EXIM CODE

JKK & ASSOCIATES
CHARTERED ACCOUNTANTS

Prepared by JKK & Associates Team

Definition

- Exim Code refers to **Export Import code** with 13 letters

- **Export** refers to selling of the any goods or services to the international market i.e. to transfer the products out of the country.

- **Import** refers to the purchasing of any goods or services from the international market i.e. outside of the country.

- Any institution or establishment whether manufacturing or trading engaged in import and export of any goods and services has to obtain the EXIM Code

Importance of EXIM Code

EXIM code made compulsory from this fiscal year 2074/75.

- Unlock **International Market**

- To easily **determine import and export** goods

- To **prevent any illegal activities** performing in the border side as it import and export can be easily track with the help of EXIM Code

- **Export Benefits** (claim any duty paid during the exports)

Who can apply for EXIM Code??

Establishment that fulfills the following clauses:

- Objective to perform import export business

- Minimum Paid up capital 10 lakhs

- No any governmental dues (No any payment to be made to Tax Office, Custom or any payments and statements are timely filed)

(If any establishment desire to obtain EXIM Code only for export then there is no limit for paid up capital)

Procedures to obtain EXIM Code

- Online Application

- After online registration the documents can be submit within 7 days from the application in custom department (through post or any other means)

- After analyzing the provided information and documents if the department finds reasonable ground to provide EXIM Code provides the code

(If the department finds clause not to provide code, then department provide information to the applicant through electronic media)

Documents Required

- Online Application Detail with signature

- Registration Certificate of the establishment

- PAN Certiicate

- Permission from Excise (if establishment deal with excise)

- Certificate from Department of Commerce

- Sifarispatra from the bank having company account as per the
  format provided.

- Bank Guarantee of 3 lakh from "A" licensed Bank for 1 year period

OR

- Bank guarantee regarding the amount freeze in the bank account of Banijya Bank of 3 lakh for 1 year

   (Only for export business no need of bank guarantee)

- Photo of the proprietor or chairman clicked within the 6 months

- Proper MAP tracing the location of the establishment

Cases when EXIM Code not necessary to obtained

- Import not more than Rs. 50,000 (fifity thousand) and export not more than 5 lakhs (Per Transaction)
- But any establishment obtaining EXIM Code has to use the code in every import or export of any amount
- Any governmental organization, pubic enterprises performing any import or export without the intention of business i.e. as gifts, donation, etc shall not obtain the EXIM Code

Formation of EXIM Code

- EXIM Code contains 13 letters which represents:

- First 9 letters represent the PAN number of the establishment

- 10th and 11th represents as per the registration made through the single PAN i.e 1 if it is single registration firm and if firm is registered more then once 2 or more as per the number

- 12th and 13th letter represent the special code provided by software

- The alphabet "NP" after 13th letter represents Nepal

Demo:

EXIM Code of Heritage Foreign Trade Company Pvt. Ltd
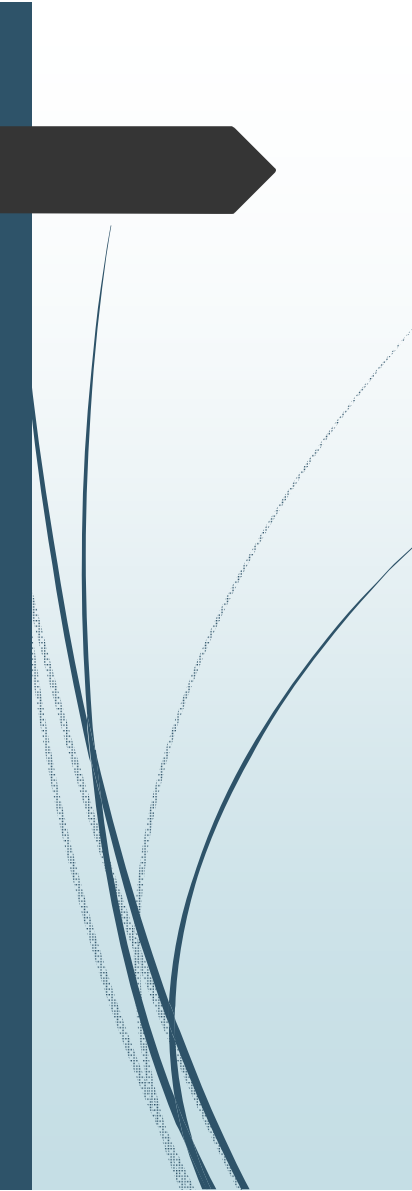
6069034910133NP

- 606903491 represent the PAN of HFTC

- 01 represents the single Firm registered

- 33 special code generate by the software

- NP represents Nepal

Updation Required

- EXIM Code should be update every year extending the BANK

  Guarantee for one more term

- If want to update more than for year   can extend submitting the

  bank guarantee for more than one year.

- Remain same EXIM Code until it is revoked

Clauses of Cancellation Of EXIM Code

- If Couldn't pay any governmental dues i.e taxes and others

  (can undo the cancellation after application made)

- Perform any act contrary to the Custom Act 2064

- Tenure of Bank Guarantee terminated

- If the establishment didn't perform any import and export activities

  upto 365 days from the receipt of EXIM Code

- If establishment applied for cancellation

Information to the establishment regarding cancellation is provided through electronic media and may re-provide (undo the cancellation) the code if application is made

Reference

www.customs.gov.np/en/eximcodeprocedure.html

Thank You

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