

3. NEPAL – EXPORT PROCEDURES AND DOCUMENTATION

| Steps | Export Procedures | Document No | Documents Required | Contacts/ Supporting Offices & their number | Remarks |
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| FIRST | Receive a LETTER OF RECOMMENDATION FROM CHAMBER OF COMMERCE & INDUSTRY at your district For the registration of a proprietorship firm or a partnership firm | 1 | Citizenship Certificate photocopy | 1. Your Ward Office 2. District Administration Office (DAO) | Take a letter of recommendation from Ward Office and go to the DAO |
| 2 | | Passport sized photographs | 3. Any photo studio | | |
| 3 | | Application form for a letter of recommendation to register a 3.1 proprietorship firm 3.2 partnership firm | 4. Chamber of commerce/ industry | Recommendation chamber of commerce is required to get a firm/partnership registered with the Department of Commerce, or others. | |
| 4 | | Letter of Recommendation from chamber of commerce/ industry For the registration of a proprietorship or a partnership | 4. Chamber of commerce/ industry | | |
| 5 | | 5.1 Application form for membership of chamber of commerce 5.2 Letter of bond and 5.3 Specimen signature/s of owners/directors | 4. Chamber of commerce/ industry | | |

Copies of citizenship certificate and passport sized photos of main persons in all cases and a copy of partnership agreement for a partnership firm are required (Refer Document No. 10)

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| SECOND | Obtain BUSINESS REGISTRATION CERTIFICATE of a single proprietorship firm or a partnership firm | 1,2,3 6 | As indicated above Application form for registration along with a letter of bond, if necessary 6.1 For a proprietorship-trading 6.2 For a partnership-trading 6.3 For Cottage and small industries | 5. Department of Commerce or its offices 5. Cottage & Small Industries Department(CSID) or its office 5. Cottage and Small Industries Development Board (CSIDB) or its offices | <ul style="list-style-type: none"> • For a trading firm or a partnership firm • For firms or partnership which have fixed capital less than Rs. 30 million. Doc. No. 14 should be submitted in case of a company. • With fixed capital more than Rs. 30 mil. |
| | OR | 7 8 | Initial Environmental Examination (IEE) Report | 5. Department of Industries or its district offices | IEE – applicable for industries like brick, dairy, hotel, etc. |
| | Obtain registration certificate of a PRIVATE OR A PUBLIC LIMITED COMPANY | 9 10 1 & 2 11 12 | Office or land rent agreement or land and house title deed or house and land tax clearance certificate Business Scheme (Simple) Partnership Agreement in case of partnership As indicated above Memorandum of Association Articles of Association | 6. Prepare yourself or hire a consultant 6. Your office or a consultant 6. Prepare yourself or hire a consultant 5. Company Registrar's Office (CRO) or Office designated of the CRO | Photocopy your title deed from Malpot Office or certificate from local government Scheme may not be required for small and cottage industry Doc. 11 & 12 must be signed by a legal practitioner |

It is recommended to hire a legal consultant to prepare Memorandum of Association and Articles of Association
Offices of the Department of Commerce are located in Kathmandu, Biratnagar, Birgunj, Shidharthanagar, Nepalganj and Dhangadi

Kathmandu, Lalitpur, Bhaktapur, Kavre and Other 23 districts in the Southern Terai belt most sharing border with India have got offices of CSID.

CSIDB has offices in 48 mountain districts where CSID offices are not present.

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| THIRD | Obtain <u>PERMANENT ACCOUNT NUMBER (PAN) REGISTRATION CERTIFICATE</u> from the INLAND REVENUE OFFICE (IRO) | 1,2, 8 10 or 11&12 13 14 15 | As indicated earlier As indicated earlier As indicated earlier Application Form for PAN registration at IRO 13.1 Individual / proprietorship 13.2 for partnership/ company/ Institutions/ NGOs/ INGOs etc. Certificate of firm, partnership or company registration Letter of Recommendation from the office of registration to IRO | 7. Department of Inland Revenue or Inland Revenue Office (IRO) at your district 5. Concerned registration office as indicated earlier 5. Concerned registration office as indicated earlier | All export transactions are waived from VAT An introduction letter of business and persons involved in it should be attached to application form (Refer a format). A combined certificate of PAN and VAT is given indicating the registration dates of PAN and VAT |
| FOURTH | <u>MANAGE FINANCIAL SOURCES FOR BUSINESS</u> (for manufacturing or trading), establish credit limit with the bank in order to obtain pre- or post shipment finance if necessary, <u>OPEN & MAINTAIN A BANK ACCOUNT</u> of a firm or company | 1 & 2 10 or 11, 12, 14 16 17 18 | As indicated above As indicated above PAN registration certificate Application to Bank to open a current account A photocopy of decision of the Board of Directors of the Company to open Bank Account | 7. IRO at your district / zone 8. Commercial bank 6. Your Office | Application forms are available at your commercial bank Submit photocopy of title deeds and other documentary evidences on your bank's request to establish credit limit |

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| | and <u>ORGANIZE YOURSELF FOR EXPORTING</u> | | | | |
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| FIFTH | <p><u>ESTABLISH RELATIONSHIP WITH IMPORTERS</u> – GETTING READY FOR EXPORTING which involves:</p> <ul style="list-style-type: none"> • Identification of potential export products • Finding out from the Department of Commerce if selected products are export banned or restricted requiring export license • Selection of the most potential exportable products • Identification of the most potential and target markets for the selected product/s • Selection of the priority markets • Identification of the potential customers of selected products in the priority markets | | | <p>9. Trade Promotion Centre, chamber of commerce, Handicraft Association of Nepal, diplomatic mission at home, internet, chamber of commerce at target markets, etc.</p> <p>9. Trade Promotion Centre</p> <p>6. Your office should refer internet search, trade directories of the countries concerned</p> <p>6. Your office should prepare these documents with the help of consultants or experts</p> | <p>Consult previous export history and data and also assess your knowledge and capability about a particular product you have in your mind.</p> <p>Refer export data of Nepal and trade statistics of other exporting countries having similar economic status like Nepal and import trade statistics of major target markets</p> <p>Analysis of rate of import growth, volume of imports and unit price paid for imports is suggested for selection of priority market/s.</p> |

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| | specifications or, as agreed upon | | | | |
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| SIXTH | <u>PREPARE DOCUMENTS</u> – for an export transaction (a) <u>DOCUMENTS REQUIRED FOR ALL PRODUCTS</u> | 20 | Invoice | 6. Your firm, partnership or company | Export procedures are in general grouped direction – wise into three: Third country, India and Tibet (Autonomous region of PRC) and documents are required accordingly. Normally three modes of shipment are followed for exporting from Nepal: by air Via Tribhuban International Airport (TIA), by land or air or railway and sea via transit through India & by post parcel from Foreign Post Office |
| | | 21 | 21.1 Letter of Credit (L/C) or 21.2 Advance Payment Certificate (APC) | 8. Commercial bank where you normally receive L/C or Advance Payment | |
| | | 22.1 | Application for GSP Form A | 10. Carpet & Wool Dev. Board for Carpet and Pashmina | |
| | | 22.2 | Application to FNCCI to arrange COO for export of industrial products to India | 10. Trade Promotion Centre for other products | |
| | | 23 | GSP Certificate Form A | | |
| | | 24 | Certificate of Origin (COO) 24.1 For exports to India 24.2 For all exports to Overseas | 4. Local Chamber of Commerce and Industry (for No. 24.1 to 24.3) | |
| | | 25 | 24.3 For Textile Products to EC | 6. No. 24.4 Prepare yourself | |
| | | | 24.4 For Textile Products to Canada | 6. Your firm, partnership or company | |
| | | | Packing List | 6. Prepare photocopy | |

Documents nos: 23, 27, 28, 29 and 30 are not required for exports to India.

It is required for all transactions exceeding value US\$ 1,000. Nepal Rastra Bank also permits exports under Cash Against Document (CAD) up to US\$ 100,000 (One Hundred Thousand). This facility requires submission of a bank guarantee covering 10% of the export value.

GSP is applicable for exports to Australia, Republic of Belarus, Republic of Bulgaria, Canada, Czech Republic, European Community (EC) members, Republic of Hungary, Japan, New Zealand, Norway, Russian Federation, Republic of Poland,

Slovakia, Switzerland and USA. For export to some of the countries indication of commodity code in HS is required in GSP Form A. (Appendix II)

Attachments to application form are invoice, letter of recommendation from GAN or NCTEA, Customs Deceleration Form of previous export transaction, L/C or APC, Your Letter of Authority and Bonded Warehouse Renewal Certificate. For a first time applicant additional documents such as Registration Certificate, PAN Certificate and Bonded Warehouse Certificate are required.

Attachments to application form are invoice, certificate of origin and letter of recommendation from ECON.

There are separate formats of Certificate of Origin for India, Third Countries and export of textile products to EC member countries (Doc. Nos. 24. 1, 24.2 & 24.3)

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| <u>(b) DOCUMENTS REQUIRED DEPENDING ON THE TYPE OF PRODUCT</u> | 14 | Business Registration Certificate (Photocopy) | 6. Prepare photocopy yourself | |
| | 16 | Pan Registration Certificate (Photocopy) | | |
| | 26 | Letter of Authority to the Forwarding Agency, which should be addressed to the Customs Office | 6. Prepare this document in your letter head | |
| | 27 | Customs Deceleration Forms | 11. Customs Office, Nepal | |
| | 28 | Foreign Exchange Control Export Deceleration Form | 12. Nepal Rastra Bank | |
| | 29 | Customs Transit Declaration | | (For Export via India) Applicable only if buyer requests |
| | 30 | Form Insurance Policy | 11. Customs Office, Nepal | |
| | 31 | Invoice Certificate of Handicraft Association of Nepal (HAN) or invoice attested by a concerned association | 13. Insurance Company (like Rastriya Beema Sansthan) 9. HAN or other product associations provide separate certificate | Applicable to metal products, artistic jewelleryes, Pauvas, Thankas, paintings, wood-carvings, stone |
| 32 | Application form for Curio Pass Certificate | | | |
| 33 | | 14. Curio Pass Office of | | |

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| | | | Curio Pass Certificate (If applicable) | the Archeological Department 14. Curio Pass Office of the Archeological Dept. | crafts, etc. |
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| | | 34 | Application to get a letter of recommendation for visa of garments, other textile products garments, other textile products and cotton soft or terry towels to be exported to US, and for certain textile products to be exported to Canada. | 14. Garment Association of Nepal (GAN) Garments 14. Nepal Cotton Towel Exporters Association (NCTEA) for towels | For textile fabric products exports to US (Refer Appendix VI Indicative Prices (floor prices) |
| | | 35 | 35.1 Letter of Recommendation for Visa from GAN 35.2 Letter of Recommendation for Visa from NCTEA | 14. GAN 14. NETEA | (Refer Appendix VII) |
| | | 36 | | 11. Customs Office (Nepal) | In case where duty free imported raw materials are used in export item. |
| | | 37 | Bonded Warehouse Certificate | 15. Visa Cell of NPEDC | |
| | | 38 | Application for visa in case of exports of textile products to US EC members and Canada | | Fee of 0.2% on FOB value or Rs. 25/ whichever is higher is charged |
| | | 39 | Visa Certificate from Visa Cell | 15. Visa Cell of NPEDC | |
| | | 40 | Double or Multiple Country Declaration (DCD or MCD) Application for Letter of | 6. Prepare this document with the help of forwarders 14. Export Council of Nepal (ECON) or | For readymade garments or textile articles export to EC countries (For detailed procedures |

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| | | | Recommendation for Export License or for authentication of Certificate of Origin of textile products to be exported to EC countries | Garment Association of Nepal (GAN) | See Appendix VIII) |
| | | 41 | Letter of Recommendation of ECON to GAN or GAN to NCC or to CUSTOMS OFFICE | 14. Export Council of Nepal (ECON) or GAN | |
| | | 42 | Document that Indicate the sources of raw materials | 11. Customs Office/ Shops having official purchase Receipts (PAN + VAT) | |
| | | 43 | Application to attest the Certificate of Origin for Export of certain textile products to EC countries (Footnote in Page 6) | 15. Department of Commerce | |
| | | 44 | Export License for textile products to be exported to EC | 15. Department of Commerce | |
| | | 45 | Value Added Certificate for jewellery in format prescribed by Nepal Rastra Bank | 14. Handicraft Association of Nepal | Applicable for gold and silver jewelleryes (Refer Appendix IX) |
| | | 46 | Phytosanitary Certificate | 14. Department of Agriculture, Plant Quarantine Section | Applicable in case of agricultural and forestry products |
| | | 47 | Cites Certificate (For research, educational exhibition or the Zoo purposes only, but not for trade) | 14. Department of National Parks and Wild Lives Conservation | For export, import and re-export of wild fauna & flora/products under CITES 1 |
| | | 48 | | | |
| | | 49 | No Objection Letter | 14. Handicraft Association of Nepal | For domestic animal origin products, where CITES certificate is not required viz. Horn, |
| | | | | 14. Department Plant | |

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| | | 50 | Application for permission to export plant and herbal products Letter of Permission to Customs | Resources 14. Dept. of Plant Resources | hoof, bone, hides etc. For plants and herbs |
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| SEVENTH | <u>FREIGHT FORWARDING AGENT</u> Submit prepared documents along with cargoes to the customs office directly or through a forwarding agent and make payments of export charge (Rs. 500/ consignment) and other duties if applicable | | | 11. Customs Offices: Mechi, Biratnagar, Birgunj, Sidharthanagar, Nepalgunj, Dhangadi and Kathmandu Airport (TIA) for exports to third countries | Consignments and documents are examined. Each packet is sealed and weighted. Customs signs documents. Service of forwarding agent is recommended to reduce hassles. |
| EIGHT | <u>MAKE TRANSPORT ARRANGEMENT</u> receive certified Customs Declaration Form, COO, GSP Form 'A' and other documents and hand them over to shipping agency who will provide Airway Bill, Bill of Loading or Railway Receipt | 51 52 53 | 51.1 KA Master Airway Bill 51.1 KHA House Airway Bill 51.2 KA Master Bill of Lading 51.2 KHA MTD/ Bill of Lading Road Consignment Note Handing-over Certificate (FCR) | 16. Freight Forwarder or Forwarding Agency with the help of transporting agencies | |
| NINTH | <u>INTIMATE IMPORTER</u> about the cargo and forward the necessary documents | | | | If possible forward the requested documents with the consignment |
| TENTH | Submit relevant documents to the bank for NEGOTIATION OR <u>FINAL PAYMENT</u> (to get credited full payment to your bank | 20, 23, 24, 25, 27,29, 34,44 & 51 | As indicated earlier | | Submit documents upon request of bank or instruction of importer |

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| | account) | | | | |
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Apart from these 7 customs point there 17 more points through which exports to India is possible. Exports to Tibet (Autonomous region of the PRC) are permissible only through customs points located at Tatopani (Sindhupalchowk), rasuwa, Yari (Humla) and Oolangchukgola (Taplejung).