

# Presentation on Customs Reform In Nepal

Revenue Mobilization and Development Conference  
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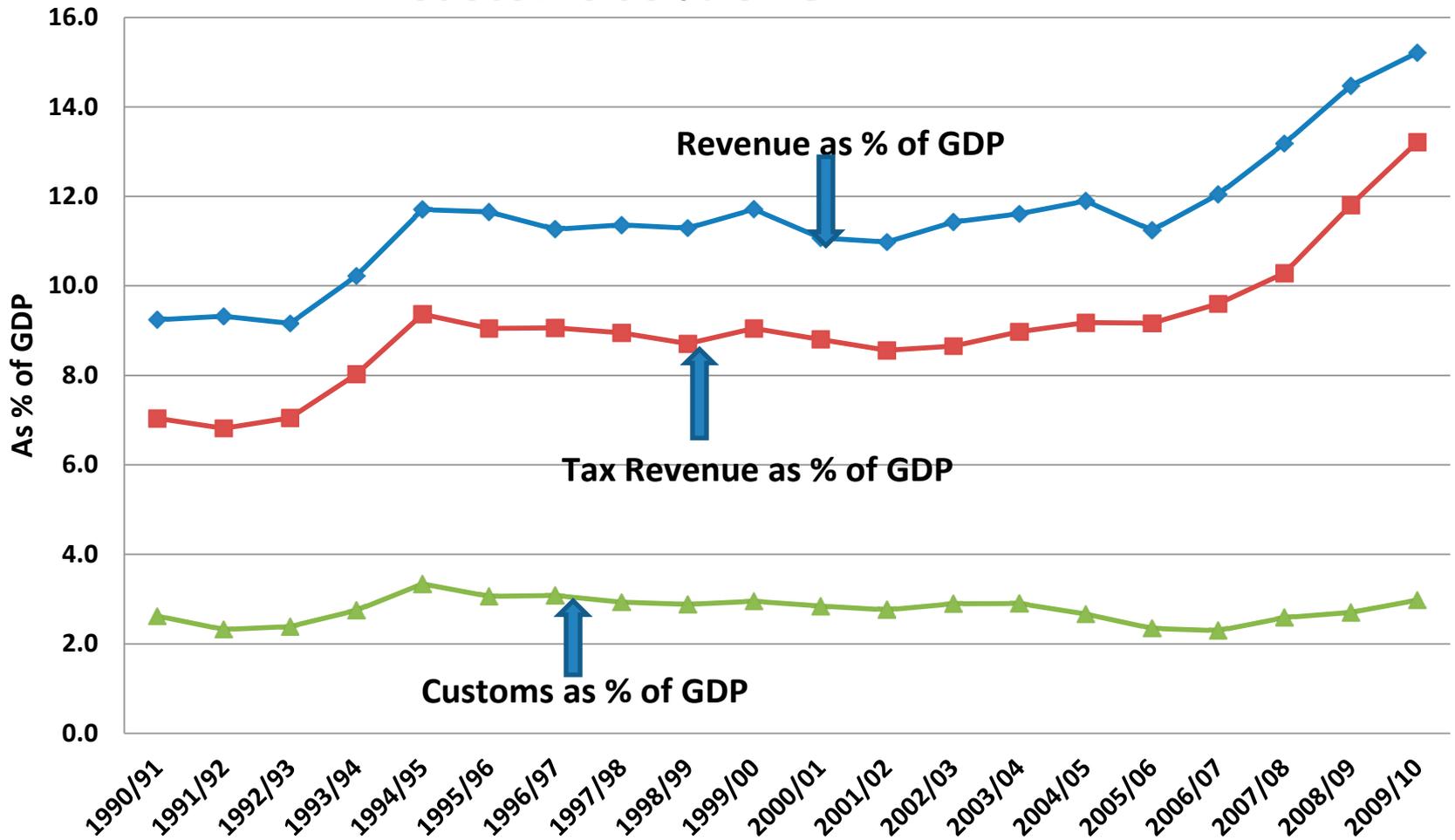
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# Content

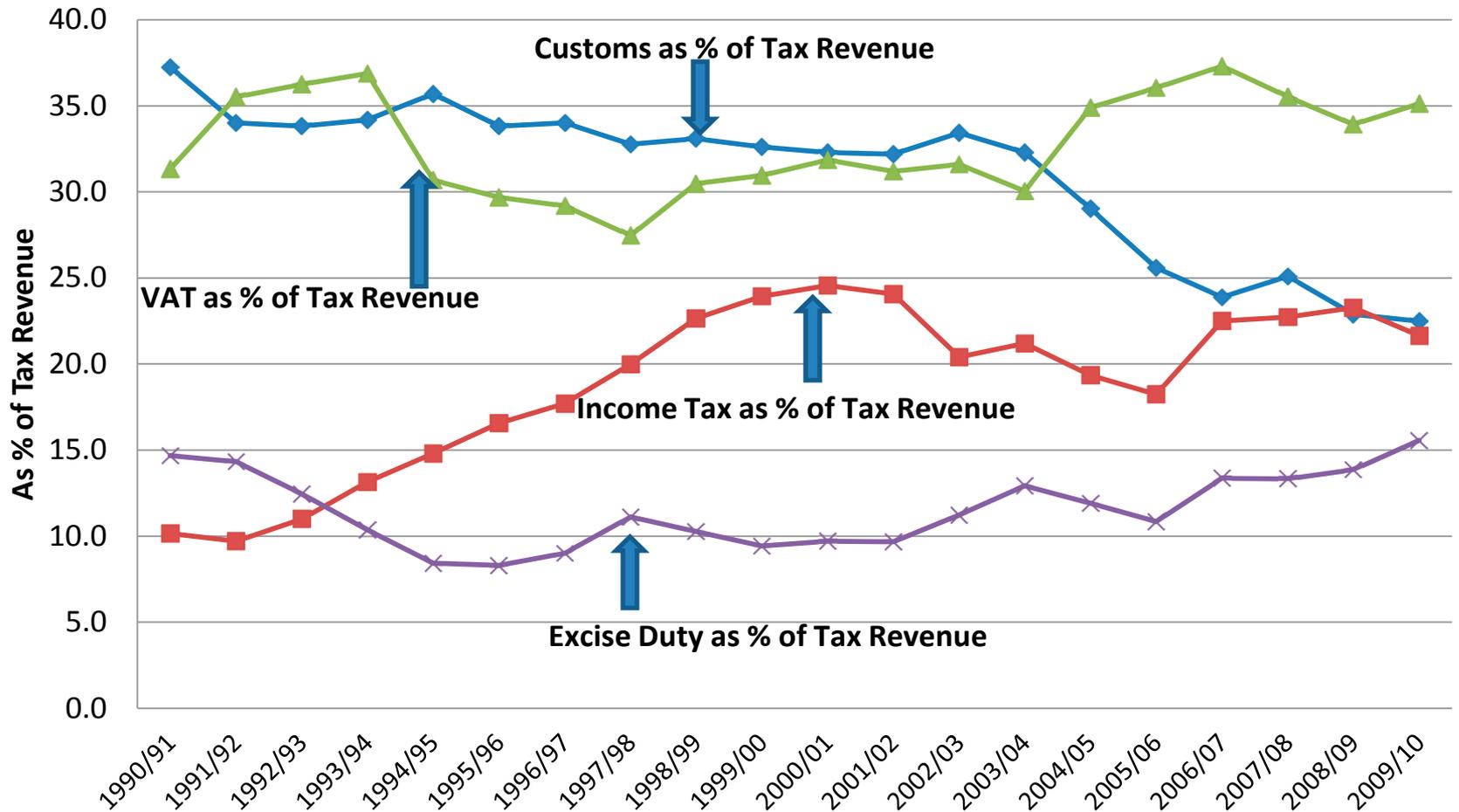
- ❖ Trend Analysis of Revenue
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- ❖ Recent Prominent Reforms Initiatives
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# Trend Analysis of Revenue, Tax Revenue and Customs as % of GDP



Source: Economic Survey, 2010,MOF

# Trend Analysis of Revenue



Source: Economic Survey, 2010, MOF



## Vision

- Economic and Social Prosperity of the Country

## Mission

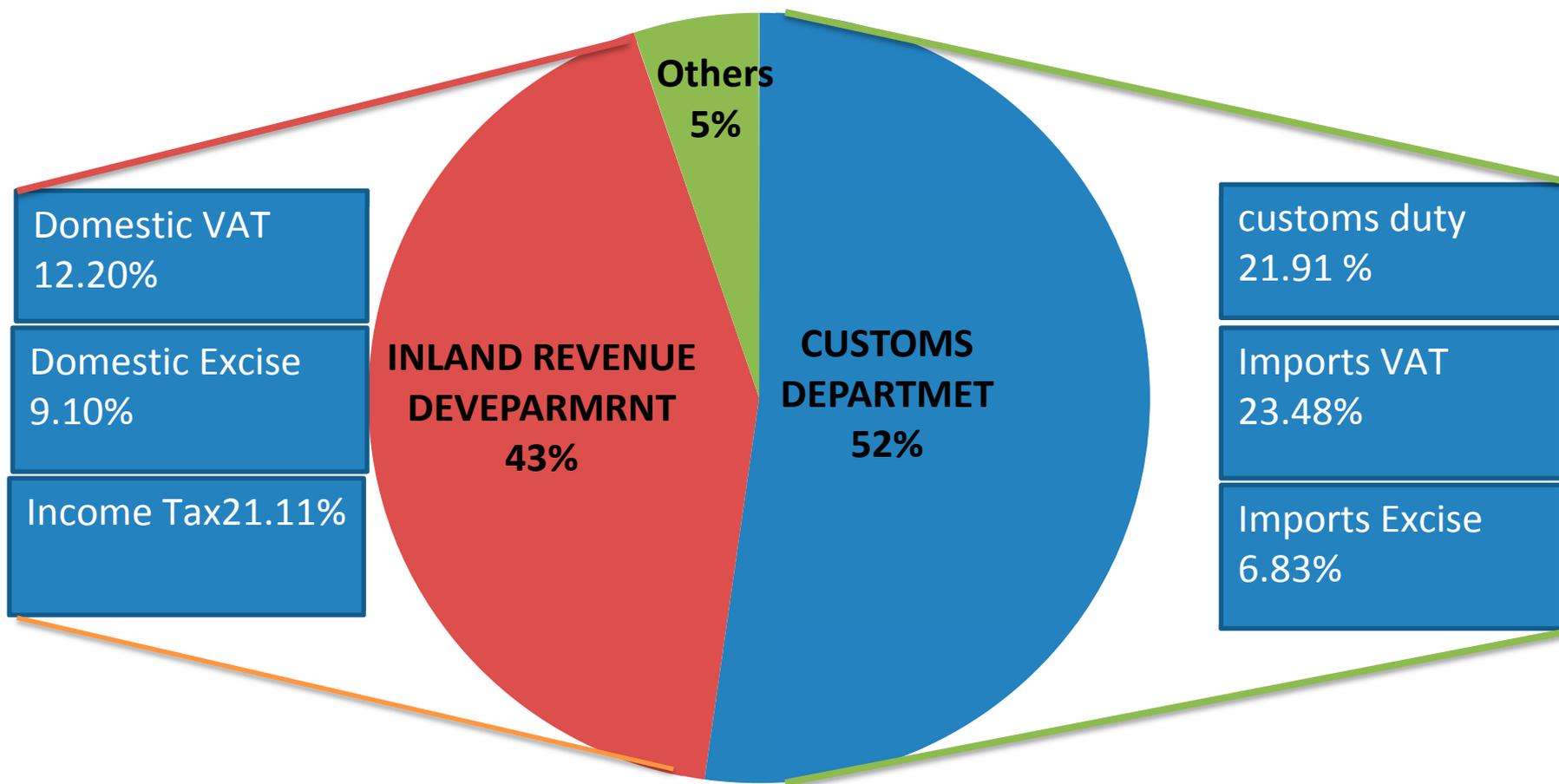
- Promoting and facilitating legitimate trade
- Protection of society
- Collecting the revenue

## Values

- Mutual Respect
- Equality
- Integrity and honesty
- Transparency
- Courtesy, dedication and Excellence



# Share of Department in the Tax Revenue



**As per the annual target Rs. 216.70 billion of fiscal year 2011**

# Customs Reform and Modernization

## Background

- ❖ Adopted Liberal Economy after first People's Movement in 1990
- ❖ Became a member of WTO in 2004

## History

- ❖ ASYCUDA System implemented in 1996
  - ❑ Customs Clearance and Accounting Module
- ❖ 1st Phase (2003-2006) introduced in 2003.
  - ❑ Cargo Clearance and Passengers Clearance Module
- ❖ 2nd Phase (2006-2009) in 2006 and 3rd Phase (2009-2013) in 2009.
  - ❑ Broker, Risk Management Module, Single Entry System and Wide Area Network(WAN)

Tariff Rates: 5,  
10,15,20,40 and 80  
%  
Average Tariff Rate  
6.5%  
Two third trade with  
India

## Recent Prominent Reform Initiatives

- ❖ Customs act has been amended as per the commitment on WTO
- ❖ Post Clearance Audit Office established.
- ❖ Computerized Declaration (Broker Module) in Main Customs Offices.
- ❖ Manual registration has been removed and electronic automatic registration has been introduced.
- ❖ No duty on exports
- ❖ Tariff rates have been adjusted in line of SAFTA and BIMSTEC

## Recent Prominent Reform Initiatives

- ❖ Risk Based Clearance System has been introduced in Major Customs Offices.
- ❖ Provision of Single entry system
- ❖ GATT valuation provision has been adopted
- ❖ Performance Based Incentives Scheme has been implemented

## Assistance /Supports of Development Partners

- ❖ Customs Procedure re-engineering and deployment of ASYCUDA world - **ADB**
- ❖ Improvements in Customs Automation - **World Bank**
- ❖ Nepal Customs Modernization - **South Korea**
- ❖ Integrated Check Post development at 4 major Customs points- **India**
- ❖ Inland Container Depot development in Northern Region - **China**
- ❖ Overall reform of revenue administration- **IMF**

# Problems in Customs Reform

- ❖ To implement Scientific Valuation System
- ❖ Open Border with India
- ❖ Harassing Domestic Industries
- ❖ Corruption
- ❖ Inadequate Intelligence
- ❖ Lack of trained and skilled Human Resource

# Way Forwards

- ❖ Effective and efficient implementation of Customs Reform and Modernization action plan
- ❖ Heading towards IT based Customs
- ❖ Trying to shift in web- based customs systems
- ❖ Preparing to establish Independent Revenue Board
- ❖ To be an international standard in all aspects

Thank You All for Your Attention!

Welcome you all for the grand success of the  
Nepal Tourism Year , 2011

