

EXPORTING TO THE USA

A S T E P B Y S T E P G U I D E



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Finally, we would like to thank Project A for their help in making the book presentable and easy-to-use.

TABLE OF ABBREVIATIONS

A.D.	Anno Domini
B.S.	Bikram Sambat (Nepali calendar)
CD	Compact Disks
CEO	Chief Executive Officer
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
EXIM	Export-Import
FHAN	Federation of Handicraft Associations of Nepal
GSP / GSP Form	Generalized System of Preference
HS / HTS	Harmonized Commodity Description and Coding System (or "Harmonized System")
HTS	Harmonized Tariff System
IRO	Inland Revenue Office
L/C	Letter of Credit
LDBDC	Least-Developed Beneficiary Developing Country
NEFFA	Nepal Freight Forwarders Association
PAN / PAN Number	Permanent Account Number
TEPC	Trade and Export Promotion Centre
TFTEA	Trade Facilitation and Trade Enforcement Act of 2015
TSO	Taxpayer Service Office
USA / the U.S. -	United States of America
VAT	Value-Added Tax

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CHAPTER 1: INTRODUCTION TO THE GUIDE

What is this guide?

Exporting to the USA: A Step-by-Step Guide is designed to help businesses in Nepal to gain a basic understanding of the steps required to export their goods to the United States of America (USA). It contains guidelines on a variety of procedures that exporters might have to follow, including why certain procedures should be followed, the relevant offices or officers to contact, example forms, and tips on where to seek further assistance. Furthermore, it also outlines and explains some trade concessions provided by the USA to some Nepalese exports and provides guidance on how exporters can avail themselves of such concessions. This guide does NOT cover the export of services to the United States of America.

This guide is provided for basic reference and educational purposes only and is NOT designed to be used as a source of legal advice. Please consult with a legal professional.

Who is this guide for?

This guide has been primarily designed to help export-oriented businesses in Nepal. Those seeking to export goods to the USA and to gain access to some of the trade concessions provided by the USA to certain Nepali goods will benefit from this guide.

Furthermore, students and academics seeking basic information on the procedures set in place for exporting to the USA may find this guide helpful.

How to use this guide?

This guide has been laid out in chronological order of procedure. Wherever relevant, sample forms and guidelines to fill those forms have also been included. Every chapter of this guide will provide basic information on the various steps of the export process. Each chapter will also include links to relevant sources of information, legal documents such as Acts or Regulations, and contact details of institutions/entities from which further assistance can be sought.

Please refer to Chapter 2 for an overview of the complete export process. You can also refer to the Table of Contents for a complete list of chapters included in this guide.

CHAPTER 2: OVERVIEW OF THE EXPORT PROCESS

This chapter summarizes the procedures an exporter needs to follow in order to export their product to the USA. The complete process can be generally understood to have two stages. The first stage involves receiving all the required registrations, licenses, and permissions to enable your business to start exporting goods to the USA. You only need to complete the first stage once. The second stage involves all the procedures you have to follow every time you want to export a certain batch of goods. The stages and the steps involved in every stage are illustrated in the charts below. Detailed descriptions and guidelines for every step are provided in the subsequent chapters.

Chart of Procedures to Be Followed to Become Ready for Exporting

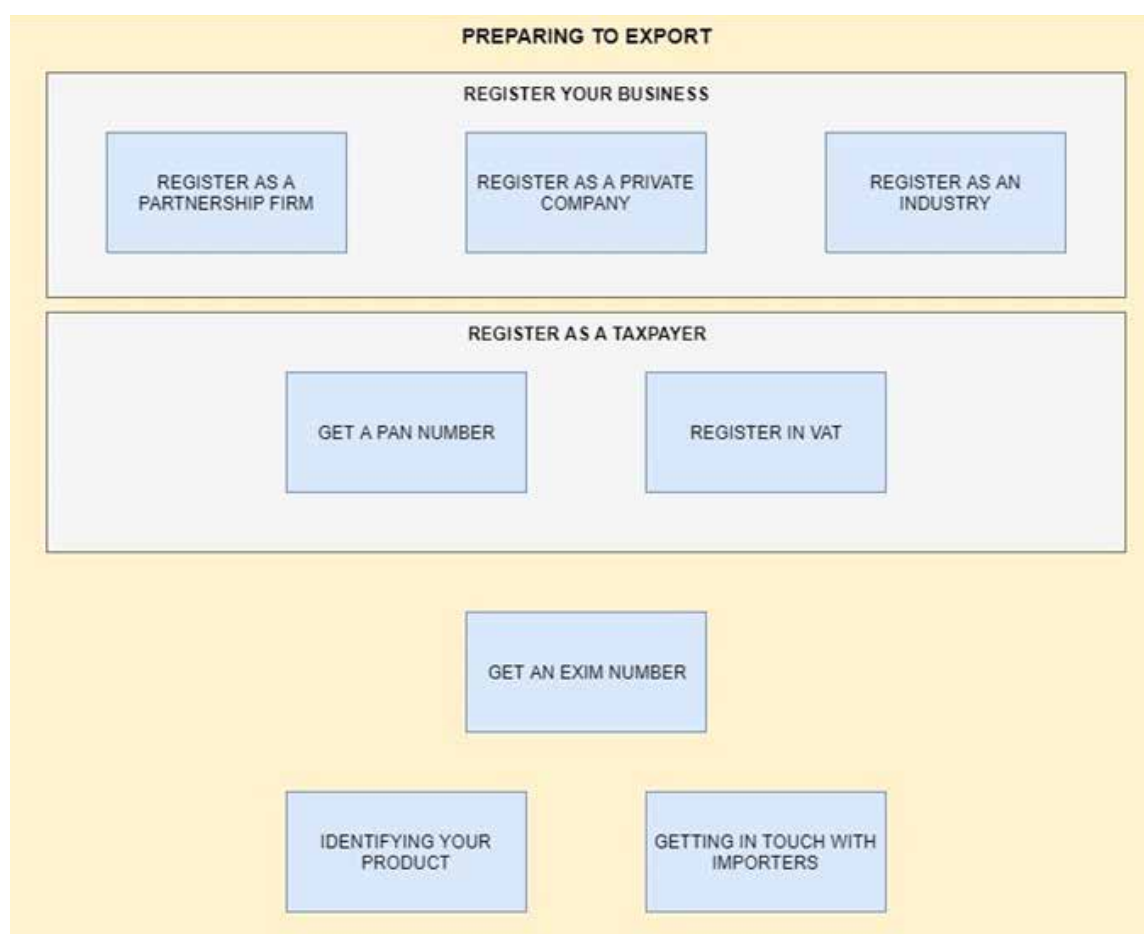
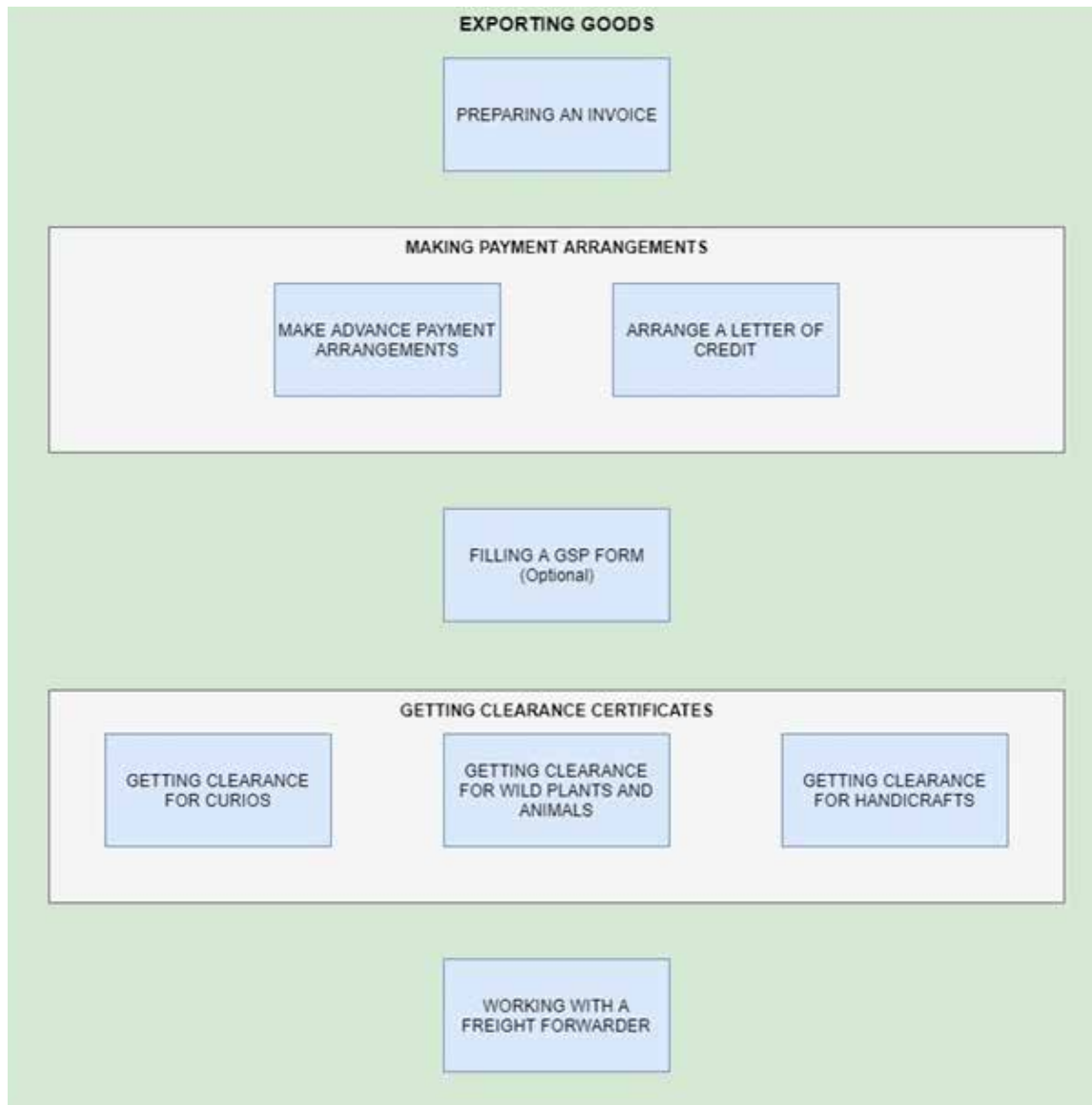


Chart of Procedures to Be Followed Every Time You Export a Batch of Goods

CHAPTER 3: REGISTERING YOUR BUSINESS

Why register your business?

Registering your business or industry allows you to receive various services from the government. Unregistered businesses are not capable of receiving services from the government. Business or industry registration is also required in further steps of the export process, such as getting an Export-Import (EXIM) Number. You cannot export goods legally without first registering your business or industry.

What type of registration should I choose?

You may have multiple options while registering your business. You can register your business as a Private Firm, Partnership Firm, Company, or Industry. A comprehensive guide to business registration is available here: <http://biruwa.net/2013/03/registering-business-in-nepal/> The common cases in which a particular type of registration is recommended are shown below:

- 1) Private Firm: If you have a home-based or small business and if you are the only person working in the business, it is recommended that you register your business as a Private Firm. To receive information on how to register your private firm, contact your local Ward Office.
- 2) Company: If you have a medium to large business with multiple employees or multiple investors, it is generally recommended to register your business as a Private Limited Company. You may consult the Biruwa guide to learn more about registering your business as a company. Furthermore, you can consult the official guidelines for company registration published by the Office of the Company Registrar here: <http://www.ocr.gov.np/index.php/np/2012-08-28-09-11-33/2012-08-28-10-27-45>
- 3) Partnership Firm: Partnership firms are generally opened by service providers, such as lawyers and accountants. You may consult the Biruwa guide to learn more about registering your business as a partnership firm.

Is it necessary for me to register my business as an industry?

It is recommended that you register your business as an industry if your business is involved in manufacturing goods from raw materials. You do not need to register your business as an industry if you are only involved in purchasing completed goods and exporting those goods. (Reminder: This guide does not provide advice related to the service sector.)

Should I consult a lawyer before I start registration of my firm?

It is recommended that you visit a lawyer in order to make Memorandum of Association and Articles of Association for your company or industry, or Partnership Agreement for your partnership firm.

It is always wise to consult a lawyer during the export process. As mentioned in the introductory chapter, this guide is provided for basic reference and educational purposes only and is NOT designed to be used as a source of legal advice.

To receive information on how to register an industry, please visit the Department of Industry page on industry registration here: <http://www.doind.gov.np/index.php/industries/industry-registration#documents>

OR contact the Department of Industries at:

Industry Registration and Licensing Section
Department of Industry
Ministry of Industry
Email: info@doind.gov.np
Phone: +977 (0)1-426-1169

CHAPTER 4: REGISTERING AT THE TAX OFFICE

Why should I register as a taxpayer?

Registering as a taxpayer by acquiring a Permanent Account Number (PAN) is essential for an exporter since it is a precondition to acquiring an EXIM number (as specified in Chapter 5). Furthermore, other government agencies may ask for proof of payment of all outstanding tax obligations of your business firm before providing you with any service. The proof of tax clearance cannot be received without first registering as a taxpayer by getting a PAN number.

Where do I apply to acquire a PAN number?

There are two ways of registering for a PAN number. It can be done either via an online system or by directly visiting your nearest Inland Revenue Office (IRO) or Taxpayer Service Office (TSO).

A complete contact list for all the IROs and TSOs in Nepal can be found here:

<https://ird.gov.np/ContactList/list>

It is important to identify the IRO or TSO that is nearest to the address of your business, since other TSOs will not have the legal power to register your business. If you cannot identify the relevant TSO or if you have any queries related to tax registration, further help can be sought from:

Inland Revenue Department
Lazimpat, Kathmandu
Phone: +977 (0)1-441-5802
Alternative Numbers: +977 (0)1-441-0340, +977 (0)1-441-5967, +977 (0)1-441-5969
Fax: +977 (0)1-441-1788
Email: mail@ird.gov.np

How do I apply online to get a PAN number?

The step-by-step guidelines to complete an online PAN application are as follows:

1. Firstly, browse to this link to open the taxpayer portal: <https://it.ird.gov.np/taxpayer/app.html>
2. On the left-hand side of the webpage, expand the menu entry named "Registration for (PAN, VAT, EXCISE)" by clicking the '+' sign.
3. Click on "Application for Registration". The following screen will be displayed:

आन्तरिक राजस्व विभाग
Inland Revenue Department
कनदाताको श्रेयमा मर्मर्षित

“जनतालाई सम्मान र सेवा:
सुशासनलाई टेवा”

Online E-Services

Integrated Tax System

- General
- Registration(PAN,VAT,EXCISE)
 - Application For Registration
 - Registration Log In
- VAT
- Estimated Return
- Income Tax
- Excise
- E-TDS
- Diplomatic Refund
- Health Tax
- Education Tax
- Electronic Billing
- Other Offices

Integrated Tax Menus >> Joint TaxPayer registration system >> Registration >> Application For Registration

Get Submission Number

Login Information

Username:

Password:

Re-Password:

Contact No:

Email-Id:

Registration For

Personal PAN Income Tax VAT Excise With holder PAN

Verifying Offices

IRO/LTO TSO

IRO Name:

To fill out the form and complete your registration, you will need to follow the Department of Inland Revenue's official guideline to the online form, which can be found here: https://ird.gov.np/Content/ContentAttachment/5200/ITS_R002-registration_for_PAN_FOR_business_Final-V35182017_12819_PM.pdf

How do I apply for PAN without filing the online form?

You can also apply for PAN without filing the online form. The step-by-step instructions to complete this process are outlined below:

1. First, you should identify the nearest Inland Revenue Office (IRO) or Taxpayer Service Office (TSO) as instructed above.
2. Once you have arrived at the relevant tax office, you will have to fill a PAN registration form. A sample of this form can be found here: [https://ird.gov.np/Content/ContentAttachment/1020/CompanyRegistration\(English\)1172014102329AM.pdf](https://ird.gov.np/Content/ContentAttachment/1020/CompanyRegistration(English)1172014102329AM.pdf)
3. You will have to ask for a blank form from the relevant officer in the IRO or TSO. Full guidelines on how to complete this form can be found on the last page of the form. You can also seek the help of a tax officer at the IRO or TSO where you acquired the form.

4. Attach a Nepali rupees (NRs.) 5 Stamp on the form as payment of the registration fee.
5. You will also need the following to complete the registration:
 - a. Copy of the Citizenship Certificate of the Managing Director or the CEO of your company.
 - b. Copy of the Company Registration Certificate (if you have registered your business as a private limited company).
 - c. Two identical passport-size photos of the person who signs the application form. This person is generally the CEO or the Managing Director of your company. If your firm is a partnership firm, two identical size photos of each partner are required.
 - d. Sketched or scanned map of the location of your main/head office.

Is it necessary to apply for a Value Added Tax (VAT) Certificate, too?

The Value Added Tax Act (2052 B.S.) requires a business to compulsorily register for a VAT Certificate if the annual volume of sales is over NRs. 2,000,000. However, even if the annual turnover of your business is not above that limit, you can voluntarily apply to register to receive a VAT Certificate for your firm. Be aware that registering for a VAT certificate involves a slightly increased responsibility to report your transactions. For example, instead of an annual report of your transactions, you may be obliged to submit monthly reports via the taxpayer online portal.

How do I apply for a VAT certificate?

You will need to have a PAN before being able to apply for a VAT certificate. Alternatively, you can register for both PAN and VAT Certificates at the same time as well.

To apply for a VAT certificate via the online portal, please refer to this guideline published by the Inland Revenue Department of the Government of Nepal:

https://ird.gov.np/Content/ContentAttachment/5200/ITS_R006-registrationforVATFORbusinessandproprietaryBusiness-Final-v3518201713554PM.pdf

To apply for a VAT certificate at your nearest IRO or TSO, please contact a tax officer in the concerned office and acquire a blank form that will look like this:

<https://ird.gov.np/Content/ContentAttachment/1019/VatRegistration1172014101641AM.pdf>

You will need to attach a NRs. 5 Stamp on the form as payment for the registration form before completing and submitting it.

What are the documents that I need to have in order to get registered for PAN and VAT?

You need to submit the following documents at your nearest Inland Revenue Office (IRO) or Taxpayer Service Office (TSO):

- If you have already have registered for PAN, you need to fill and submit VAT registration form only.
- If you have not registered for PAN, you can complete PAN registration and VAT registration together with the following documents:
 - a) Application form to register for PAN and VAT (you can tick mark PAN and VAT on the first page of the form)
 - b) 3 Passport size photos of each owner, partner or board of directors
 - c) Firm Registration Certificate
 - d) In case of industry, certificate of registration in Department of Industries or Cottage and Small Scale Industry
 - e) For Company, registration in Company Registration Office
 - f) For production of products that require payment of excise duty, excise duty registration
 - g) Citizenship certificate of all partners or Board of Directors.
 - h) A map sketch indicating your location of business
 - i) Memorandum of Association and Articles of Association for company, Partnership Agreement for Partnership firm
 - j) Business Scheme for Industry, which includes the total fixed assets investment, working capital, description of machinery involved in production, expected sales and profit, number and types of labor in the industry.
 - k) Letter on the letterhead of your firm requesting registration of your firm in PAN and/or VAT and introducing your business and the owners, partners, or board of directors.
 - l) Decision of the Board of Directors or Partners to register in PAN and VAT.

CHAPTER 5: GETTING AN EXPORT-IMPORT (EXIM) NUMBER FOR YOUR FIRM

What is an EXIM Number?

An EXIM number is a unique 13-digit identification number issued to each unique exporter or importer by the Department of Customs (under the Ministry of Finance) in Nepal. The process to procure an EXIM number requires the exporting or importing firm's PAN number along with other information deemed relevant by the Department. The code is followed by the letters "NP" to signify that the firm is Nepali in origin. The number is issued as per the EXIM Code Procedure (2073 B.S.) available here: http://www.customs.gov.np/upload/documents/1stAmmend%20Exim%20Code_2017-06-21-11-13-21.pdf

Why should I get an EXIM Number?

The EXIM Code Procedure has made it compulsory for all exporters and importers in Nepal to get an EXIM number by following the stipulated procedures. Export or import of goods and services without first getting an EXIM Number is illegal.

How long will it take for me to get an EXIM Number?

Once you provide all the relevant documentation, the law requires that an EXIM number is issued within 7 working days of the date of application.

Where do I need to go to apply for an EXIM Number?

The application to get an EXIM number can be completed online via the Department of Customs website - <http://www.customs.gov.np/en/index.html>. However, original copies of documents should also be submitted to the nearest Customs Office or to the Department of Customs itself.

What will I need to get an EXIM Number?

The following conditions have to be met for your exporting firm to be eligible to apply for an EXIM Number:

- 1) The applying firm should have regularly paid all the dues and taxes to the Government of Nepal.
- 2) The applying firm should not have had its business suspended by the Department of Inland Revenue or any of its relevant offices.

Eligible firms can sign-up in the Department of Customs Online System through the following link: <http://www.customs.gov.np/en/index.html> and clicking in the menu entry labelled "EXIM" on the left-hand side of the webpage.

The screenshot shows the website of the Government of Nepal, Ministry of Finance, Department of Customs. The header includes the logo, name, and language options (English | नेपाली). A search bar is present. The main content area features a 'Flash News' section with a navigation menu on the left. The central article is titled '"A Secure Business Environment for Economic Development"' and discusses the role of the Nepalese Customs Administration. On the right, there are portraits of Jagadish Regmi (Director General) and Shiva Bhandari (Information Officer), along with buttons for 'Declaration', 'Members', and a 'PHOTO GALLERY' section.

In the subsequent page, click on "Login/Register," fill in the relevant information, and click on "Register."

The screenshot shows a navigation bar with five numbered buttons: 1. Login / Register (blue), 2. CCM Portal (red), 3. Consulate Portal (green), 4. Bank Portal (orange), and 5. Dept. of Commerce Portal (light blue). The header above the buttons includes the logo, name, and language options, along with a search bar.

An application form will be made available by the Department of Customs Online System once an account has been registered. The following documents are then to be signed, scanned, and uploaded to the system:

- 1) Signed Application Form provided by the Online System.
- 2) Firm, Company, or Industry Registration Certificate, with adequate renewals where necessary.
- 3) PAN Certificate
- 4) If excise duty is applicable to the goods being traded, relevant licenses should be uploaded.
- 5) If any special license or permission is required for the trade of such goods, the relevant licenses or permission certificates should be uploaded.
- 6) Bank Recommendation Letter (as per Annex II of the EXIM Code Procedure) from the Bank in which the applicant has an account. You need to pay a Bank Guarantee amount of NRs. 300,000 for this purpose. Please consult an A class commercial bank for this purpose.
- 7) A photograph of the firm owner, partner, or board of directors taken within the last 6 months.
- 8) A traced or scanned map indicating the current place of business of the firm.
- 9) Memorandum of Association, Articles of Association, Partnership Agreement, as the case may be.





Once the scanned copies of these documents have been submitted online, the original copies of those documents should be submitted within one week to the Department of Customs or to the nearest Customs Office.

See next page for an example of an EXIM code certificate.

For more information on EXIM numbers and the procedure, please contact the Department of Customs at:

Department of Customs
Tripureshwor, Kathmandu
Tel: +977 (0)1-425-9861
Fax: +977 (0)1-425-9808
E-mail: csd@customs.gov.np

What does an EXIM Code Certificate look like?

	Government of Nepal Ministry of Finance Department of Customs EXIM Code Certificate	
EXIM Code: 3038799780113NP		
Business Reg. No. and Place : 66031/066/067 Kathmandu		
PAN: 303879978		
Person with above-mentioned details has been granted this EXIM Code Certificate on B.S. 2070 year 04 month 05 day		
Address	: Kathmandu, Kathmandu Metropolitan-10, New Baneshwor	
Trade Name	: Nepal Artistic Exporters Pvt. Ltd.	
Phone No.	: 014742042	
Website	: nepalartisticexporters.com.np	
Proprietor's Name	: Ram Shrestha	
Address	: Kathmandu, Kathmandu Metropolitan-10, New Baneshwor	
Phone No.	: 9851042042	
Email	: ram_shrestha@host.com.np	
		
Note: This certificate can be electronically received and renewed. For renewal of the certificate, one should apply through this process before the beginning of every fiscal year.		
Verified By: RAMESH KHATIWADA		
Date: Thu Jul 2011 05:53 NPT 2017		

CHAPTER 6: IDENTIFYING YOUR PRODUCT

What does “identifying my product” mean?

To export your product, you need to identify and declare what exactly the product is. This kind of identification is done with the help of an international system called the Harmonized Tariff System (HTS or HS). You will need to identify the HS Code of all the products you want to export

What is the Harmonized Tariff System?

The Harmonized System (HS) of tariff nomenclature is an internationally accepted system of descriptions and numbers used to classify traded products. It was developed in 1988 and continues to be maintained by the World Customs Organization, which is an independent intergovernmental body. Currently, 180 countries or territories use the HS for purposes of declaring tariffs, collecting international trade statistics and internal taxes, and monitoring controlled goods.

What is the HS Code?

The HS is organized into 21 sections. Within each section are chapters, and those chapters are further divided into around 5,000 headings and subheadings. The sections and chapters are large categories of goods which then get more specific within each heading and subheading. It is important to note that the Section numbers are not a direct part of the HS code. Rather, each Section has unique Chapters contained within it. For example, Section I contains Chapters 1 through 5 while Section II contains Chapters 6 through 15.

For example:

- Section II is, “Vegetable Products.”
- Within section II, Chapter 10 contains “Cereals.”
- Within Chapter 10, Heading 06 contains, “Rice.”
- Within Heading 06, Subheading 30 specifies, “Semi-milled or wholly milled rice, whether or not polished or glazed.”

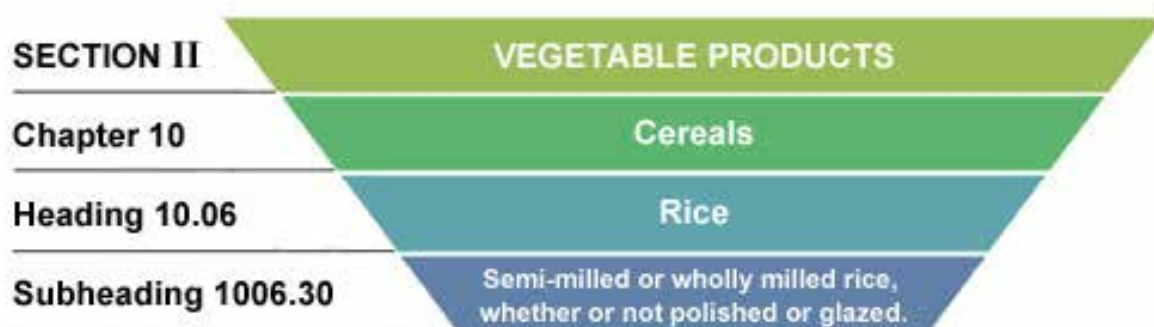


Image via Wikipedia.org

In the case of "semi-milled or wholly milled rice...", the six-digit HS code is 1006.30. While the six-digit HS code is a standard that is commonly agreed to by all states, eight-digit and ten-digit codes are also in common usage among some countries. For HS codes used by the U.S. Government, please refer to the webpage at <https://hts.usitc.gov/>

Why is it important to know the correct HS code for my product?

Knowing the correct HS code is important to make sure your export goes smoothly and to avoid delays and other negative consequences, such as the seizure of your goods. It is also important to know the exact HS code to ensure that the available trade concessions are granted to your exported goods.

How do I find the HS code for my product?

You can search for your product in the HS code search system available here:

<https://www.nepaltradeportal.gov.np/?r=tradeInfo/index>

OR here: <https://hts.usitc.gov/>

In the search box, enter the description of your product and determine the exact HS code. If the search results are not sufficient, you can browse the categories provided beneath the search box.

For further help in identifying the products, contact the Nepal Trade Information Portal at:

Head office:
Trade and Export Promotion Centre,
Na Tole, Pulchowk, Lalitpur,
P.O. Box 825, Kathmandu.
Telephone: +977 (0)1-552-5898
Alternative Number: +977 (0)1-553-2642
Fax: +977 (0)1-552-5464
Email: info@tepc.gov.np

CHAPTER 7: GETTING IN TOUCH WITH IMPORTERS IN THE USA

How can I become more familiar with the U.S. market?

Business firms have to apply their own resourcefulness in exploring the market and identifying buyers. The Trade and Export Promotion Centre (TEPC) of the Government of Nepal can provide prospective exporters with export data. Becoming familiar with trade data and statistics may aid you in exploring the market in the United States. Market data can help you identify products that are in high demand or to gain an understanding of the level of competition in a particular market sector.

How can TEPC help prospective exporters?

TEPC can provide information on how to get in touch with U.S. importers via trade directories or via trade fairs. The list of all trade fairs in which Nepal is formally participating can be found here:

<http://www.tepc.gov.np/pages/trade-fair>

Contact Information:

Trade and Export Promotion Centre,

Pulchowk, Lalitpur

P.O. Box 825, Kathmandu

Tel: +977 (0)1-552-5898

Alternative Number: +977 (0)1-553-2642

Where else can I get information about trade fairs, export data and statistics?

You can get information about trade fairs, export data, and statistics from any Chamber of Commerce and Industries in Nepal and associations specific to your products (such as the Federation of Handicraft Association of Nepal, Nepal Carpet Exporters Association, Garment Association of Nepal, Nepal Pashmina Industries Association, etc.).

We also encourage you to browse through trade directories, subscribe to periodicals published in your market sector, and to conduct personal research online to explore the possibilities. Finally, participation in networking or marketing events as much as feasible to make connections and expand your business network.

CHAPTER 8: TRADE CONCESSIONS FOR PRODUCTS EXPORTED FROM NEPAL TO THE USA

What is a trade concession?

Generally, goods imported into a country are subject to customs duty by the importing country. This duty amount is usually computed on the price of the imported goods. However, some duty rates may be reduced or completely eliminated for certain products that are imported from specific countries. These are known as trade concessions.

Why are trade concessions important to me?

Trade concessions allow for exportation of goods (to the United States) without the additional cost of U.S. customs duty. This makes your product's price competitive with respect to similar goods that are imported into the United States without the benefits of trade concessions.

Are all goods eligible for Duty-Free entry into the USA from Nepal?

No, not all goods are eligible. However, many goods can be exported to the U.S. duty-free. The Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), which went into effect on December 31, 2016, made a special Nepal Preference for certain travel goods, gloves, headwear, and textile products. Additionally, under the Generalized System of Preferences (GSP) Least-Developed Beneficiary Developing Country (LDBDC), additional items from Nepal may enter the U.S. duty-free.

In order to benefit from duty-free provisions under the GSP, manufactured goods must have a minimum of 35% value added in Nepal. Under the Nepal Preference, up to 15% of the value used to reach that 35% threshold can be of U.S. origin.

Also, General Note 4 of the Harmonized Tariff Schedule of the United States was modified to include the Nepal trade preference program (under newly-added subdivision (e)). A special program indicator must be included on the entry declaration document used by Customs and Border Protection to import goods into the United States. The Nepal Preference program indicator is "NP". This indicator will also be found in the "Special" sub-column of the Harmonized Tariff Schedule of the United States for the specific tariff numbers designated to receive duty-free treatment.

Articles imported into the United States under the Nepal Preference Program are eligible if the meeting the following requirements:

- The article is grown, produced or manufactured in Nepal; and
- For textiles and apparel goods, Nepal is also the "country of origin" as determined by the textile/apparel rules noted in 19 CFR 102.21, which is the code for the applicable Regulations of the USA (available at <https://www.law.cornell.edu/cfr/text/19/102.21>)
- The article must be imported into the customs territory of the United States, directly from Nepal, and
- At least 35% of the appraised value (when the articles are imported into the customs territory of the United States) must be added in Nepal or the United States. This includes

the costs of the materials and the direct cost of processing operations. Of the 35%, no more than 15% of the cost of processing and the value of materials may be from the United States.

Which items have been given trade concessions for export from Nepal to the USA?

Products from Nepal can receive duty-free access through either the Generalized System Preferences (GSP) or the Nepal Trade Preference Program if they meet the following requirements:

- The items must be imported into the United States directly from Nepal, without being bought or sold in a third country;
- The items must be grown, produced, or manufactured in Nepal, with the cost of the Nepali materials plus the cost of processing equal to at least 35% of the product's sales price;
- The product must be eligible for duty-free treatment either through the Nepal Trade Preference Program or the Generalized System of Preferences. Please refer to the list provided below to identify if a certain good is eligible for duty-free entry to the USA;
- **MOST IMPORTANTLY:** The U.S. importer must claim either the Nepal Trade Preference Program or GSP duty-free treatment by placing an "A", "A+", or "NP", as appropriate, in front of the U.S. tariff line number that identifies the imported article on U.S. Customs and Border Protection (CBP) entry documentation. Producers and exporters should keep records that describe the production process and costs of production of each good exported under the GSP. U.S. CBP has the authority to ask an importer or producer to provide records to prove that the export is eligible for GSP duty-free treatment.

Specifically, under the Nepal Preference Program, seventy-seven (77) tariff lines from Sections VIII to XII became eligible for duty-free benefits beginning on December 30, 2016, through December 31, 2025. The complete list of those products and their HS codes are tabulated below:

42: ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILK-WORM GUT)	
42021100	Trunks, suitcases, vanity & all other cases, occupational luggage & like containers, surface of leather, composition or patent leather
42021220	Compact Disks
	Trunks, suitcases, vanity and attaché cases, occupational luggage and similar containers, with outer surface of plastics
42021229	Attaché cases, briefcases and similar containers with outer surface of textile materials or of vegetable fibers and not of pile or tufted construction:
42021240	Trunks, suitcases, vanity & attaché cases, occupational luggage & like containers, surfaces of cotton, not of pile or tufted construction
	Federation of Handicraft Associations of Nepal
42021260	Trunks, suitcases, vanity & attaché cases, occupational luggage & like containers, w outer surface of veg. fibers, excl. cotton
	Harmonized Commodity Description and Coding System (or "Harmonized System")

42021281	Trunks, suitcases, vanity & attaché cases, occupational luggage and similar containers, with outer surface of textile materials
42021289	Attaché cases, briefcases, school satchels, occupational luggage cases and similar containers, containing 85 percent or more by weight of silk or silk waste, Of cotton or others
42022160	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, n/o \$20 ea.
	Least-Developed Beneficiary Developing Country
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, over \$20 ea.
	Permanent Account Number
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics
	Trade Facilitation and Trade Enforcement Act of 2015
42022240	Handbags with or without shoulder strap or without handle, with outer surface of textile materials, wholly or in part of braid,
42022245	Handbags with or without shoulder strap or without handle, with outer surface of cotton, not of pile or tufted construction or braid
42022260	Handbags with or without shoulder strap or w/o handle, outer surface of veg. fibers, exc. cotton, not of pile or tufted construction or braid
42022270	Handbags with or without shoulder strap or w/o handle, with outer surface containing 85% or more of silk, not braided
42022281	Handbags with or without shoulder strap or without handle, with outer surface of textile materials,
42022289	Handbags, whether or not with shoulder strap, including those without handle, of cotton or paper yarn
42022950	Handbags, whether or not with shoulder strap, including those without handle.
42022990	Handbags with or without shoulder straps or without handle, with outer surface of vulcanized fiber or of paperboard, not covered with paper
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather,
42023240	Articles of a kind normally carried in the pocket or handbag, with outer surface of cotton, not of pile or tufted construction
42023280	Articles of a kind normally carried in the pocket or handbag, with outer surface of vegetable fibers, not of pile or tufted construction,
42023291	Articles of a kind normally carried in the pocket or handbag, with outer surface of textile materials,
42023293	Articles of a kind normally carried in the pocket or in the handbag made of man-made fibers

42023299	Articles of a kind normally carried in the pocket or in the handbag made of materials not elsewhere specified
42029110	Cases, bags and containers with outer surface of leather, of composition leather or patent leather
42029190	Cases, bags and containers, With outer surface of leather or of composition leather
42029208	Insulated food or beverage bags with outer surface of textile materials,
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction
42029220	Travel, sports and similar bags with outer surface of vegetable fibers, excl. cotton, not of pile construction
42029231	Travel, sports and similar bags with outer surface of textile materials other than of vegetable fibers
42029233	Travel, sports and similar bags with outer surface of paper yarn or of cotton; containing 85 percent or more by weight of silk or silk waste
42029239	Travel, sports and similar bags with outer surface of other materials
42029245	Travel, sports and similar bags with outer surface of plastic sheeting
42029260	Bags, cases and similar containers, with outer surface of cotton
42029291	Bags, cases and similar containers with outer surface of plastic sheeting or of textile materials, excl. cotton
42029293	Bags, cases and similar containers, containing 85 percent or more by weight of silk or silk waste, other, jewelry boxes of a kind normally sold at retail with their contents
42029294	Cases designed to protect and transport compact disks (CDs), CD Rom disks, CD players, cassette players, and/or cassettes
42029297	Bags, cases and similar containers of other description not elsewhere specified
42029990	Cases, bags and similar containers, with outer surface of vulcanized fiber or of paperboard
42032950	Gloves, mittens and mitts of leather or composition leather, lined, for persons other than men
57: CARPETS AND OTHER TEXTILE FLOOR COVERINGS	
57011090	Carpets and other textile floor coverings, of wool or fine animal hair, not hand-hooked, not hand knotted during weaving
57023120	Carpets and other textile floor coverings of pile construction, woven, not tufted or flocked, not made up, of wool/fine animal hair,
57024920	Carpets & other textile floor coverings of pile construction, woven, not tufted or flocked, made up, of other textile materials
57025040	Carpets & other textile floor coverings, not of pile construction, woven, not made up, of wool or fine animal hair,

57025059	Carpets & other textile floor coverings, not of pile construction, woven, not made up, of other textile materials
57029130	Floor coverings, not of pile construction, woven not on power-driven loom, made up, of wool or fine animal hair,
57029140	Carpets & other textile floor coverings, not of pile construction, woven made up, of wool or fine animal hair,
57029290	Carpet & other textile floor coverings, not of pile construction, woven, made up, of man-made textile materials,
57029915	Carpets and other textile floor coverings, not of pile construction, woven, made up, of cotton,
57031020	Hand-hooked carpets and other textile floor coverings, tufted, whether or not made up, of wool or fine animal hair
57031080	Carpets and other textile floor coverings, tufted, whether or not made up, of wool or fine animal hair,
57039000	Carpets and other textile floor coverings, tufted, whether or not made up, of other textile materials
57050020	Carpets and other textile floor coverings, whether or not made up
61: APPAREL AND CLOTHING ACCESSORIES; KNITTED OR CROCHETED	
61171060	Shawls, scarves, mufflers, mantillas, veils and the like
61178085	Headbands, ponytail holders & similar articles, of textile materials other than containing 70% or more by weight of silk, knitted/crocheted
62: APPAREL AND CLOTHING ACCESSORIES; NOT KNITTED OR CROCHETED	
62141010	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, containing 70% or more silk or silk waste
62141020	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, containing less than 70% silk or silk waste
62142000	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, of wool or fine animal hair
62144000	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, of artificial fibers
62149000	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, of textile materials
62160080	Gloves, mittens and mitts, not knitted or crocheted, of wool or fine animal hair
62171085	Headbands, ponytail holders and similar articles, of textile materials containing <70% by weight of silk, not knit/crochet
63: TEXTILES, MADE UP ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	
63019000	Blankets and traveling rugs

63080000	Needlecraft sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered tablecloths or napkins, or similar textile articles, put up in packings for retail sale
65: HEADGEAR AND PARTS THEREOF	
65040090	Hats and headgear, plaited or assembled from strips of any material (other than veg. fibers/unspun fibrous veg. materials and/or paper yarn)
65050008	Hats and headgear made from hat forms and hat bodies of 6501, except of fur felt Note: 6501 means Hat forms, hat bodies and hoods of felt, neither blocked to shape nor with made brims; plateaux and manchons (including slit manchons), of felt
65050015	Hats and headgear, of cotton and/or flax, knitted
65050020	Headwear, of cotton, not knitted; certified hand-loomed and folklore hats & headgear, of cotton or flax, not knitted
65050025	Hats and headgear, of cotton or flax, not knitted, not certified hand-loomed folklore goods
65050030	Hats and headgear, of wool, knitted or crocheted or made up from knitted or crocheted fabric
65050040	Hats and headgear, of wool, made up from felt or of textile material, not knitted or crocheted or made up from knitted or crocheted fabric
65050050	Hats and headgear, of man-made fibers, knitted or crocheted or made up from knitted or crocheted fabric, wholly or in part of braid
65050060	Hats and headgear, of man-made fibers, knitted or crocheted or made up from knitted or crocheted fabrics, not in part of braid
65050080	Hats and headgear, of man-made fibers, made up from felt or of textile material, not knitted or crocheted, not in part of braid
65050090	Hats and headgear, of textile materials (other than of cotton, flax, wool or man-made fibers),
65069930	Headgear, of furskin, whether or not lined or trimmed
65069960	Headgear (other than safety headgear), of materials other than rubber, plastics, or furskins, whether or not lined or trimmed

What are the procedures required to be followed in order to benefit from Tariff exemption at U.S. Customs? Is a Certificate of Origin or a GSP Form mandatory?

GSP Form

GSP (or Generalized System of Preferences) is a non-reciprocal concession under which the goods of developing countries enjoy low-duty or duty-free treatment while being imported to developed countries. Generally, in order to benefit from this system of preference, exporters of developing countries need to furnish a 'GSP form' for their goods.

Please note that the GSP form is not mandatory to be furnished by Nepalese exporters while exporting goods to the USA. Neither the rules of Nepal nor those of the USA require exporters to furnish the GSP Form at any point of the export process in order to benefit from duty-free treatment at U.S. Customs.

However, Nepalese exporters almost always fill the GSP Form while seeking to benefit from tariff exemption for their goods, regardless of the destination of export. The Trade and Export Promotion Center (TEPC) of Government of Nepal recommends the exporters to fill the GSP form. According to the TEPC, filling up of GSP Form has advantages, such as:

- (a) certainty of duty-free treatment of eligible goods,
- (b) makes the importers aware of the duty-free treatment of Nepalese products

What are the procedures involved if I wish to fill the GSP Form?

If you wish to fill the GSP form, please follow the following steps:

I. Documents required to obtain a "GSP Form A":

For carpet exporters:

You need to submit the Copies of Company/Firm Registration Certificates, Copies of VAT/PAN/Tax Registration Certificates and a proof of mode of payment at the Trade and Export Promotion Center (TEPC) Office. Further, you need to apply to the TEPC to receive a Recommendation of Issuing. After an inspection, the TEPC provides you with the Recommendation of Issuing.

Charge for Recommendation of Issuing are as follows:

Below 80 Knots per inch = NRs 3/square meter

Above 80 Knots per inch = NRs. 5/square meter.

GSP Form Fees: NRs 10.

For Exporters of Other Products:

You only need to submit the Copies of Company/Firm Registration Certificates, Copies of VAT/PAN/Tax Registration Certificates and Proof of Mode of Payment.

GSP Form Fees: NRs 15.

II. Fill the following application form to receive the GSP Form.

जि.एस.पि. सुविधा सिफारिस प्राप्त गर्ने निवेदन फाराम
(उद्योगको नाम, ठेगाना पूरा लेख्नु पर्ने)

श्री व्यापार तथा निकासी प्रवर्द्धन केन्द्र
पुल्चोक, ललितपुर ।

निर्यातकर्ता / उद्योग / कम्पनीका HIMALAY TSULTRIM CARPET IND
KATHMANDU/NEPAL

ठेगाना
टेलिफोन नं.: फ्याक्स नं.

मिति : 09/01/2018

२. * आधिकारिक प्रतिनिधिको नाम :- MATRIKA REGMI
फर्म/कार्गो/कम्पनीको नाम :- QUALITY FREIGHT SERVICE

३. निकासीको लागि तयार भएको गलैचा NEPALESE WOOLLEN HAND KNOTTED CARPETS 60 KNOTS

इन्व्वाइस नं. 15 इन्व्वाइस मिति : 9/1/2018 निकासी हुने सम्भावित मिति: 09/01/2018
जि.एस.पि. नं. 292970

नटको किसिम	परिमाण (वर्गमिटर)	मूल्य प्रति वर्गमिटर	मूल्य (यू.एस.डलर/यूरो)
(क)	60 KNOTS 33.55M2	@91.9979	USD3,086.53
(ख)			
(ग)			
(घ)			
(ङ)			

जम्मा 292970 इन्व्वाइस नं 15

संलग्न जि.एस.पि. नं इन्व्वाइस नं बमोजिम निर्यात हुने ऊनी गलैचा हस्तनिर्मित हो । उपलब्ध गराइएको उपरोक्त विवरण ठीक साँचो हो । झुठ्ठ ठहरे वा निरीक्षणको क्रममा उल्लेख गरिए भ अन्यथा पाइएमा यस्ता वस्तुमा जि.एस.पि. सिफारिस सेवा उपलब्ध नगराएमा मेरो/हाम्रो मञ्जुरी छ ।

आवेदकको नाम, आधिकारिक व्यक्ति
दस्तखत:
उद्योगको छाप:

कार्यालय प्रयोजनको लागि
सिफमेण्ट निरीक्षण प्रतिवेदन

III. Filling in the GSP Form

After completing the procedures above and receiving the GSP form, complete the form in the following manner. Kindly pay special attention to Cell Number 5 and Cell Number 8.

Cell Number 5: Here, you need to fill in the Harmonized System Code (See Chapters 6 and 8 for HS Code for your product under the Trade Preference Program).

Cell Number 8: For products that are wholly made in Nepal, enter the letter "P." For products that are sufficiently worked or processed in Nepal, enter the letter "Y" followed by the sum of

cost or value of domestic materials, the direct cost of processing as a percentage of the total price of the goods that you purchased for your processing in your factory, .e.g. 35%. Thus, if the total value-addition in Nepal is 35% of the ex-factory price, mention "Y" 35% in the cell.

1. Goods consigned from (Exporter's business name, address, country)			Reference No GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A Issued in (country) See notes overleaf		
2. Goods consigned to (Consignee's name, address, country)					
3. Means of transport and route (as far as known)			4. For official use		
5. Item number	6. Marks and numbers of packages	7. Number and kind of packages, description of goods	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature and stamp of certifying authority			12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in (country) and that they comply with the origin requirements specified for those goods in the Generalized System of Preferences for goods exported to (importing country) Place and date, signature of authorized signatory		

What information and documents should I provide to the importer in the United States help them claim the tariff exemption at U.S. customs?

It is advisable that you remain in contact with the importer in the United States, as the importer may require information or documents in order to fill out declaration form if asked by the U.S. customs authorities.

If the merchandise is not wholly the growth, product, or manufacture of Nepal, the importer may require you to provide certain information and/or documentary proof, such as invoices of your input materials imported from a third country and the description of your production process and the cost of production of the goods.

However, if the merchandise is wholly the growth, product, or manufacture of Nepal (e.g., grown, fished, mined, crafted, etc.), it is sufficient that the exporter declares in the commercial invoice that the products are "wholly the growth, product, or manufacture of Nepal."

Further, good recordkeeping is a must for all goods imported into the United States claiming trade concessions under either GSP or the Nepal Preference Program. U.S. Customs and Border Protection may request documentation to support that the goods imported meet the 35% Nepal value-added requirement. U.S. customs authorities may ask for such documentation at any time.

CHAPTER 9: PREPARING AN INVOICE

What is an Invoice? Why do I need to prepare one?

An Invoice is a document provided by a seller (in this case a Nepalese exporter) to a buyer (in this case, an importer in the United States). It contains the names and addresses of the buying and selling parties, description of the goods traded, quantities of goods traded, and price of the product.

Preparing an invoice is the first thing required for a business entity to start the export process. The invoice for every shipment is an important document that you need to furnish at the bank for payment procedures, for customs declaration, and for export clearance certificates (if required for your product).

What details are required on your invoice?


- Name and address of your business firm
- Name and address of the buyer (importer in the USA)
- Date, invoice number, Permanent Account Number (PAN), EXIM Number of your Business Firm, and logo of your Business Firm
- Description of your products, rates and price in U.S. Dollars, the total amount in U.S. Dollars
- Details of the bank account of your business firm (where you expect the payment to be made). The bank details must include your account number, account name, and your SWIFT code or your Telex code.
- The transaction can only be done through Bank that is Graded 'A' by Nepal Rastra Bank.

Do I need to put a disclaimer on the invoice about the origin of my product?

Yes, if your merchandise is wholly the growth, product, or manufacture of Nepal (e.g., grown, fished, mined, etc.), the exporter needs to declare in the invoice that the product is "wholly the growth, product, or manufacture of Nepal."

What does an invoice look like?

Please find the following sample of Invoice for your reference.

NEPAL ARTISTIC EXPORTERS Pvt. Ltd.		4721		
<u>INVOICE</u>				
Page 1 of 1				
Invoice No. 27		Date: 07/01/2018		
To: Himalayan Products Inc.....		Shipped From: KTM, Nepal		
.....Maine, U.S.A		Per:.....LAND/AIR		On account and risk of
M/s Himalayan Products Inc., 6420 Main Street, Maine City, Maine, U.S.A				
Under Export License No: 3049877620112NP				
MARKS NO	DESCRIPTION	QUANTITY	RATE	AMOUNT
9 BALES (1 TO 9)	NEPALESE WOOLEN, HAND KNOTTED CARPETS. C&F MAINE	SQ.MT.	USD/SQ MT	USD
	Order No. 414/2017 Order No. 424/2017	33.55	91.9979	3068.53
ADVANCE PAYMENT:				
GRAND TOTAL		33.5		3086.53
IN WORDS: USD THREE THOUSAND EIGHTY SIX AND FIFTY THREE CENTS ONLY				
The exporter of the products covered by this document declares that, except where otherwise clearly indicated, these products are wholly the growth, product, or manufacture of Nepal.				
Bank Name: NABIL BANK LTD. A/c Name: Nepal Artistic Exporters Pvt. Ltd. A/c No.: 00010270112 SWIFT/Telex No: NARBPKA/ 2385 NABIL NP		 Ram Shrestha For Nepal Artistic Exporters Pvt. Ltd.		

CHAPTER 10: MAKING PAYMENT ARRANGEMENTS WITH THE IMPORTER

Do I need to make payment arrangements with the importer?

Nepal's trade rules require that an exporting firm has to make payment arrangements with the foreign buyer. This is to make sure that Nepalese exporters do not incur unforeseen losses in foreign transactions. A proof-of-payment arrangement is required for customs declaration process, for obtaining an export permit on certain products, and for ordering services from freight-forwarding agencies.

How do I make payment arrangements with the importer?

Two methods of payment are recognized under Nepalese law for exports. They are:

- 1) Letter of Credit (L/C)
- 2) Advance Payment by the Importer to the Exporter in Nepal

What is a Letter of Credit?

A Letter of Credit is a letter from a bank that guarantees payment of the invoice sum to the seller once the bank receives confirmation that the goods mentioned in the invoice are delivered to the buyer. The steps involved are:

Step 1: The exporting party (seller in Nepal) requests the importing party (buyer in the USA) to apply for a Letter of Credit in a U.S. bank. The buyer, while applying for a Letter of Credit in the USA, may have to submit an official invoice. The exporter is required to send the invoice prepared for the shipment, the bank of choice in Nepal, account number and account name, and SWIFT key or Telex key (or both) to the importer. Contact your bank to obtain a SWIFT key and/or Telex key.

Step 2: The U.S. bank, from which the importing party has requested a Letter of Credit (L/C), sends a letter to the Nepalese bank which is detailed in the L/C application. The Nepalese bank then contacts you and provides you with the L/C.

Step 3: You use this L/C document in your further export procedures, which include obtaining an export license for certain products, customs declaration, and ordering freight-clearance services.

The precise procedures for making either of these arrangements will differ from bank to bank. Please contact your bank and the importer to learn more about these procedures. Also, expect to pay fees to the bank for making L/C or advance payment arrangements.

What is an advance payment?

Depending on the importer-exporter relations and trust, the advance payment method is also used as a mode of payment. In this case, the exporter pays the actual amount stipulated in the invoice before having received any delivery; hence the term 'advance payment'. The steps involved are the following:

Step 1: Depending on the understanding between exporting party and the importing party, the exporting party can wire-transfer the money through a U.S.- based bank to the account of exporting party in a Nepal-based bank. The exporting party will have to submit an official invoice. The exporter is required to send the invoice prepared for the shipment, the bank of choice in Nepal, account number, account name, and SWIFT key or Telex key (or both) to the

importer. Contact your bank to obtain a SWIFT key and/or Telex key.

Step 2: The exporter visits the Nepalese bank, which is detailed in the advance payment wire transfer, and requests an 'advance payment certificate.' You need to submit a copy of your firm's registration certificate and invoice to the bank.

Step 3: The Nepalese bank certifies that you have received the advance payment from the importer. The exporter then uses this certificate in his/her further export procedures, which include obtaining an export license for certain products, customs declaration, and ordering freight-clearance services.

A certificate of Advance Payment issued by a bank looks as follows:

क्र. २९११६/१७

श्री नेपाल सरकार
TIA ... अन्सार कार्यालय

VALID FOR 1 YEAR

ISSUED ON 04/01/2018
(Renewable for further 1 year only)

NABIL BANK

जोर्पाटी ... शाखा

दि: ०४/०१/२०१८

प्रमाणपत्रको निलम्बितार क्र. ३१-१९३

निर्यातको लागि अग्रिम भुक्तानी प्रमाणपत्र


मस्यार्थ,

तार्पी कार्पट निर्यात हुने जारी तपनिल बजेटिज अग्रिम भुक्तानी प्राप्त भएकोले यो प्रमाण-पत्र जारी गरिएको छ । सामान निर्यात गर्न अनुमति द्याउने तल उल्लिखित महलमा प्रमाणित गर्नेत गरिदिनु हुन अनुरोध गर्दछौ ।

- भुक्तानी प्राप्त गर्ने निर्यातकर्ताको नाम :
बैंक कार्यालयमा राखेको खाता नम्बर :
भुक्तानी प्राप्त विदेशी मुद्रा रकम :
रकम जतना भएको मिति : १०/१२/२०१७
- भुक्तानी पठाउने पक्षको नाम : *Talis Vertriebs GmbH,*
देश/जति : *Germany*
निर्यात गरिने सामानको नाम : *carpets*
परिमाण : *२२.१४ sq.m*
कुल्य : *\$ 4980 Four Thousand Nine Hundred Eighty only.*
हुवाको मुल्यक :
वीजा मुल्यक :
- भुक्तानी पठाउने बैंक विदेशी जम्माको नाम : *SCB*
देश/जति : *NY*
रकमको प्रयोजन : *Export*
देश-नी खातामा जतना भएको मिति :
- रकमागत अग्रको जात/वर्ग : (क) इन्फुट/ डि.ए. (ख) रजिस्ट्र (ग) स्वकीय विधि (घ) अन्तराष्ट्रिय कार्ड
- सामान प्राप्त गर्ने विदेशी पक्षको नाम : *Talis Vertriebs GmbH/Terrich Kibax GmbH/Mans*
देश/जति : *Segmuller Polstermöbel-Fabrik GmbH, Germany*

दस्तावेज

नाम :



(बैंक अधिकृतको दस्त-खत)

नाम : *Sabina Ghimire*

निर्यात गर्ने अग्रको अन्सार कार्यालयबाट प्राप्त विवरण उल्लिखित प्रमाणपत्र अनुमति देय बजेटिज अग्रिम भुक्तानीको द्वाारा प्रमाणित गरिएको छ ।

क्र.सं.	निर्यात गर्नेको मिति	रकम (विदेशी मुद्रा)	निर्यात गर्ने बैंकको विदेशी मुद्रा	अन्सार अधिकृतको दस्त-खत तथा कार्यालयको छाप
१	<i>२०१८/०१/२४</i>	<i>\$ 634.48</i>	<i>4345.52</i>	<i>(Signature) २४</i>
२				
३				
४				

CHAPTER 11: CLEARANCE CERTIFICATE FROM REGULATORY DEPARTMENTS

What is a clearance or permission certificate?

In order to export products such as statues, thangkhas, wood carvings, handicrafts, products that use silver as a component, and products that use animal parts as components, the exporter needs to acquire permission or clearance. Depending on the product, there are various regulatory departments that issue such clearances or permissions. The products that require such clearance or permission certificates, the responsible departments, and the procedures involved are outlined below.

Section 1: For Export of Statutes, Thangkhas and Wood Carvings

A clearance certificate is required from the Department of Archaeology for the export of statues, thangkhas, wood carvings, etc.. The Department issues a certification that the products are not of historical or archaeological value or otherwise unique artifacts.

What is the procedure involved in acquiring clearance certificate from Department of Archaeology?

Prospective exporters need to purchase and submit a prescribed form (example provided below). The form costs Nepali rupees (NRs.) 5. Furthermore, a Nepali stamp of NRs. 10 – the registration fee – should be affixed on the form prior to submission. The exporter can get the form in the Curio Check Section of the Department of Archaeology building located at Ram Shah Path, Kathmandu. The exporter can fill one single form for a particular shipment. A sample form is provided below.

पुरातत्व विभाग
क्युरियो जाँच पास शाखा
Department of Archaeology
 Curio Checking Section

निम्न लिखित क्युरियोका सामानहरू नेपाल बाहिर निम्न स्थानमा लानु पर्ने भएकोले जाँच पास गरी प्रमाण-पत्र पाउनका लागि दस्तुर बापत रु. ५।- को टिकट यसै साथ राखी रु. १०।- को टिकट टाँसी निवेदन गर्दछु ।
 I, along with an application fee of Rs. 5.00 and also having affixed a ticket of Rs. 10.00, hereby submit an application, to get a certificate after having checked the following curio objects for the purpose of exporting them to the following place(s) outside of Nepal.

तपसील / Particulars

सि.नं. S.No.	नाप (से.मी.) Measurement (cm)	तौल किलो ग्राम Weight (Kg)	बस्तुको विवरण Description of the Object	घन Quantity	निर्मित साल Year of Manufacture	मूल्य Price	सामान लाने देश वा स्थान Country or Place of Export of the Object	कैफियत Remarks
१.१.								
२.२.								
३.३.								
४.४.								
५.५.								
६.६.								
७.७.								
८.८.								
९.९.								
१०.१०.								

निवेदक / Applicant

सामानबन्दा वा संस्थाको नाम पर:- नाम / Name:-

सही / Signature:- ठेगाना / Address:-

मिति / Date:- मो.नं. / Mobile no:-

After obtaining and filling out the form, the exporter needs to submit all the goods that he/she intends to export for Curio Check at the same section (Curio Check Section, Department of Archaeology). After having inspected the goods, the Curio Checking Section of the Department of Archeology provides the exporter with a clearance certificate for export for the whole shipment. Usually, the entire process finishes within a working day. Please note that the Curio Check Section requires inspection of all product intended for shipment and not just samples.

नेपाल सरकार

पुरातत्व विभाग

क्यूरियो जाँच पास शाखा

Government of Nepal
Department of Archaeology
Curio Checking Section

संकेत संख्या
Symbol No. :- **13979**

रामशाहपथ
काठमाडौं, नेपाल ।
Ram Shah Path
Kathmandu, Nepal

मिति :-
Date:-

श्री ले

जाँच पास गर्न न्याएका तपसीलका वस्तुहरू जाँची हेर्दा, प्राचीन स्मारक संरक्षण ऐन २०१३ (संशोधनहरू सहित) अनुसार ऐतिहासिक एवं पुरातात्विक महत्त्वको वस्तु नभएको, अद्वितीय कलाकृति समेत नभई सो ऐनको दफा २ (ग) बमोजिम 'क्यूरियो' सामान देखिएकोले यो प्रमाण-पत्र दिइएको छ ।

This Certificate has been duly issued having examined and found that the following objects, brought by Mr./Mrs/Ms for checking, were curio goods pursuant to Section 2 (c) of the Ancient Monuments Protection Act, 2013 B.S. (1956) A.D.) (as amended) and were not the objects of historical and archaeological importance, nor the unique artefacts pursuant to the said Act.

सि.नं S.No.	नाप (से.मी.) Measurement (cm)	तौल (कि.ग्रा.) Weight (Kg)	वस्तुको विवरण Description of the Object	थान Quantity	सामान लाने देश वा स्थान Country or Place of Export of the Object	कैफियत Remarks
१.१						
२.२						
३.३						
४.४						
५.५						
६.६						
७.७						
८.८						
९.९						
१०.१०						

१. प्रमाण-पत्र तयार गर्नेको सही:-
1. Prepared by:-Sd/..

२. प्रमाण-पत्र बुझ्नेको सही:-
2. Received by:-Sd/..

३. यस प्रमाण-पत्रको म्याद एक वर्षको हुनेछ ।
3. This Certificate shall remain valid for the period of one year.

४. प्रमाणपत्रमा नाम सच्याउनु पर्ने भएमा १ (एक) हप्ता अगाडि निवेदन पेश गर्नु पर्नेछ

(क्यूरियो जाँच पास अधिकृत)
Curio Checking Officer

Apart from providing a clearance certificate for the entire shipment, the Curio Checking Section also attaches a distinct identification tag on each product to indicate that each product has been checked. This tag has to be attached to the individual product by the exporter and must remain attached to the product during the export process. A sample of the tag is provided below.



Section 2: Valuation Certificate for Handicraft and Silver Products

For handicrafts, silver products, and products using parts of domestic animals, a valuation certificate, as well as the invoice, is required from the Federation of Handicraft Associations of Nepal (FHAN). For products using parts of domestic animals, an additional "No Objection Letter" from FHAN is required.

KAILASH EXPORTS® 152599
P.O. BOX 3126 9210
KTM / NEPAL 902
INVOICE

TO: DOLMA LAMA
POTALA GATE, 1030 WILLAMETTE STREET
EUGENE, OR-97401
U.S.A.
TEL: 941 338 4611

INVOICE NO. KE 196/18
DATE: 03.01.2018
MODE OF SHPT: BY AIR
ORIGIN SHPT: NEPAL
EXIM CODE: 5000522730114NP

S. NO.	DESCRIPTION	CM	PCS.	RATE		AMOUNT	REMARKS
				EURO	EURO		
HANDICRAFT GOODS OF NEPAL.							
MADE IN NEPAL.							
01-PKT.	WOOL LAMA BELT		20	1.00		20.00	
	WOOD DHYANGRO SET		1	55.00		55.00	
	.. TORMA SET		3	10.00		30.00	
	.. MALLA		25	1.50		37.50	
	.. DAMARU		3	15.00		45.00	
	WHITEMETAL POT WITH STAND		2	15.00		30.00	
	.. LOCKET		7	2.00		14.00	
	BRASS SMALL FIGURE		5	4.00		20.00	
	CERAMIC BANGLE		50	0.41		20.50	
	INCENSE POWDER IN PACKET		90	0.30		27.00	
GRAND TOTAL: 206-PCS.						299.00	

IN WORDS: EURO. TWO HUNDRED NINETY NINE ONLY.


P.O. Box 3126, Kathmandu, Nepal. Tel: +1-9771-4268264, 4256090; Fax: 4256202; E-mail: kashan@gmail.com.np
IF YOU'RE NOT SATISFIED, PLEASE TELL US. IF YOU'RE SATISFIED, PLEASE TELL OTHERS. For: Kailash Exports.

What is the procedure involved in acquiring Valuation Certificate and No Objection Letter from Federation of Handicraft Associations of Nepal?


To obtain a valuation certificate or a no objection letter, you need to write an application on the letterhead of your business firm to FHAN, accompanied by the invoice and sample of the products. The exporter needs to take these to the FHAN office, which is located inside the premise of World Trade Organization Reference Center in Babarmahal, Kathmandu. After inspecting the products, the inspecting officer provides the exporter with the valuation certificate. Usually, the process finishes within one working day.

A sample invoice for handicrafts is provided on the left.

A sample valuation certificate is provided below:

 नेपाल हस्तकला महासंघ FEDERATION OF HANDICRAFT ASSOCIATIONS OF NEPAL		
उपमार्ग, थापाथली हाइट, जि.पि.ओ. बक्स नं. - ७८४, काठमाडौं, नेपाल फोन नं.: ४२४३०१५, ४२४४२३९, ४२४५४६७, फ्याक्स ९७७-९-४२२२९४० Email: han@wlink.com.np, Handicraft: Web: www.nepalhandicraft.org.np Virtual Market: http://nepalhandicraftmarket.com		
Ref :	Date :	
The Custom Officer Custom Office	09/01/2018	
152749	25/09/2074	
It is hereby certified that the FOB value of handicraft goods mentioned in TIA KATHMANDU NEPAL Kathmandu Nepal invoice of M/S		
Inv. No.	dated	amounting
(In words:)		
is correct to the best of our knowledge and shall remain valid for five days.		
GET PAPER INDUSTRIES P.LTD.		
58/khadi/UK	04/01/2018 20/09/2074	GBP 3559.00
GBP Three Thousand Five Hundred Fifty Nine ONLY		

A sample "No Objection Letter" for domestic animal products is provided below:



नेपाल हस्तकला महासंघ

FEDERATION OF HANDICRAFT ASSOCIATIONS OF NEPAL

Date:

TO WHOM IT MAY CONCERN
Letter of No Objection

It is hereby certified that following goods/items belong to/or are made from the domestic animals. Since the trade and transit of domestic species are not controlled we have no objection for the exportation of following goods/items from Nepal

Common Name (Scientific Name)	Particulars	Number/ Quantity	Country of origin	Remarks
Domestic Animals Buffalo Bone, Horn, Leather			Nepal	

Name of exporting Party

Address :

Invoice No. and Date:.....

Signature and Stamp of
the Management Authority

G.P.O. Box No.: 784, Upama Marga, Thapathali Height, Kathmandu, Nepal
Tel: 4243015, 4244231, 4245467, Fax : 977-1-4222940, E-mail: han@wlink.com.np
Handicraft Virtual Market: [http:// www.nepalhandicraftmarket.com](http://www.nepalhandicraftmarket.com)

www.nepalhandicraft.org.np

Section 3: License and CITES Certificates for Products Using Wild Fauna and Flora

What is a CITES Certificate and why is it important?

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) – an international agreement – aims to ensure that international trade in specimens of wild animals and plants does not threaten their survival. For the export of wildlife and plant products protected under the CITES convention, a CITES certificate should be sought. Possessing and trading protected wildlife and plant products and trading them without the required CITES certificate is punishable according to Nepalese law.

What are the Nepalese laws that are applicable in trading with wildlife products?

Wild fauna and flora species are protected in Nepal by National Parks and Wildlife Conservation Act, 2029 B.S. (1973 A.D.) and International Trade in Endangered Wild Fauna and Flora Act 2074 B.S. (2017 A.D.). Animals and animal products listed pursuant to these laws cannot be purchased, sold, possessed, used, bred in captivity, transported, imported, or exported unless a license is obtained from the Management Authority (in the case of flora – from the Department of Forest; in the case of fauna – from the Department of National Parks and Wildlife Conservation). Please contact the respective management authorities to learn the procedure for obtaining such certification.

In order to export the wild animal and plant products that are legally obtained (by a licensed firm), a CITES Certification should be sought from the management authority (in the case of flora – from the Department of Forest; in the case of fauna – from the Department of National Parks and Wildlife Conservation).

For flora (plants):

Department of Forest

Babarmahal, Kathmandu

Phone: +977 (0)1-422-0303

Alternative Numbers: +977 (0)1-422-123, +977 (0)1-421-6379

Fax: + 977 (0)1-422-7374

Toll-Free Number: +977 16600120303

Email: info@dof.gov.np

For fauna (animals):

Department of National Park and Wildlife Conservation

Phone: +977 (0)1-422-7926,

Alternative Number" +977 (0)1-422-0850

Email: info@dnpwc.gov.np

Note: For products derived from domestic animals, a "Letter of No Objection" from FHAN is sufficient.

CHAPTER 12: MAKING A PACKING LIST

What is a Packing List?

The export packing list provides the exporter, the international freight-forwarder, and the importer with information about the packing details, the external markings (for example, texts, numbers, or combination thereof), and how the goods are packed.

A packing list is also used as a supporting document in the event of a dispute between the carrier and the exporter regarding the measurement and weight of the cargo. Also, the border and customs authorities in the importing country may use the packing list to assess security and compliance of the shipment with regulations. In the event of cargo damage or loss, the packing list is a required document to file a claim with the carrier or insurance company.

What details should I put on the Packing List?

- Name, address, business and tax registration number of the exporter
- Name and address of the importer
- Invoice number and date
- Country of origin of goods and final destination
- Box number and other external markings (for example, texts, numbers, or combination thereof) on the box, the goods packed inside that box and their relevant details (quantity, weight, pieces)

What does a Packing List look like?

A Sample of Packing List is given below:

NEPAL ARTISTIC TRADERS Pvt. Ltd.		Reg. No. 2074/064
Kathmandu, Nepal		Ward No. 10, New Baneshwor
		Tel: 01-4742042
		TPIN: 300142978
		Invoice No. BKCG 17/2017
TO: Himalayan Products Inc., 6420 Main Street, Maine City, Maine, U.S.A		Date: 17 Dec., 2017
<u>PACKING LIST</u>		
Box No.	Description of Goods	Qty/Pcs/Kg
1	Metal Dorze	9
	Metal Brocade ghau box	16
	Silk Amulets	250
	Silk/Cotton Jewelry Bag	700
	CD	25
	Paper Poster	46
	Paper Small Bag	200
	Cotton Bag	4
	Silk Khanda	10
	Silk Tinchu cover	10

	Silk Tinchu cover	10
	Silk book cover	1
	Silk Ringa dress	2
	Book	6
	Paper note book	1
	Silk/Cotton Small Cushion	120
	Paper Lampshade	1
	Paper Box	1
2	Silk/Cotton Jewelry Bag	400
	Paper Lampshade	100
	Woden Singing Bowl and Stick	75
	Wooden Drum Stick	25
	Paper Note Book	5
	Paper Small Bag	200
	Wooden Book Cover with Book	43
	Resin Figure	10
	Metal Singing Bowl	25
5 to 7	Tea Leaf grade(in Kg)@9/Kg	27
8 to 9	Tea Leaf grade(in Kg)@9/Kg	36
10 to 13	Tea Leaf grade(in Kg)@9/Kg	24
14	Felt Cushion Cover	13
15	Felt Bottle Cover	20
	Total	2405



CHAPTER 13: WORKING WITH A FREIGHT-FORWARDING AGENCY

What is a freight-forwarding agency?

A freight-forwarding agency is a business firm that facilitates exports by providing services of customs compliance, transportation, and delivery of goods and cargo insurance and claims to exporters.

What services do freight-forwarding agencies provide in Nepal?

Nepalese freight-forwarding agencies provide services for all processes involved in export, meaning that they provide services relating to all processes that are elaborated in the preceding chapters. The charges for each service may vary based on the procedures involved, nature, and amount of goods.

Exporters may choose to undergo the export procedures by themselves or procure services of a freight-forwarding agency based on economy and convenience.

Nepalese exporters can procure the following services from any freight-forwarding agency in Nepal.

- Preparing required documents for export according to Nepalese law and the law of destination country
- Letter of Credit
- Certificates of Origin or GSP form, where applicable
- Advising and arranging, packaging, and labelling according to requirements of the destination country
- Declaring customs, clearing customs
- Cargo insurance services
- Air and sea transport of your products to the destination
- Transport documentations like Bill of Lading, Airway Bill, Seaway Bills, , Shipping Notes and Transport Manifest.

What documents do I need to provide to the freight-forwarding agency?

A freight-forwarding agency works on your behalf to file customs declaration; you must provide the authority for such agencies to work on your behalf. For this, you need to fill out a form for 'Appointing a Customs Agent'. A sample of the form is provided below.

अनुसूची-७
(नियम ३८ को उपनियम (४) सँग सम्बन्धित)
भन्सार एजेन्टको नियुक्तिपत्रको ढाँचा
खण्ड (क)
(निकासीकर्ता/पैठारीकर्ताले भर्ने)

नियुक्तिकर्ताको फोटो
(फोटोमा समेत पर्ने बत्ती बत्ती मनुपर्ने)

भन्सार एजेन्टको फोटो
(फोटोमा समेत पर्ने बत्ती बत्ती मनुपर्ने)

निकासीकर्ता/पैठारीकर्ताको नाम:
ठेगाना:
पान नं.
मू. अ. कर दर्ता भएको वा नभएको भएको भए दर्ता मिति:
श्री भन्सार कार्यालय

विषय: भन्सार एजेन्ट नियुक्त गरेको ।

त्यस भन्सार कार्यालयको बाटो गरी निकासी वा पैठारी हुने मालवस्तुको भन्सार जाँचपास गराउने लगायत भन्सारसँग सम्बन्धित सम्पूर्ण कार्यहरू गर्ने गराउने प्रयोजनका लागि भन्सार एजेन्टको इजाजतपत्र देहायबमोजिमको भन्सार एजेन्टलाई देहायको अवधिका लागि/देहायको मालवस्तु जाँचपास गराउन मेरो/हाम्रो एजेन्टको रूपमा भन्सार नियमावली, २०६४ को नियम ३८ को उपनियम (४) बमोजिम नियुक्त गरेको ब्यहोरा अनुरोध छ । यस सम्बन्धमा भन्सार ऐन, २०६४ तथा भन्सार नियमावली, २०६४ मा भएका व्यवस्थाहरू पूर्ण रूपमा पालना गर्नेछु/छौ । हाम्रो व्यवसायसँग सम्बन्धित दर्ता प्रमाणपत्रहरू र भन्सार एजेन्टको इजाजतपत्रका प्रतिलिपिहरू यसैसाथ संलग्न छन् । आवश्यक परेमा सक्कल समेत पेश गर्नेछु/छौ ।

भन्सार एजेन्टको नाम:

भन्सार एजेन्ट इजाजतपत्र नम्बर: भन्सार एजेन्टको इजाजतपत्र जारी मिति:

ठेगाना:

भन्सार एजेन्टको रूपमा कार्य गर्ने अवधि: देखि सम्म

कुनै कन्साइन्मेन्ट मात्र जाँचपास गराउनका लागि : (प्रतीपत्र नं., मिति, वैकको नाम, बीजक नं र मिति खुलाउने)

.....

निकासीकर्ता/पैठारीकर्ताको दस्ताखत	मिति:
नाम धर:	ठेगाना:
कारोबारसँगको सम्बन्ध:	इमेल:
(सम्बन्ध पुष्टि हुने प्रमाण संलग्न गर्नु पर्नेछ)	
छाप	फ्याक्स:

(एकै मालवनीले एउटा भन्सार कार्यालयमा एक पटकभन्दा बढी भन्सार एजेन्ट नियुक्त गर्नुभन्दा अघि निकासीकर्ताको फोटो आवश्यक पर्ने छैन ।)

खण्ड (ख)
(भन्सार एजेन्टले भर्ने)

माथि खण्ड (क) मा उल्लेख भएबमोजिम निकासीकर्ता/पैठारीकर्ताको भन्सार एजेन्टको रूपमा भन्सार ऐन, २०६४ र भन्सार नियमावली, २०६४ का अधीनमा रही कार्य गर्न मञ्जुर गर्दछु । मेरो भन्सार एजेन्ट इजाजतपत्रको प्रतिलिपि संलग्न गरेको छु । आवश्यक परेमा सक्कल समेत प्रस्तुत गर्नेछु :-

भन्सार एजेन्टको नाम:	ठेगाना:
दस्ताखत:	फोन नं.:
भन्सार एजेन्ट इजाजतपत्र नं.:	भन्सार एजेन्टको इजाजतपत्र जारी मिति:
इमेल:	फ्याक्स नं.:
छाप	मिति:

In addition to the 'Appointing a Customs Agent' form, the exporter is required to submit a copy of his/her business registration certificate, tax registration certificate, EXIM code certificate, and all documents relating to the export procedures already completed by the exporter themselves before coming to the freight-forwarding agency.

How to get in touch with a freight-forwarding agency?

To get in touch with a freight forwarding agency, please contact Nepal Freight Forwarders Association (NEFFA) or search online. There are also a couple of internet-based directories that list a number of Freight-Forwarding Agencies in Nepal.

Some readily available internet-based directories that list Freight-Forwarding Agencies in Nepal are:

Freight Net:

<http://www.freightnet.com/directory/p1/cNP/s30.htm>

AZ Freight Directory:

https://www.azfreight.com/search_results_directory.htm?comp_name=Company+Name&facility=5&type_iata=0&products=0&geographic_location=1&country=Nepal&location=-1&state=-1&criteria=Keywords&which_order=country&x=91&y=11

Contact Details:

Narayan Chaur, Naxal, Kathmandu, Nepal

Phone Number: +977 (0)1-441-9769

