per Kilogram	Rs. 115.00
		<i>kattha</i> juices	Per Kilogram	Rs. 25.00

7.	2202.90.00	All kinds of non-alcoholic beverages	Per liter	Rs. 2.50
8.	2203.00.00	Beer	Per liter	Rs.65.00
		Country beer (<i>Chhang</i>)	Per liter	Rs.20.00
9.	2204.29.00	Wine made in the country (containing not more than 12 percent alcohol, made from <i>Chutro</i> , apple or <i>Aishalu</i>) or domestic cider	Per liter	Rs.50.00
		Other beverages than wine and beer containing up to 12 percent alcohol(on import)	Per liter	Rs.150.00
	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Wine containing not more than 12 percent alcohol (on import)	Per liter	Rs.150.00
	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Wine containing 12-17 percent alcohol	Per liter	Rs.150.00
10.	2204.10.00,	Wine containing more	Per liter	Rs.170.00

	2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00, 2205.10.00 and 2206.00.90	than 17 percent alcohol, herbs mixed liquors, cocktail (alcoholic/non- alcoholic/non-alcoholic mixtures) and other fermented liquors		
11.	2206.00.90 and 2204.10.90	Sampan, sherry, mead, perry, cider	Per liter	Rs.170.00
12.	2207.20.00	Denatured spirit (containing 80-99 percent alcohol)	Per liter	Rs.10.00
13.	3814.00.00	Thinner, solvent	Per liter	Rs.22.00
14.	2207.10.00	Anhydrous ethanol (containing more than 99 percent alcohol)	Per liter	Rs.6.00
15.		All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume		
	2208.20.10	(a) Wine and raw materials of brandy	Per liter	Rs.108.00
	2208.30.10	(b) Raw materials of whisky	Per liter	Rs.108.00
	2208.40.10	(c) Raw materials of rum and <i>Tafia</i>	Per liter	Rs.108.00
	2208.50.10	(d) Raw materials of gin	Per liter	Rs.108.00

		and Geneva		
	2208.60.10	(e) Raw materials of vodka	Per liter	Rs.108.00
	2208.70.10	(f) Raw materials of liqueurs and cordials	Per liter	Rs.108.00
	2208.90.10	(g) Raw materials of other liquors (including spirit)	Per liter	Rs.108.00
16.	2207.10.10	Rectified spirits used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.33.00
	2207.10.10	E.N.A.	Per liter	Rs.44.00
17.		Liquors		
	2208.20.90	(a) Wine and brandy		
		(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs. 347.00 or Rs.462.00
	2208.20.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs.462.00
		(b) Whisky		
	2208.30.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs.347.00 or Rs.462.00
	2208.30.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs.462.00

		(c) Rum and <i>Tafia</i>		
	2208.40.90	(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs. 347.00 or Rs. 462.00
	2208.40.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs. 462.00
		(d) Gin and Geneva		
	2208.50.90	(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs.347.00 or Rs. 462.00
	2208.50.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs. 462.00
		(e) Vodka		
	2208.60.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 347.00 or Rs. 462.00
	2208.60.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs.324.00 or Rs. 462.00
		(f) Liquors and cordials		
	2208.70.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 347.00 or Rs. 462.00
	2208.70.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs. 462.00
		(g) Other liquors		
	2208.90.90	(1) With 15 U.P. strength	Per liter	Rs. 465.00

		(containing 48.5 percent alcohol content)	Per LP liter	or Rs. 547.00
	2208.90.90	(2) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 347.00 or Rs. 462.00
	2208.90.90	(3) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 324.00 or Rs. 462.00
	2208.90.90	(4) With 40 U.P. strength (containing 34.23 percent alcohol content)	Per liter Per LP liter	Rs. 164.00 or Rs. 272.00
	2208.90.90	(5) With 50 U.P. strength (containing 28.53 percent alcohol content)	Per liter Per LP liter	Rs. 57.00 or Rs. 114.00
	2208.90.90	(6) With 70 U.P. strength (containing 17.12 percent alcohol content)	Per liter Per LP liter	Rs. 15.00 or Rs. 50.00
	Provided that, in the case of imported liquors, where the quantity of alcohol specified in the above rate differs by less than one percent, the same rate shall be applicable and where that quantity differs by more than one percent, the excise duty shall be levied and collected as per the rate that is near and the highest.			
18.	2401	Only on import of raw tobacco not packed (other than that used as raw materials by industries)	Per kilogram	Rs. 50.00
	2403.91.00	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 130.00
	2403.91.00	All kinds of <i>jarda</i> and	Per kilogram	Rs. 200.00

		<i>khaini</i> made from tobacco		
	2403.99.00	Tooth cleaning material containing tobacco dust	Per kilogram	Rs. 190.00
	2403.10.90	Prepared <i>bidi</i>	Per M	Rs. 50.00
	2403.10.10	Pipe tobacco	Per kilogram	Rs. 575.00
19.	2402.10.00 and 2402.90.00	All kinds of cigar	Per stick	Rs. 5.00
20.	7213 and 6214 (except sub-heading 7214.99.10)	Iron rods	Per metric ton	Rs. 1000.00
21.	2516.90.00, 2516.20.00, 2515.12.00, 2515.20.00, 2516.12.00, and from 6802.21.00.to 6802.99.00	Marble	Value percent	5 percent
	6908	Glaze tiles	Value percent	5 percent
22.	1902	Noodles, macaroni, pasta	Per kilogram	Rs. 7.50
	2106.90.10	Junk foods (<i>Kurkure</i> , <i>Kurmure</i> , <i>cheeseballs</i> , pastry etc.)	Per kilogram	Rs. 7.50
23.	Chapter 16	Preparations of meat, fish (canned)	Value percent	5 percent
	2309.10.00	Dog and cat feed	Value percent	5 percent
24.	Cigarettes (all kinds of cigarettes made from tobacco)			

		(1) In up to 70 mm length		
	2402.20.00	(a) Without filter	Per M	Rs. 210.00
	2402.20.00	(b) With filter	Per M	Rs.445. 00
	2402.20.00	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 570.00
	2402.20.00	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs.730. 00
	2402.20.00	(4) In more than 85 mm length (with filter)	Per M	Rs. 950.00
25.		Cement		
	2523.21.00	(a) Portland cement white (whether or not colored)	Per metric ton	Rs. 170.00
	2523.29.00	(b) Portland cement (brown)	Per metric ton	Rs. 170.00
	2523.30.00	(c) Aluminous cement	Per metric ton	Rs. 170.00
	2523.90.00	(d) Other hydraulic cement	Per metric ton	Rs. 170.00
26.	3208, 3209, 3210	All kinds of paints	Value percent	5
27.	6904.10.00	All kinds of ceramic bricks (other than domestic production)	Per thousand	Rs. 580.00
28.		Motor vehicles		
		(a) Jeep, car and van (customs headings 8702 and	Value percent	50

		8703) and their chassis (customs heading 8706)		
		(b) Microbus (with capacity of 11-14 seats) (customs heading 8702) and chassis thereof(customs heading 8706)	Value percent	50
		(c) Double cab pick up (customs heading 8704) and chassis thereof(customs heading 8706)	Value percent	50
		(d) Three wheeler (auto rickshaw) (customs heading 8703) and chassis thereof(customs heading 8706)	Value percent	50
		(e) Single cab pick up (customs heading 8704) and chassis thereof(customs heading 8706)	Value percent	45
		(f) Delivery van (customs heading 8704) and chassis thereof(customs heading 8706)	Value percent	25
		(g) Minibus (with capacity of 15 to 25 seats(custom sub-heading 870210.20)	Value percent	30
		(h) Minibus (with capacity of 15 to 25 seats(custom sub-heading 870290.20)	Value percent	30

		(i) Chassis of minibus (custom heading 8706) (with capacity of 15 to 25 seats) falling under custom heading 8702	Value percent	30
		(j) Buses and trucks (customs heading 8702, 8794) and their chassis (customs heading 8706)	Value percent	5
		(k) Motor cycle (custom heading 8711)	Value percent	30
29.	84.43	Plates, cylinders, and printing machinery used for printing other than those of heading 84.42, other printing machines, copying machines, fax machines, whether installed or not, and their parts and accessories		
		Other printers, copying machines, fax machines, whether installed or not		
	8443.31.00	Out of the printers, copying machines and fax machines, those with two or more than two multiple functions and of such nature as can be linked to or installed with automated data processing machine or network	Value percent	10
	8443.39.00	Others	Value percent	10
30	84.72	Other office machines (for example, hectograph or stencil duplicating machine, addressing machines, automatic banknote dispensers, coin-sorting machines, coin-counting or wrapping machines, pencil sharpening machines,		

		perforating or stapling machines)		
	8472.90.00	Others	Value percent	15
31.	84.79	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter		
		Others		
	8479.89.90	Others	Value percent	10
32.	85.17	Telephone sets, including telephones used for cellular networks or other cordless networks, equipment to broadcast or transmit or store sound, images or other data, appliances used in line or cordless network for communication in (such as local or wide area network), communication or transmission or store equipment under headings 84.43, 84.25, 85.27 or 85.28		
		Equipment to broadcast or transmit or store sound, images, including equipment used in line or cordless network for communication in (such as local or wide area network)		
	8517.61.10	Base stations	Value percent	5
	8517.62.00	Machines/equipment to store, change, reproduce and transmit sounds, images or other data, including switching and routing equipment	Value percent	5
	8517.69.00	Others	Value percent	5
	8517.70.00	Parts	Value percent	5
32.	85.18	Microphone and stands thereof, loudspeakers, whether or not mounted in their enclosures, headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more		

		loudspeakers, audio-frequency electric amplifiers, electric sound amplifier sets		
	8518.18.00	Microphones and their stands	Value percent	5
		Loudspeakers, whether or not mounted in their enclosures		
	8518.29.00	Others	Value percent	5
34.	85.23	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37		
		Magnetic means		
	8523.29.90	Others	Value percent	5
	8523.40.00	Optical means	Value percent	5
	8523.51.00	Solid state non-volatile storage equipment	Value percent	5
	8523.52.00	Smart cards	Value percent	5
	8523.59.00	Others	Value percent	5
	8523.80.00	Others	Value percent	5
35.	85.25	Transmission apparatus for radio-telephony, radio-telegraphy, radio broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus, television cameras, still image video cameras and other video camera recorders, digital cameras		
	8525.60.00	Transmission apparatus incorporating reception apparatus	Value percent	5

	8525.80.00	Television cameras, digital cameras and video camera recorders	Value percent	5
36.	85.28	Reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus, video monitors and video projectors		
		Projectors		
	8528.61.00	Apparatus of such kind as to be solely or principally used in the automated data processing system of heading 84.71	Value percent	10
37.	8528.72.00	Color television	Value percent	5
	8540.11.00	Picture tubes of color television	Value percent	5
38.	85.29	Parts suitable for use solely or principally with the apparatus of headings of 85.25 to 85.28		
		Others		
	8529.90.10	Of television receiver	Value percent	15
39.	85.31	Electric sound or visual signaling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms) other than those of Heading 85.12 or 85.30		
	8531.20.00	Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)	Value percent	10
	8531.90.00	Spare parts	Value percent	10
40.	85.32	Electrical capacitors. Fixed variable or adjustable (preset)		
	8532.10.00	Fixed capacitors designed for use in 50/60 HZ circuits and having a reactive power	Value percent	10

		handling capacity of not less than 0.5 kvar (power capacitors)		
		Other capacitors		
	8532.21.00	Tantalum	Value percent	10
	8532.22.00	Aluminium electrolytic	Value percent	10
	8532.23.00	Ceramic dielectric, single layer	Value percent	10
	8532.24.00	Ceramic dielectric, multiple layer	Value percent	10
	8532.25.00	Dielectric of paper or plastics	Value percent	10
	8532.29.00	Others	Value percent	10
	8532.30.00	Variable or adjustable (preset) capacitors	Value percent	10
	8532.90.00	Parts	Value percent	10
41.	85.33	Electrical resistors (including rheostats and potentiometers), other than heating resistors		
	8533.10.00	Fixed carbon resistors, composition or films	Value percent	10
		Other fixed resistors		
	8533.21.00	For a power handling capacity not exceeding 20W	Value percent	10
	8533.29.00	Others	Value percent	10
		Other variable resistors, including rheostats and potentiometers		
	8533.31.00	For a power handling capacity not exceeding 20W	Value percent	10
	8533.39.00	Others	Value percent	10
	8533.40.00	Other variable resistors, including rheostats and	Value percent	10

		potentiometers		
	8533.90.00	Parts	Value percent	10
	8534.00.00	Printed circuits	Value percent	10
42.	85.36	Electrical apparatus for switching or protecting electrical circuits or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppression, plugs, sockets, lamp-holders, junction boxes, for a voltage not exceeding 1,000 volts		
	8536.50.00	Other switches	Value percent	10
		Lamp-holders, plugs and sockets		
	8536.69.00	Others	Value percent	10
	8536.90.00	Other equipment	Value percent	10
43.	85.44	Insulated (including enameled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors, optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors		
		Other electric conductors, for a voltage not exceeding 1000v		
	8544.42.00	Connected with conductors	Value percent	15
	8544.49.00	Others	Value percent	15
	8544.70.00	Optical fiber cable	Value percent	10
44.	90.10	Apparatus and equipment for photographic (including cinematographic) laboratories, not specified or included elsewhere in this Chapter; negatoscopes, projection screens		
	9010.90.00	Parts and accessories	Value percent	10
45.	90.11	Compound optical microscopes, including those for		

		microphotography micro-cinematography or micro-projection		
	9011.10.00	Stereoscopic microscopes	Value percent	5
	9011.20.00	Other microscopes for microphotography microcinematography or microprojection	Value percent	5
	9011.90.00	Parts and accessories	Value percent	5
46.	90.12	Microscopes other than optical microscopes, diffraction apparatus		
	9012.10.00	Microscopes other than optical microscopes, diffraction apparatus	Value percent	5
	9012.90.00	Parts and accessories	Value percent	5
47.	90.17	Drawing, marking out or mathematical calculating instruments (for example, drafting machines, pantographics, protractors, drawing sets, slide rules, disc calculators), instruments for measuring length, for use in the land (for example, measuring rods and tapes, micrometers, calipers) not specified or included elsewhere in this Chapter		
	9017.20.00	Other drawing, marking-out or mathematical calculating instruments	Value percent	5
	9017.90.00	Parts and accessories	Value percent	5
48.	90.26	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading		

		90.14, 90.15, 90.28 or 90.32		
	9026.10.00	For measuring or checking the flow or level of liquids	Value percent	5
	9026.20.00	For measuring or checking pressure	Value percent	5
	9026.80	Other instruments or apparatus	Value percent	5
	9026.90.00	Parts and accessories	Value percent	5
49.	90.27	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus), instrument and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like, instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters), microtomes		
	9027.20.00	Chromatographs and electrophoresis instruments	Value percent	5
	9027.50.00	Other instruments and apparatus using optical radiators (UV, visible, IR)	Value percent	5
	9027.80.00	Other instruments or apparatus	Value percent	5
50.	90.30	Oscilloscopes, spectrum analyzers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading number 90.28, instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionising radiators		
	9030.40.00	Other instruments and apparatus, specially designed for telecommunications (for	Value percent	5

		example, cross-talk meters, gain measuring instruments, distortion factor meters, psophometers)		
	9030.90.00	Parts and accessories	Value percent	5

Note:

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on the chassis of ambulances, corpse carrying vehicles and battery tempos.
- (2) The Department may, as required and in consultation with the Customs Department, interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.
- (3) The procedures of collection of the excise duty leviable on the motor vehicles purchased and in stock until Fiscal Year 2065/066 shall be as mentioned in the Finance Act, 2065.
- (4) Exemption of excise duty shall be granted, on the recommendation of the Department of Industries, to the raw materials imported by industries and used to produce goods as referred to in sub-heading 7213.91.10 of heading 72.13.
- (5) The Director General may, for statistical purposes, add a digit to the eight digit sub-heading for the purposes of the rate of excise duty.
- (6) In the event of cocktail of any liquors, the rate of tariff set forth in serial number 10 shall be applicable.

- (7) Prepared liquors of 70 UP strength may be made by using rectified spirit of serial number 16 only.
- (8) No local production of marble shall be subject to excise duty.
- (9) Excise duty shall be levied on the goods of personal use imported enjoying the customs duty exemption facility under the Luggage and Baggage Order Facility.
- (10) Fifteen Percent Excise duty shall be levied to the local production of motor cycles.
- (11) No excise duty shall be levied on the electric motor vehicles.

Financial Act, 2067 (2011)

Date of Authentication and Publication

2067.11.03 (15 Feb.2011)

An Act Made to Implement Proposals Relating to Finance of the Government of Nepal

Preamble: Whereas, it is expedient to levy some charges, taxes, duties, cesses and fees, continue or alter the existing ones and also to amend the laws in force relating to revenue administration in order to implement the proposals relating to finance of the Government of Nepal;

Now, therefore, be it enacted by the Constitution Assembly pursuant to Sub-articles (1) of Article 83 of Interim Constitution of Nepal,2063 (2007).

1. Short title and commencement: (1) This Act may be called the "Financial Act, 2067 (2011)."

(2) This Act shall come into force immediately.

31. Amendment to the Excise Duty Act, 2058 (2002): Of the Excise Duty Act, 2058(2002):

(1) Of Section 2:

(a) The following Clause (g) shall be substituted for Clause (g):

"(g) "Production" means the act of manufacturing, making or preparing a product subject to excise duty.

(b) The following Clause (h1) shall be inserted after Clause (h):

"(h1) "Tobacco product" means tobacco or cigarette containing mixtures of tobacco substance, *pan parag, khaini* or similar substance which is chewed or put in mouth, and this expression also includes cigarette, *bidi*, cigar etc."

(c) The following Clause (j) shall be substituted for Clause (j):

"(j) "Factory price" means the price fixed by adding only the expenditure incurred in manufacturing a product subject to excise duty and the profit of the enterprise, excluding the excise duty or any other tax chargeable on such product."

(d) The following Sub-clause (3) shall be substituted for Sub-clause (3) of Clause (k):

"(3) Price fixed as per Sub-section (2) of Section 7, in the case of a product to be imported."

(e) The following Clauses (o1), (o2), (o3), (o4), (o5), (o6), (o7), (o8) and (o9) shall be inserted after Clause (o):

- (o1) "Liquors" means any alcoholic substance prepared by fermenting any grains, fruits or any other stratchful substance or by other method, which has an alcoholic strength by volume of more than 0.5 percent, and this expression includes liqueurs, spirit, country liquor, whisky, rum, gin, brandy, vodka, beer, wine, sherry, *sampange*, cider, perry, mid, malt, industrial alcohol, rectified spirit, malt spirit, cylend spirit, denatured spirit, ENA and heads spirit.
- (o2) "Ready-made liquors" means all kinds of alcoholic fluids prepared from mixtures with alcoholic strength by volume of less than 57.06 percent.
- (o3) "L.P" means the strength of pure ethanol in London proof.
- (o4) "L.P. liter" means the volume of 57.06 percent pure ethanol per liter.
- (o5) "U.P." means the strength less than London proof.
- (o6) "O.P." means the strength more than London proof.
- (o7) "Physical control system" means the system of production, release, import and export of a product subject to excise duty under the control of the Excise Duty Officer or employee designated by him or her.
- (o8) "Self-release system" means the system of production, release, import and export of a product

subject to excise duty other than that based on the physical control system.

(09) "Determination of excise duty" means the determination of excise duty made pursuant to this Act.

(2) The following Section 3 shall be substituted for Section 3:

"3. To levy excise duty: In manufacturing or producing and discharging from any enterprise, importing any products or services subject to excise duty and selling any services, the excise duty as set forth in the Schedule shall be levied."

(3) The following Sections 3A. and 3B. shall be inserted after Section 3:

"3A. Determination and recovery of excise duty: (1) The producer or manufacturer of goods or services subject to excise duty shall be liable to determine and recover the excise duty under this Act.

Provided that, the concerned Customs Office shall determine and recover the excise duty of the goods to be imported.

(2) If any product is subject to excise duty at the sale and distribution in addition to its production or importation, the importer or seller shall be liable to determine and recover the excise duty under this Act.

(3) The excise duty paid on the raw materials used in the making of a product subject to excise duty may be

deducted from the excise duty to be paid while exporting the finished product.

Provided that, the excise duty paid by any industry subject to the self-release system on the purchase or import of raw materials may be deducted from the excise duty payable while selling the finished product.

(4) The excise duty paid on the purchase or import of any goods or services subject to excise duty for commercial purposes may be deducted from the excise duty payable while selling such goods or services.

(5) The excise duty paid on the goods damaged due to arson, theft, accident, disruptive act or expiration of date of goods may be deducted as specified by the Department.

3B. Not to levy excise duty: (1) No excise duty shall be levied on any goods or services subject to excise duty pursuant to Section 3, in the following circumstances.

- (a) If any goods or services are exported from Nepal or any goods other than liquors and cigarette are sold to a licensed bonded warehouse and duty free shop, on such goods or services.
- (b) No excise duty shall be levied on the cigarette and liquors sold by the licensed bonded warehouse to any person or body enjoying diplomatic and tariff privilege, as recommended

by the Government of Nepal, Ministry of Foreign Affairs.

Provided that:

- (1) Nothing contained herein shall bar the sale and distribution of goods by a bonded warehouse other than cigarette and liquors, without charging excise duty.
- (2) In importing any goods subject to excise duty to be sold by a bonded warehouse, there shall be furnished a cash deposit or bank guarantee for the amount of excise duty leviable on such goods.

(2) The procedures for the release or refund of the cash deposit or bank guarantee as referred to in Clause (b) of Sub-section (1) shall be as prescribed by the Department.

(3) If any goods manufactured or prepared within Nepal and already exported from Nepal are re-imported because of rejection by the concerned party or other reason, and the same goods are to be exported within Three months of the import, the goods may be released against the deposit of the excise duty leviable at the time of such return, and the deposit shall be refunded by the

concerned Customs Office after the re-export of such goods."

(4) The following Section 4 shall be substituted for Section 4:

"4. **Recovery of excise duty**: Except as otherwise provided in this Act, the excise duty shall be collected on the goods and services subject to excise duty pursuant to this Act as follows:

(a) In the case of goods produced by an industry subject to the physical control system, at the time of production and discharge from the enterprise for sale;

(b) In the case of any product and service to be sold under the automatic discharge system, at the time of issue of invoice;

(c) In the case of goods to be imported, at the customs point at the time of entering of such goods into Nepal;

(d) In the case of services to be imported, as prescribed by the Department.

(2) Notwithstanding anything contained in Sub-section (1), the Department may so prescribe, in the case of any goods or services, that the excise duty has to be collected at the time of production of such goods or delivery of such services."

(5) The following Sections 4A., 4B., 4C. and 4D. shall be inserted after Section 4:

"4A. Obligation to pay excise duty: The following person shall be liable to pay the excise duty pursuant to this Act:

- (a) In the case of a product or service to be produced within the country, the producer thereof;
- (b) In the case of a product to be imported, the person receiving the product as mentioned in the bill of lading, airway bill, invoice or application made for examination and clearance;
- (c) In the case of auction of a product subject to excise duty, the person taking over that product;
- (d) In the event of resale of any goods, other than liquors and cigarette sold by a duty free shop or the use of such goods in other purpose, the person reselling or reusing them;
- (e) In the event of conversion of goods from a condition of being exempted from excise duty into a condition of being subject to excise duty, the person who has ownership of such product;
- (f) In the circumstances other than those set forth in Clauses (a) through (e), the person as specified by the Department.

4B. Time limit for payment of excise duty: (1) The excise duty recovered pursuant to this Act shall be paid as follows:

- (a) In the case of goods subject to the physical control system, at the time of discharge of such goods;
- (b) In the case of any goods or services to be sold under the automatic discharge system, within the 25th day of the month following the issue of invoice;
- (c) In the case of goods to be imported, at the time of entering of such goods into Nepal;
- (d) In the case of services to be imported, as prescribed by the Department.

(2) In the event of failure to pay the excise duty within the time limit as referred to in Clause (b) of Sub-section (1), there shall be charged a delay fee by 0.05 percent on the due and payable amount per day.

4C. Exemption from excise duty: (1) No excise duty shall be levied on any goods to be imported by a person or body enjoying diplomatic facility on the recommendation of the Ministry of Foreign Affairs.

(2) Notwithstanding anything contained in Sub-section (1), the excise duty shall also be exempted in the following circumstances:

- (a) In transferring any motor vehicles that were imported by any foreign mission or donor agency with the enjoyment of the diplomatic facility or tariff

facility to the project itself in consonance with the approval annual programme of the project and converting their number plates into governmental ones or in transferring, with the approval of the Ministry of Finance, any motor vehicles that were imported in the name of any project with the enjoyment of full or partial tariff facility (except those imported on inventory or bank guarantee) to any local body, community school, community hospital or governmental body after the completion of the project;

- (b) If any diplomatic body (mission), project or other body (governmental as well as non-governmental organization) intends to scrap and cancel the registration of any motor vehicle that it has imported with the enjoyment of the tariff facility and that is more than Fifteen years old after the year of initial production, with the approval of the Ministry of Finance, the excise duty shall not be levied on such a motor vehicle.
- (c) If the owner of a motor vehicle imported for personal use with the enjoyment of partial customs tariff

facility dies and the motor vehicle has to be transmitted to the husband or wife of the owner of motor vehicle, the excise duty shall not be levied on such a motor vehicle.

(3) An industry producing goods by using 90 percent or more native worn and torn or unusable goods shall enjoy exemption of excise duty leviable on such goods or products.

4D. Control of sale and distribution: The Government of Nepal may, if it so considers necessary, control the sale and distribution of goods subject to excise duty and manage such sale and distribution as prescribed."

(6) The following Section 7 shall be substituted for Section 7:

"7. Fixation of price of product or service subject to excise duty: (1) In cases where the excise duty is to be levied on any product or service according to value (ad valorem), the excise duty shall be levied taking the following price as the basis:

- (a) The factory price which a manufacturer determines at the time of selling a product subject to excise duty;
- (b) In the case of service, the price of the service at the time of selling it; or
- (c) The price specified by the Department on the basis of production/ manufacturing cost.

(2) In respect of a product to be imported into Nepal, the excise duty shall be levied on the price fixed by adding the customs tariff on such a product to the price fixed for the purpose of collecting customs tariff.

(3) Excise duty on service shall be collected by fixing the price as per the invoice.

(4) For purposes of collecting excise duty, the Department may, as per necessity, re-fix the price or fix additional price."

(7) The following Section 9 shall be substituted for Section 9:

"9. Provisions relating to license: (1) No one shall manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty to any other person, without obtaining the license pursuant to this Act or the Rules framed under this Act.

Provided that, no excise duty license is required to manufacture, import, sell or store a product subject to excise duty or deliver service subject to excise duty by an industry subject to automatic release system, except the manufacturing of bricks, stone crusher, *bidi*, tobacco, *khaini*, pan *masala*, *gudkha*, *khandsari* industry and import of molasses and *Gund* and import of goods subject to excise duty under the diplomatic facility on the recommendation of the Ministry of Foreign Affairs.

(2) A person, firm, company or organization that intends to obtain the license referred to in Sub-section (1) has to make an application to the Excise Duty Officer for

the license, in such format and accompanied by such fee as prescribed.

(3) In cases where an application is made to the Excise Duty Officer for the license pursuant to Sub-section (2), the Department or the Excise Duty Officer designated by the Department shall issue the license in the prescribed format if it appears proper upon making necessary examination on such an application.

(4) The term of the license issued pursuant to Sub-section (3) shall remain valid until one Fiscal Year.

(5) A licensee who intends to obtain the renewal of license has to obtain the renewal within the month of *Shrawan* after the expiration of the period specified pursuant to Sub-section (4) by paying the fees as prescribed.

Provided that, if any licensee so intends, the licensee may obtain the renewal by for three Fiscal Years by paying the renewal fees at the same time.

(6) A licensee who fails to obtain the renewal within the period as referred to in Sub-section (5) has to pay the fine of Twenty Five percent of the renewal fees for obtaining the renewal within the first Three months of the expiration of such a period, that of Fifty percent of the renewal fees for obtaining the renewal within Three months thereafter, that of Seventy Five percent of the renewal fees for obtaining the renewal within Three months thereafter and that of cent percent of the renewal

fees for obtaining the renewal within the last day of the month of *Ashad* thereafter.

(7) If a licensee intends to obtain the renewal of license after the expiration of the period specified in Sub-section (6), the licensee may obtain the renewal by paying the cent percent additional license fees for each Fiscal Year and due amounts, in addition to the license fees as prescribed.

(8) If any person does transaction without obtaining the license as referred to in Sub-section (1), the person shall not be exempted from the fees chargeable for the license and for its renewal."

(8) The following Section 9A. shall be inserted after Section 9:

"9A. Power to suspend license: (1) If a licensee gives up doing transaction of goods or services subject to excise duty, the licensee has to make an application, accompanied by the reason, to the Excise Duty Officer for the suspension of the license.

(2) If an application is received pursuant to Sub-section (1), the Excise Duty Officer shall make decision to suspend or not to suspend the license of that licensee, and if it appears necessary to suspend the license, suspend it and give information thereof to the licensee within Thirty days after the receipt of the application.

(3) The licensee who so gets information of the suspension of the license pursuant to Sub-section (2) shall

not be required to furnish details as referred to in Section 10A. after the next month of the suspension.

(4) The licensee shall not be required to obtain the renewal of license pursuant to Section 9 during the period of suspension of license pursuant to Sub-section (2)."

- (9) The following Clause (d) shall be inserted after Clause (c) of Section 10:

"(d) In cases where the licensee organization is dissolved or the licensee makes an application for the cancellation of license."

- (10) The following Sections 10A., 10B., 10C., 10D., 10E., 10F., 10G., and 10H. shall be inserted after Section 10:

"10A. To furnish excise duty returns: A person who has obligation to determine and recover the excise pursuant to Section 3A. has to furnish the returns of transaction subject to excise duty for each month to the Excise Duty Officer or the prescribed excise duty returns by a registered post within Twenty Five days. Such returns have to be furnished irrespective of whether transaction subject to excise duty has been carried on in that month or not.

10B. To maintain accounts: (1) A person who has obligation to furnish the excise duty returns pursuant to Section 10A. has to maintain accounts of the production and sale of goods or services subject to excise duty, of purchase, consumption of raw materials, subsidiary raw materials with specification of their price and quantity and of closing balance, along with the prescribed details, and

shall provide such details as and when the Excise Duty Officer so demands for inspection.

(2) The accounts of purchase, production, release, sale and balance as referred to in Sub-section (1) shall be got certified by the concerned Excise Duty Officer and used for the purpose of maintaining accounts.

(3) The licensee has to safely retain the accounts of transaction for until Six years.

(4) For the implementation of this Act, the Excise Duty Officer may, by giving a notice in writing, seek information as to the transaction of goods and services subject to excise duty.

10C. Records processed by computer to be eligible as

evidence: (1) Notwithstanding contained in the laws prevailing, the records relating to excise duty of any person processed by the computer installed in the Department or offices thereunder or offices designated to administer the excise duty shall be eligible as evidence for purposes of excise duty, except as otherwise proved.

(2) The Department may so prescribe that the data relating to the goods or services subject to excise duty can be automatically retrieved by the Department or the office designated by the Department.

(3) The Department may make necessary arrangements on the submission of excise duty returns and payment of excise duty through electronic medium."

10D. Power of Excise Duty Officer to determine excise duty:

(1) The Excise Duty Officer may determine the excise duty in any of the following circumstances:

- (a) In the event of failure to submit the excise duty returns within the time limit,
- (b) In the event of submission of incomplete or erroneous excise duty returns,
- (c) In the event of submission of false excise duty returns,
- (d) In the event of existence of a reliable ground for the Excise Duty Officer to believe that lesser amount of excise duty has been shown or the amount of excise duty is not accurate,
- (e) Where there is a ground and reason for the Excise Duty Officer to believe that the sales price has been under-invoiced and it is necessary to re-determine the price or to determine additional price pursuant to Sub-section (4) of Section 7,
- (f) If the ceiling of production of goods or services subject to the excise duty is specified pursuant to or under this Act, the production ceiling is not met,
- (g) If the difference between the liquors released and the alcohol content of

waste material or substance if more than
One percent,

- (h) In the event of evasion of excise duty,
- (i) If any person does transaction of goods subject to excise duty without obtaining the license.

(2) In determining the excise duty pursuant to Sub-section (1), the Excise Duty Officer shall give a time-limit of Fifteen days to the concerned person to defend himself or herself.

(3) The Department may make monitoring of the determination of excise duty made pursuant to Sub-section (1). If any error is found upon monitoring, the Director General may order the redetermination of excise duty.

(4) The Excise Duty Officer shall have the following powers for the purposes of determination of excise duty pursuant to Sub-section (1) or examination of the excise duty returns submitted duty pursuant to Section 10A.:

- (a) To examine the goods, places, documents, accounts and records related with the liability of excise duty,
- (b) To search the place of transaction of any person or other places where evidences related with the acts

deemed offence under this Act can be found,

- (c) To seek information from the persons who prepare any records, books, accounts and documents or fill up details therein in the course of discharge of their duty,
- (d) To take possession of or take elsewhere any documents, books and records situated in the place of transaction of goods and services subject to excise duty or other place related thereto,
- (e) To make audit of excise duty in the place of transaction or office or other appropriate place,
- (f) The Excise Duty Officer may seek information of any matter from a bank or financial institution or any person in relation to the transaction of goods and services subject to excise duty.

(5) It shall be the duty of such a bank and financial institution or person to give information as sought by the Excise Duty Officer pursuant to this Section.

10E. Power to have expert's service: The Department may obtain the service of liquor expert, brewing expert,

chemical expert and other expert, as required, for the effective implementation of this Act.

10F. Power to specify ceiling of production of goods and services subject to excise duty:

(1) The rate of production ceiling of ethanol, spirit or ENA required to be obtained from grains, molasses or *Khudo* used by an industry producing nhydres ethanol, rectified spirit or ENA shall be determined in accordance with the procedures as prescribed.

(2) If it appears that the production is less than the rate of ceiling prescribed pursuant to Sub-section (1), the production of highest quality liquors to be produced by the industry shall be deemed to have been made from the ethanol, spirit or ENA in such different quantity.

(3) The Department may specify the rate of ceiling of production of other goods and services subject to excise duty.

10G. To test the volume of alcohol: The Excise Duty Officer may at any time test or examine the content of alcohol of the liquors discharged with approval and of the waste substance and quality thereof. The alcohol content shall not be different more than One percent or quality shall not be altered significantly.

10H. Recovery of due excise duty: If any person does not pay the excise duty to be paid within the time limit as referred to in this Act, the concerned Excise Duty Officer may recover the same by way of any or all of the following measures:

- (a) Deducting the amount, if any, refundable to such a person,
- (b) By having deduction of such amount from the amount payable by the Government of Nepal or any corporate body owned by the Government of Nepal or local body to such a person,
- (c) By having deduction of such amount from the interest of such a person in a bank, financial institution or other institution,

Explanation: For the purposes of this Clause, the term "interest" includes deposits and investments held in a bank, financial or other institution.

- (d) By withholding the sale, export, import and other business by and of such a person,
- (e) By seizing the movable and immovable property of such a person,
- (f) By auction selling any or all of the movable and immovable properties of such person at one time or at different times as prescribed.
- (g) By auctioning the goods in stock.

10I. Delay fee: In the event of failure of a person to pay the excise duty within the time limit as referred to in this Act after the determination of the excise duty or for any other reason, except a circumstance as referred to in Clause (a) of Sub-section (1) of Section 4, there shall be charged a

delay fee by 0.05 percent on the due and payable amount of excise duty per day."

- (11) The word "release" shall be substituted for the word "export" contained in Section 11.
- (12) The following proviso shall be inserted in Clause (d) of Sub-section (3) of Section 12:

“Provided that, such suspension shall not exceed seven days; and decision shall be made no later than Sixty days after the making of such suspension.”

- (13) Of Section 13,
 - (a) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in various places of Sub-section (1).
 - (b) The following Sub-sections (4) and (5) shall be inserted after Sub-section (3):

"(4) The Department may give an information incentive expense of a maximum of Ten Thousand Rupees as prescribed to a person who provides information of the offence as referred to in this Section.

(5) The details of the person giving information of offence pursuant to this Section shall be kept secret."

- (14) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in various places of Sub-section (1) of Section 14 and the following Clauses (a), (b) and (c) shall be substituted for Clauses (a), (b) and (c) of the same Sub-section:

- "(a) Ten per cent of the amount in controversy to the informer,
- (b) Twenty per cent of the amount in controversy to one who seizes and hands over a product only;
- (c) Thirty per cent of the amount in controversy to one who arrests and hands over the person, along with the proof.

Provided that, in cases where the informer who gives information or clue be more than one person, the reward shall be divided between them pro rata.”

(15) The words "Inland Revenue Office" shall be substituted for the words "Excise Duty Office" contained in Section 15:

(16) Of Section 16:

(a) The following clause (b) shall be substituted for clause (b) of Sub-section (1):

“(b) To produce or import a product subject to excise duty without obtaining the license,”

(b) The following Sub-section (5) shall be inserted after Sub-section (4):

“(5) Where any person commits any of the following offences, the Excise Duty Officer may punish such a person with a fine as follows:

(a) In the event of re-determination of the price or determination of additional price pursuant to Sub-section (4) of Section 7, cent percent amount of the amount of excise duty to be added,

- (b) In the event of making sale or storage of goods or services subject to excise duty without obtaining the license, from Five Thousand Rupees to Fifteen Thousand Rupees.
- (c) In the event of violation of the provision of Section 10A., the amount of 0.05 percent of the leviable excise duty per day or One Thousand Rupees for each return, whichever is the higher.
- (d) In the event of failure to maintain updated accounts as referred to in Sub-section (1) of Section 10B., Ten Thousand Rupees and Five Thousand Rupees for each instance in the event of not allowing the accounts of transactions to be inspected,
- (e) In the event of violation of Sub-section (2) of Section 10B., upto Five Thousand Rupees,
- (f) In the event of violation of Sub-section (3) of Section 10B., Ten Thousand Rupees,
- (g) In the event of obstruction in the act as referred to in Sub-section (3) of Section 10D., Five Thousand Rupees for each instance,
- (h) If, upon examination pursuant to Section 10G., the difference between the liquors

released and the alcohol content of waste material or substance is more than One percent, cent percent of the amount of revenue leaked,

- (i) If the ceiling of production of goods or services subject to the excise duty is specified and the production ceiling is not met, cent percent of the amount of excise duty to be added,
- (j) In the event of violation of Section 4B., Ten Thousand Rupees for each instance,
- (k) In the event of violation of this Act or the Rules framed under this Act, One Thousand Rupees for each instance.

(17) The following Section 17A. shall be inserted after Section 17:

“17A. Provision on payment by installment: Where any taxpayer makes a request in writing for the payment of any arrear excise duty by installment, permission may be given to pay the same by installment for One year.”

(18) The following Section 19 shall be substituted for Section 19:

"19. Provisions relating to administrative review and appeal: (1) A person who is not satisfied with any decision by the Excise Duty Officer of excise duty assessment and recovery thereof may make an application for administrative review to the Department against the decision within Thirty days of the date of receipt of a notice of that decision.

Provided that, a person may make an appeal in the Revenue Tribunal against the decision of punishment of imprisonment for any offences as referred to in Sub-sections (1), (2), (3) and (4) of Section 16.

(2) In cases where the time limit for making application pursuant to Sub-section (1) expires and any person makes an application for the extension of time limit within Seven days from the date of expiration of the time limit, the Department may extend the time limit for a period not exceeding Thirty days from the date of expiration of the time limit.

(3) If the claim of the applicant appears to be true upon examining the evidence and documents including the application made by the taxpayer pursuant to Sub-section (1), the Director General may, by executing a memorandum setting out the clear reasons, void that excise duty assessment order and direct the concerned Excise Duty Officer to make re-assessment of excise duty.

(4) The Department shall make decision on the application within Sixty days after the date of making of application pursuant to Sub-section (1).

(5) The taxpayer who makes an application pursuant to Sub-section (1) has to pay undisputed amount of excise duty and amount of fine, out of the amount of excise duty assessed, and furnish a cash deposit of One Third of the amount of excise duty in controversy and amount of fine.

(6) If the Department does not give decision within the time limit as referred to in Sub-section (4), the concerned person may, after the expiration of that time-limit, make an appeal to the Revenue Tribunal or if the person is not satisfied with the decision made by the Department, the person may make such an appeal in the Revenue Tribunal within Thirty Five days after the date of receipt of notice of the decision.

(7) A person who makes an application for administrative review or an appeal pursuant to this Section shall register a copy of the application or appeal with the concerned Office no later than Fifteen days.

(8) The implementation of the decision set forth in Sub-section (1) of Section 16 shall not be deemed to have been affected by the reason of making an application for administrative review or appeal pursuant to Sub-section (1).”

(19) The following Section 22A. shall be inserted after Section 22:

“22A. Deemed to be excise duty: Any charge, delay fee or fine imposable pursuant to this Act shall be deemed to be the excise duty imposable pursuant to this Act.”

(20) The following Section 23 shall be substituted for Section 23:

“23. Department to be responsible for implementation and administration: The Department shall be responsible for the implementation and administration of this Act.”

(21) The following Section 24 shall be substituted for Section 24:

"24. This Act to prevail on excise duty provision:

Notwithstanding anything contained in the laws in force, except in cases where the Financial Act to be enforced in every year amends this Act and provides for imposition, assessment, increase, decrease, exemption, or remission of excise duty, no other Act may make any amendment to, or alter tax provisions referred to in this Act or make other excise duty related provisions."

(22) The following Section 25A. shall be inserted after Section 25:

"25A. Power to frame and issue manual: The Department may frame and issue necessary Manuals, subject to this Act and the Rules framed under this Act."

(23) The following Schedule shall be inserted in the Excise Duty Act, 2058 (2002):

Schedule

(Relating to Section 3)

Rate of excise duty

SN	Heading/sub-heading No.	Description of product/good or service	Unit	Rate of excise duty
1.	1703.10.00 and 1703.90.00	<i>khudo</i> (Molasses)	Per quintal	Rs. 40.00
2.	1703.11.90	<i>Sakkhar (Gud)</i> , black <i>Sakkhar, Raskat</i> from <i>Khandsari</i> (Only on import)	Per quintal	Rs. 72.00
3.	Under 3923	Plastic packing materials	Value/price percent	5 percent
	3920, 3921	Plastic Seats	Value/price percent	5 percent
	3926.90.90	Other plastic materials	Value/price percent	5 percent
	6305.33.00	Plastic packing materials	Value/price percent	5 percent
4.		Fruit juices		
	2009.19.00, 2009.11.00 and 2009.12.00	(a) Orange juice	Per liter	Rs. 2.00
	2009.29.00 and 2009.21.00	(b) Grape fruit juice	Per liter	Rs. 2.00
	2009.39.00	(c) Any other citrus fruit	Per liter	Rs. 2.00

	and 2009.31.00			
	2009.49.00 and 2009.41.00	(d) Pineapple juice	Per liter	Rs. 2.00
	2009.69.00, 2009.50.00 and 2009.61.0 0	(e) Tomato juice, grape juice including grape must	Per liter	Rs. 2.00
	2009.79.00 and 2009.71.00	(f) Apple juice	Per liter	Rs. 2.00
	2009.80.00	(g) Juice of any other single fruit or vegetable	Per liter	Rs. 2.00
	2009.90.00	(h) Mixture of juices	Per liter	Rs.2.00
5.	2106.90.20	Pan <i>Masala</i> and similar other goods with or without nicotine containing lime	Per Kilogram	Rs. 250.00
6.	1404.90.00	<i>Kattha</i>	Per Kilogram	Rs. 115.00
		<i>Kattha</i> juice	Per Kilogram	Rs. 10.00
7.	2202.90.00	All kinds of non-alcoholic beverages	Per liter	Rs. 2.50
8.	2203.00.00	Beer	Per liter	Rs.72.00
		Country beer (<i>chhang</i>)	Per liter	Rs.20.00
9.	2204.29.00	Wine made in the country (containing not more than 12 percent alcohol, made from <i>Chutro</i> , apple or <i>Aishalu</i>) or	Per liter	Rs.55.00

		domestic cider		
		Other beverages than wine and beer containing up to 12 percent alcohol(on import)	Per liter	Rs.167.00
	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Wine containing not more than 12 percent alcohol (on import)	Per liter	Rs.167.00
	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00 and 2205.10.00	Wine containing 12-17 percent alcohol	Per liter	Rs.167.00
10.	2204.10.00, 2205.90.00, 2204.21.00, 2204.29.00, 2204.30.00, 2205.10.00 and 2206.00.90	Wine containing more than 17 percent alcohol, herbs mixed liquors, cocktail (alcoholic/non-alcoholic/ non-alcoholic mixtures) and other fermented liquors	Per liter	Rs.189.00
11.	2206.00.90 and 2204.10.90	Sampan, sherry, mead, perry, cider	Per liter	Rs.189.00
12.	2207.20.00	Denatured spirit (containing 80-	Per liter	Rs.10.00

		99 percent alcohol)		
13.	3814.00.00	Thinner, solvent	Per liter	Rs.10.00
14.	2207.10.00	Anhydrous ethanol (containing more than 99 percent alcohol)	Per liter	Rs.6.00
15.		All kinds of alcoholic fluids used as raw materials of liquors containing 57.38 percent to 80 percent alcohol by volume		
	2208.20.10	(a) Wine and raw materials of brandy	Per liter	Rs.108.00
	2208.30.10	(b) Raw materials of whisky	Per liter	Rs.108.00
	2208.40.10	(c) Raw materials of rum and Tafia	Per liter	Rs.108.00
	2208.50.10	(d) Raw materials of gin and Geneva	Per liter	Rs.108.00
	2208.60.10	(e) Raw materials of vodka	Per liter	Rs.108.00
	2208.70.10	(f) Raw materials of liqueurs and cordials	Per liter	Rs.108.00
	2208.90.10	(g) Raw materials of other liquors (including spirit)	Per liter	Rs.108.00
16.	2207.10.10	Rectified spirits used as raw materials of liquors containing more than 80 percent alcohol by volume	Per liter	Rs.33.00
	2207.10.10	E.N.A.	Per liter	Rs.44.00
17.		Liquors		
	2208.20.90	(a) Wine and brandy		
		(1) With 25 U.P. strength (containing 42.08 percent	Per liter Per LP liter	Rs. 385.00

		alcohol content)		or Rs. 513.00
	2208.20.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.50 or Rs. 513.00
		(b) Whisky		
	2208.30.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 385.00 or Rs. 513.00
	2208.30.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.50 or Rs. 513.00
		(c) Rum and <i>Tafia</i>		
	2208.40.90	(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs. 385.00 or Rs. 513.00
	2208.40.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.00 Rs. 513.00
		(d) Gin and Geneva		
	2208.50.90	(1) With 25 U.P. strength (containing 42.08 percent alcohol content)	Per liter Per LP liter	Rs. 385.00 or

				Rs. 513.00
	2208.50.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.50 Rs. 513.00
		(e) Vodka		
	2208.60.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 385.00 Rs. 513.00
	2208.60.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.00 Rs. 513.00
		(f) Liquors and cordials		
	2208.70.90	(1) With 25 U.P. strength (containing 42.8 percent alcohol content)	Per liter Per LP liter	Rs. 385.00 Rs. 513.00
	2208.70.90	(2) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.00 Rs. 513.00
		(g) Other liquors		
	2208.90.90	(1) With 15 U.P. strength (containing 48.5 percent alcohol content)	Per liter Per LP liter	Rs. 517.00 Rs. 608.00
	2208.90.90	(2) With 25 U.P. strength	Per liter	Rs.

		(containing 42.8 percent alcohol content)	Per LP liter	Rs. 385.00 Rs. 513.00
	2208.90.90	(3) With 30 U.P. strength (containing 39.94 percent alcohol content)	Per liter Per LP liter	Rs. 360.50 Rs. 513.00
	2208.90.90	(4) With 40 U.P. strength (containing 34.23 percent alcohol content)	Per liter Per LP liter	Rs. 182.00 Rs. 302.00
	2208.90.90	(5) With 50 U.P. strength (containing 28.53 percent alcohol content)	Per liter Per LP liter	Rs. 64.00 Rs. 127.00
	2208.90.90	(6) With 70 U.P. strength (containing 17.12 percent alcohol content)	Per liter Per LP liter	Rs. 17.00 Rs. 56.00
		Provided that, in the case of imported liquors, where the quantity of alcohol specified in the above rate differs by less than one percent, the same rate shall be applicable and where that quantity differs by more than one percent, the excise duty shall be levied and collected as per the rate that is near and the highest.		
18.	2401	Only on import of raw tobacco not packed (other than that used as raw materials by industries)	Per kilogram	Rs. 55.00
	2403.91.00	Packed raw chewable tobacco containing lime	Per kilogram	Rs. 145.00
	2403.91.00	All kinds of <i>jarda</i> and <i>khaini</i> made from tobacco	Per kilogram	Rs. 220.00

	2403.99.00	Tooth cleaning material containing tobacco dust	Per kilogram	Rs. 210.00
	2403.10.90	Prepared <i>bidi</i>	Per M	Rs. 55.00
	2403.10.10	Pipe tobacco	Per kilogram	Rs. 625.00
19.	2402.10.00 and 2402.90.00	All kinds of cigar	Per stick	Rs. 6.00
20.	7213 and 6214 (including sub-heading 7214.99.10)	Iron rods	Per metric ton	Rs. 1000.00
21.	2516.90.00, 2516.22.00, 2515.12.00, 2515.20.00, 2516.12.00, and from 6802.21.00.to 6802.99.00	Marble	Value percent	5 percent
	6908	Glaze tiles	Value percent	5 percent
22.	1902	Noodles, macaroni, pasta	Per kilogram	Rs. 7.50
	2106.90.10	Junk foods (<i>Kurkure, Kurmure, cheeseballs, pastry etc.</i>)	Per kilogram	Rs. 7.50
23.	Chapter 16	Preparations of meat, fish (canned)	Value percent	5 percent
	2309.10.00	Dog and rat feed	Value	5 percent

			percent	
24.		Cigarettes (all kinds of cigarettes made from tobacco)		
		(1) In up to 70 mm length		
	2402.20.00	(a) With filter	Per M	Rs. 234.00
	2402.20.00	(b) Without filter	Per M	Rs. 494.00
	2402.20.00	(2) In more than 70 mm up to 75 mm length (with filter)	Per M	Rs. 633.00
	2402.20.00	(3) In more than 75 mm up to 85 mm length (with filter)	Per M	Rs. 811.00
	2402.20.00	(4) In more than 85 mm length (with filter)	Per M	Rs. 1055.00
25.		Cement		
	2523.21.00	(a) Portland cement white (whether or not colored)	Per metric ton	Rs. 180.00
	2523.29.00	(b) Portland cement (brown)	Per metric ton	Rs. 180.00
	2523.30.00	(c) Aluminous cement	Per metric ton	Rs. 180.00
	2523.90.00	(d) Other hydraulic cement	Per metric ton	Rs. 180.00
26.	3208, 3209, 3210	All kinds of paints	Value percent	5
27.	6904.10.00	All kinds of ceramic bricks (other than domestic production)	Per thousand	Rs. 600.00

28.		Motor vehicles		
		(a) Jeep, car and van (customs headings 8702 and 8703) and their chassis (customs heading 8706)	Value percent	60 percent
		(b) Microbus (with capacity of 11-14 seats) (customs heading 8702) and chassis thereof (customs heading 8706)	Value percent	55 percent
		(c) Double cab pick up (customs heading 8704) and chassis thereof (customs heading 8706)	Value percent	60 percent
		(d) Three wheeler (auto rickshaw) (customs heading 8703) and chassis thereof (customs heading 8706)	Value percent	55 percent
		(e) Single cab pick up (customs heading 8704) and chassis thereof (customs heading 8706)	Value percent	50 percent
		(f) Delivery van (customs heading 8704) and chassis thereof (customs heading 8706)	Value percent	30 percent
		(g) Minibus (with capacity of 15 to 25 seats (custom sub-heading 870210.20)	Value percent	35 percent
		(h) Minibus (with capacity of 15	Value	35 percent

		to 25 seats(custom sub-heading 870290.20)	percent	
		(i) Chassis of minibus (custom heading 8706) (with capacity of 15 to 25 seats) falling under custom heading 8702	Value percent	35 percent
		(j) Buses and trucks (customs heading 8702, 8794) and their chassis (customs heading 8706)	Value percent	40 percent
		(k) Motor cycle (custom heading 8711)	Value percent	40 percent
29.	84.43	Plates, cylinders, and printing machinery used for printing other than those of heading 84.42, other printing machines, copying machines, fax machines, whether installed or not, and their parts and accessories		
		Other printers, copying machines, fax machines, whether installed or not		
	844331.00	Out of the printers, copying machines and fax machines, those with two or more than two multiple functions and of such nature as can be linked to or installed with automated data processing machine or network	Value percent	10
	8443.39.00	Others	Value percent	10
30	84.72	Other office machines (for example, hectograph or stencil duplicating machine, addressing machines, automatic		

		banknote dispensers, coin-sorting machines, coin-counting or wrapping machines, pencil sharpening machines, perforating or stapling machines)		
	84.72.90.00	Others	Value percent	15
31.	84.79	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter		
		Others		
	8479.89.90	Others	Value percent	10
32.	85.17	Telephone sets, including telephones used for cellular networks or other cordless networks, equipment to broadcast or transmit or store sound, images or other data, appliances used in line or cordless network for communication in (such as local or wide area network), communication or transmission or store equipment under headings 84.43, 84.25, 85.27 or 85.28		
		Equipment to broadcast or transmit or store sound, images, including equipment used in line or cordless network for communication in (such as local or wide area network)		
	8517.61.10	Base stations	Value percent	5
	8517.62.00	Machines/equipment to store, change, reproduce and transmit sounds, images or other data, including switching and routing equipment	Value percent	5
	8517.69.00	Others	Value percent	5

	8517.70.00	Parts	Value percent	5
32.	85.18	Microphone and stands thereof, loudspeakers, whether or not mounted in their enclosures, headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers, audio-frequency electric amplifiers, electric sound amplifier sets		
	8518.18.00	Microphones and their stands Loudspeakers, whether or not mounted in their enclosures	Value percent	5
	8518.29.00	Others	Value percent	5
34.	85.23	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37		
		Magnetic means		
	8523.29.90	Others	Value percent	5
	8523.40.00	Optical means	Value percent	5
	8523.51.00	Solid state non-volatile storage equipment	Value percent	5
	8523.52.00	Smart cards	Value percent	5
	8523.59.00	Others	Value percent	5
	8523.80.00	Others	Value percent	5

35.	85.25	Transmission apparatus for radio-telephony, radio-telegraphy, radio broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus, television cameras, still image video cameras and other video camera recorders, digital cameras		
	8525.60.00	Transmission apparatus incorporating reception apparatus	Value percent	5
	8525.80.00	Television cameras, digital cameras and video camera recorders	Value percent	5
36.	85.28	Reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus, video monitors and video projectors		
		Projectors		
	85.28.61.00	Apparatus of such kind as to be solely or principally used in the automated data processing system of heading 84.71	Value percent	10
37.		Color television	Value percent	5
		Picture tubes of color television	Value percent	5
38.	85.29	Parts suitable for use solely or principally with the apparatus of headings of 85.25 to 85.28		
		Others		
	85.29.90.10	Of television receiver	Value percent	10
39.	85.31	Electric sound or visual signaling apparatus (for example,		

		bells, sirens, indicator panels, burglar or fire alarms) other than those of Heading 85.12 or 85.30		
	8531.20.00	Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)	Value percent	10
	8531.90.00	Spare parts	Value percent	10
40.	85.32	Electrical capacitors. Fixed variable or adjustable (preset)		
	85.32.10.00	Fixed capacitors designed for use in 50/60 HZ circuits and having a reactive power handling capacity of not less than 0.5 k.var (power capacitors)	Value percent	10
		Other capacitors		
	8532.21.00	Tantalum	Value percent	10
	8532.22.00	Aluminum electrolytic	Value percent	10
	8532.23.00	Ceramic dielectric, single layer	Value percent	10
	8532.24.00	Ceramic dielectric, multiple layer	Value percent	10
	8532.25.00	Dielectric of paper or plastics	Value percent	10
	8532.29.00	Others	Value percent	10
	8532.30.00	Variable or adjustable (preset)capacitors	Value percent	10

	8532.90.00	Parts	Value percent	10
41.	85.33	Electrical resistors (including rheostats and potentiometers), other than heating resistors		
	8533.10.00	Fixed carbon resistors, composition or films	Value percent	10
		Other fixed resistors		
	8533.21.00	For a power handling capacity not exceeding 20W	Value percent	10
	8533.29.00	Others	Value percent	10
		Other variable resistors, including rheostats and potentiometers		
	8533.31.00	For a power handling capacity not exceeding 20W	Value percent	10
	8533.39.00	Others	Value percent	10
	8533.40.00	Other variable resistors, including rheostats and potentiometers	Value percent	10
	8533.90.00	Parts	Value percent	10
	8534.00.00	Printed circuits	Value percent	10
42.	85.36	Electrical apparatus for switching or protecting electrical circuits or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppression, plugs, sockets, lamp-holders, junction boxes, for a voltage		

		not exceeding 1,000 volts		
	8536.50.00	Other switches	Value percent	10
		Lamp-holders, plugs and sockets		
	8536.69.00	Others	Value percent	10
	8536.90.00	Other equipment	Value percent	10
43.	85.44	Insulated (including enameled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors, optical fiber cables, made up of individually sheathed fibers, whether or not assembled with electric conductors or fitted with connectors		
		Other electric conductors, for a voltage not exceeding 80 v		
	8544.42.00	Connected with conductors	Value percent	15
	8544.49.00	Others	Value percent	15
	8544.70.00	Optical fiber cable	Value percent	10
44.	90.10	Apparatus and equipment for photographic (including cinematographic) laboratories, not specified or included elsewhere in this Chapter; <i>negatoscopes</i> , projection screens		
	9010.90.00	Parts and accessories	Value percent	10
45.	90.11	Compound optical microscopes, including those for microphotography micro-cinematography or micro-		

		projection		
	9011.10.00	Stereoscopic microscopes	Value percent	5
	9011.20.00	Other microscopes for microphotography micro-cinematography or micro-projection	Value percent	5
	9011.90.00	Parts and accessories	Value percent	5
46.	90.12	Microscopes other than optical microscopes, diffraction apparatus		
	9012.10.00	Microscopes other than optical microscopes, diffraction apparatus	Value percent	5
	9012.90.00	Parts and accessories	Value percent	5
47.	90.17	Drawing, marking out or mathematical calculating instruments (for example, drafting machines, pantographics, protractors, drawing sets, slide rules, disc calculators), instruments for measuring length, for use in the land 9for example, measuring rods and tapes, micrometers, calipers) not specified or included elsewhere in this Chapter		
	9017.20.00	Other drawing, marking-out or mathematical calculating instruments	Value percent	5
	9017.90.00	Parts and accessories	Value percent	5
48.	90.26	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat		

		meters), excluding instruments and apparatus of heading 90.14, 90.15, 90.28 or 90.32		
	9026.10.00	For measuring or checking the flow or level of liquids	Value percent	5
	9026.20.00	For measuring or checking pressure	Value percent	5
	9026.80	Other instruments or apparatus	Value percent	5
	9026.90.00	Parts and accessories	Value percent	5
49.	90.27	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus), instrument and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like, instruments and apparatus for measuring or checking quantities or heat, sound or light (including exposure meters), microtomes		
	9027.20.00	Chromatographs and electrophoresis instruments	Value percent	5
	9027.50.00	Other instruments and apparatus using optical radiators (UV, visible, IR)	Value percent	5
	9027.80.00	Other instruments or apparatus	Value percent	5
50.	90.30	Oscilloscopes, spectrum analyzers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading number 90.28, instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionising radiators		
	9030.40.00	Other instruments and	Value	5

		apparatus, specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments, distortion factor meters, psophometers)	percent	
	9030.90.00	Parts and accessories	Value percent	5

Note:

- (1) Notwithstanding anything contained above in the rate of excise duty, no excise duty shall be levied on the chassis of ambulances, corpse carrying vehicles and battery tempos.
- (2) The procedures of collection of the excise duty leviable on the motor vehicles purchased and in stock until Fiscal Year 2065/066 shall be as mentioned in the Finance Act, 2065.
- (3) Exemption of excise duty shall be granted, on the recommendation of the Department of Industries, to the raw materials imported by industries and used to produce goods as referred to in sub-heading 7213.91.10 of heading 72.13.
- (4) In the event of cocktail of any liquors, the rate of tariff set forth in serial number 10 shall be applicable.
- (5) Prepared liquors of 70 UP strength may be made by using rectified spirit of serial number 16 only.
- (6) No local production of marble shall be subject to excise duty.

- (7) No excise duty shall be levied on the goods of personal use imported enjoying the customs duty exemption facility under the Luggage and Baggage Order Facility.
- (8) Exemption of 50 percent excise duty shall be granted to the local production of motor cycles and that of 25 percent to the local production of other motor vehicles.
- (9) No excise duty shall be levied on the electric motor vehicles.
- (10) Eighty percent exemption of excise duty leviable pursuant to this excise duty tariff shall be granted to the production of brandy by the local fruits based industries established in the least developed regions as mentioned in Schedule-9 of the Industrial Policy, 2067.
- (11) The Director General may, for statistical purposes, add a digit to the eight digit sub-heading for the purposes of the rate of excise duty.
- (12) The Department may, as required and in consultation with the Customs Department, interpret and specify the harmonized codes of the products/goods on which excise duty is leviable.