

NOTIFICATION NO 104/2010- Customs

Dated: October 1, 2010

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 94/2010 -Customs dated the 15th September, 2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 761 (E) dated the 15th September, 2010, except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods specified in column (2) of the Table below, when imported into India from Nepal, from the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), subject to the conditions, if any, specified in the Annexure to this notification, the condition number of which is mentioned in the corresponding entry in column (3) of the said Table:

TABLE

S.No	Description of goods	Condition No.
1.	(i) Agricultural, horticultural, floricultural and forest produce; (ii) Minerals which have not undergone any processing; (iii) Rice, pulses, flour, atta, bran and husk; (iv) Timber; (v) Jaggery (gur and shakkar); (vi) Livestock, poultry bird and fish; (vii) Bees, bees-wax and honey; (viii) Raw wool, goat hair, bristles and bones as are used in the manufacture of bone-meal; (ix) Milk, home-made products of milk and eggs; (x) Ghani-produced oil and oil-cakes; (xi) Herbs, Ayurvedic and herbal medicines including essential oils and its extracts; (xii) Articles produced by village artisans as are mainly used in villages; (xiii) Akra	1

	(xiv) Yak tail; (xv) Stone aggregate, boulder, sand and gravel;	
2.	All manufactured goods other than the following, namely: - (i). Alcoholic liquors or beverages and their concentrates except industrial spirits; (ii). Perfumes and cosmetics with non-Nepalese or non-Indian brand names; (iii). Cigarettes and tobacco; (iv). Vegetable fats (Vanaspati); (v). Acrylic yarn; (vi). Copper products falling under Chapter 74 and heading 85.44 of the First Schedule to the said Customs Tariff Act, and (vii). Zinc Oxide .	2.
3.	(i). Vegetable fats (Vanaspati); (ii). Acrylic yarn; (iii). Copper products falling under Chapter 74 and heading 85.44 of the First Schedule to the said Customs Tariff Act, and (iv). Zinc oxide.	2 and 3

ANNEXURE

Condition No	Condition
1.	If the goods are wholly produced in Nepal.
2	(A) (1) The goods are manufactured in Nepal wholly from Nepalese materials or Indian materials or Nepalese and Indian materials. The following products shall be considered as wholly produced or manufactured in Nepal for this purpose - (i) Raw materials or mineral products extracted from soil, water, riverbed or beneath the riverbed in Nepal. (ii) Products taken from the sea bed, ocean floor or sub-soil thereof beyond the limits of national jurisdiction of Nepal, provided it has the exclusive rights to exploit that seabed, ocean floor or sub soil thereof, in accordance with the provisions of the United Nation's Convention on the Law of the Sea
	(UNCLOS). (iii) Used articles collected in Nepal, fit only for the recovery of raw materials. (iv) Waste and scrap resulting from manufacturing operations conducted in Nepal. Or, (2) (a) The goods involve a manufacturing process in

Nepal that brings about a change in classification, at four digit level, of the Harmonized Commodities Description and Coding System, different from those, in which all the third country origin materials used in the manufacture of such goods are classified and the manufacturing process is not limited to insufficient working or processing as indicated in the illustrative list below:

(i). operations to ensure the preservation of articles in good condition during transport and storage (for example, ventilation, spreading out, drawing, chilling, placing in salt, sulphur-dioxide or other aqueous solutions, removal of damaged parts and like operations);

(ii). operations consisting or removal of dust, sifting or screening, sorting, classifying, matching (including the making up of sets), washing, painting, cutting up;

(iii). changes of packing and breaking up and assembly of consignments;

(iv). slicing, cutting, slitting, re-packing, placing in bottles or flasks or bags or boxes or other containers, fixing on cards or boards etc., and all other packing or re-packing operations;

(v). the affixing of marks, labels or other like distinguishing signs on articles or their packaging;

(vi). mixing of articles, whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in para 1 (b) of Protocol to the Article V of the Treaty of Trade between the Government of Nepal and the Government of India to enable them to be considered as manufactured or produced or made in Nepal;

(vii). assembly of parts of an article to constitute a complete article;

(viii). a combination of two or more operations specified in

(i) to (vii) above.

and,

(b) the total value of materials, parts or produce originating from countries other than Nepal or India or of undetermined origin used does not exceed 70% (seventy percent) of the FOB price of the articles produced, and the final process of manufacturing is performed within the territory of Nepal.

Explanation:-For the purpose of this notification, the total value of materials, parts or produce originating from countries other than Nepal or India shall be the CIF value at the time of importation of materials, parts or produce, at the point of entry in Nepal, where this can be

proven to the satisfaction of Deputy Commissioner of Customs or the Assistant Commissioner of Customs as the case may be, or the earliest ascertainable price paid for the materials, parts or produce of undetermined origin in the territory of the Contracting Party where the working or processing takes place.

(B) The importer produces a certificate of origin in the Form annexed hereto, duly certified by an agency designated by the Government of Nepal, in respect of the consignment, to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that such goods have in fact been manufactured in Nepal.

FORM OF CERTIFICATE OF ORIGIN

Certificate of origin for exports free of Customs duties under the Treaty of Trade between the Government of Nepal and the Government of India

Reference No. _____

1. Articles consigned from (Exporter's business name, address):

2. Articles consigned to (Consignee's name, address):

3. Means of transport and route:

4. Item number (HS Tariff Line):

5. Marks and number of packages:

6. Description of Articles :

7. Gross weight or other quantity :

8. Number and date of Invoice together with value:

9. FOB value of the articles manufactured in Nepal :

10. (i) Whether articles are manufactured in Nepal under Para 1(a) of the Protocol to Article V of the Treaty of Trade - (Yes/No):

(ii) If articles are manufactured in Nepal under Para 1 (b) (i) and (ii) of the Protocol to Article V of the Treaty of Trade:

(A) CIF value of materials, parts or produce originating from Non-Contracting Parties (i.e. other than Nepal and India) at the point of entry in Nepal :-

(B) Value of materials, parts or produce of undetermined origin:-

11. Percentage of the sum of the value of column 10(ii) (A) and (B) to the value of column 9:

12. Declaration by the exporter:

The undersigned hereby declares that the details furnished above are correct, that the articles are produced in Nepal and that they comply with the Rules of Origin specified in the Treaty of Trade between the

	<p>Government of Nepal and Government of India.</p> <p>_____</p> <p>(Place and Date, Signature of authorised signatory)</p> <p>13. Certification:</p> <p>It is certified that the articles herein referred to are eligible for preferential treatment as per provisions of the Treaty of Trade between Government of Nepal and the Government of India. It is further certified that:</p> <ol style="list-style-type: none"> 1. The articles have been manufactured in Nepal at a factory situated at _____ (name of place/district) by M/s. ____ (name of the company). 2. The articles involve manufacturing activity in Nepal and that the manufacturing activity satisfies the criteria given in the Protocol to Article V of the Treaty of Trade. 3. The articles in question are not products of third country origin.* <p>For the Government of Nepal (Place and date, Signature and Stamp of Certifying Authority)</p> <p>*For the purpose of the above Item No. 3, the articles which have undergone a manufacturing process in Nepal as defined in the Protocol to Article V of the Treaty shall not be treated as product of third country origin.</p> <p>14. For official use of Indian Customs:</p> <p>The consignment has been examined and allowed to be imported into India as it complies with the provisions as stipulated under Article V of the Treaty of Trade between the Government of Nepal and Government of India.</p> <p>_____ Signature and Seal of the Certifying Authority.</p> <p>Dated:</p> <p>Place:</p>
3.	<p>(A) The exemption shall apply only to a specified quantity of imports, not exceeding:-</p> <ol style="list-style-type: none"> (i). 100,000 MT in case of Vegetable fats (Vanaspati); (ii). 10,000 MT in case of Acrylic yarn; (iii). 10,000 MT in case of Copper products falling under Chapter 74 and heading 85.44 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); and (iv). 2,500 MT in case of Zinc Oxide; <p>in a time period, which shall commence from the 6th day of March of a given calendar year and end on the 5th day of March of the succeeding calendar year.</p> <p>(B) The imports shall be permitted only through the land customs stations at Kakarbhitta/Naxalbari, Biratnagar/Jogbani, Birganj/Raxaul,</p>

	Bhairwaha/Nautanwa, <i>Nepalgunj/Nepalgunj Road</i> and Mahendranagar/Banbasa. (C) The importer shall follow the procedure as may be specified by the Government of India from time to time.
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F. No.354/113/2002-TRU (Pt. II)

Prashant Kumar

Under Secretary to the Government of India