

TREATY OF TRADE BETWEEN THE GOVERNMENT OF NEPAL AND THE GOVERNMENT OF INDIA

The Government of Nepal and the Government of India (hereinafter referred to as the Contracting Parties),

Being conscious of the need to fortify the traditional connection between the markets of the two countries,

Being animated by the desire to strengthen economic cooperation between them,

Impelled by the urge to develop their economies for their several and mutual benefit, and
Convinced of the benefits of mutual sharing of scientific and technical knowledge and experience to promote mutual trade,

Have resolved to conclude a Treaty of Trade in order to expand trade between their respective territories and encourage collaboration in economic development, and

Have for this purpose appointed as their plenipotentiaries the following persons, namely,

(Rajendra Mahto) Minister of Commerce and Supplies For the Government of Nepal	(Anand Sharma) Minister of Commerce and Industry For the Government of India
---	---

Who, having exchanged their full powers and found them good and in due form, have agreed as follows:

ARTICLE I

The Contracting Parties shall explore and undertake all measures, including technical cooperation, to promote, facilitate, expand and diversify trade between their two countries.

ARTICLE II

The Contracting Parties shall endeavour to grant maximum facilities and to undertake all necessary measures for the free and unhampered flow of goods, needed by one country from the other, to and from their respective territories. **ARTICLE III**

Both the Contracting Parties shall accord unconditionally to each other treatment no less favourable than that accorded to any third country with respect to (a) customs duties and charges of any kind imposed on or in connection with importation and exportation, and (b) import regulations including quantitative strictions.

ARTICLE IV

The Contracting Parties agree, on a reciprocal basis, to exempt from basic customs duty as well as from quantitative restrictions the import of such primary products as may be mutually agreed upon, from each other.

ARTICLE V

Notwithstanding the provisions of Article III and subject to such exceptions as may be made after consultation with the Government of Nepal, the Government of India agree to promote the industrial development of Nepal through the grant on the basis of non-reciprocity of specially favorable treatment to imports into India of industrial products manufactured in Nepal in respect of customs duty and quantitative restrictions normally applicable to them.

ARTICLE VI

With a view to facilitating greater interchange of goods between the two countries, the Government of Nepal shall endeavour to exempt, wholly or partially, imports from India from customs duty and quantitative restrictions to the maximum extent compatible with their development needs and protection of their industries. **ARTICLE VII**

Payment for transactions between the two countries will continue to be made in accordance with their respective foreign exchange laws, rules and regulations. The Contracting Parties agree to consult each other in the event of either of them experiencing difficulties in their mutual transactions with a view to resolving such difficulties. **ARTICLE VIII**

The Contracting Parties agree to co-operate effectively with each other to prevent infringement and circumvention of the laws, rules and regulations of either country in regard to matters relating to foreign exchange and foreign trade.

ARTICLE IX

Notwithstanding the foregoing provisions, either Contracting Party may maintain or introduce such restrictions as are necessary for the purpose of:

- (a) Protecting public morals,
- (b) Protecting human, animal and plant life,
- (c) Safeguarding national treasures,
- (d) Safeguarding the implementation of laws relating to the import and export of gold and silver bullion, and
- (e) Safeguarding such other interests as may be mutually agreed upon.

ARTICLE X

Nothing in this treaty shall prevent either Contracting Party from taking any measures which may be necessary for the protection of its essential security interests or in pursuance of general international conventions, whether already in existence or concluded hereafter, to which it is a party relating to transit, export or import of particular kinds of articles such as narcotics and psychotropic substances or in pursuance of general conventions intended to prevent infringement of industrial, literary or artistic property or relating to false marks, false indications of origin or other methods of unfair competition.

ARTICLE XI

In order to facilitate effective and harmonious implementation of this Treaty, the Contracting Parties shall consult each other regularly.

ARTICLE XII

- (a) This Treaty shall come into force on the date of its signature. It shall supersede the Treaty of Trade concluded between the Government of Nepal and the Government of India on 6th December 1991, as amended or modified from time to time.
- (b) This Treaty shall remain in force for a period of seven years and shall be automatically extended for further periods of seven years at a time, unless either of the parties gives to the other a written notice, three months in advance, of its intention to terminate the Treaty.
- (c) This Treaty may be amended or modified by mutual consent of the Contracting Parties.
- (d) The Protocol annexed to this Treaty shall constitute its integral part.

Done in duplicate in Hindi, Nepali and English languages, all the texts being equally authentic, at Kathmandu on 27th October 2009. In case of doubt, the English text will prevail.

(Rajendra Mahto) Minister of Commerce and Supplies For the Government of Nepal	(Anand Sharma) Minister of Commerce and Industry For the Government of India
---	---

Protocol to the Treaty of Trade

I. With Reference to Article I

1. It is understood that the trade between the two Contracting Parties shall be conducted through the mutually agreed routes as are mentioned in the Annexure A. Such mutually agreed routes would be subject to joint review as and when required.
 2. It is further understood that the exports to and imports from each other of goods which are not subject to prohibitions or duties on exportation or importation shall continue to move through the traditional routes on the common border.
 3. The Government of India, on request from the Government of Nepal, will make best endeavour to assist Nepal to increase its capacity to trade through improvement in technical standards, quarantine and testing facilities and related human resource capacities.
 4. Both Contracting Parties will facilitate cross-border flow of trade through simplification, standardization and harmonization of customs, transport and other trade related procedures and development of border infrastructure.
 5. The Contracting Parties shall undertake measures to reduce or eliminate nontariff, para-tariff and other barriers that impede promotion of bilateral trade.
-

6. Both parties shall allow duty free , temporary importation of the used machinery and equipments into their territory for the purpose of repair and maintenance of such machinery and equipments ten years from the date of exportation subject to the following conditions:
 - (i) Goods are re-exported within six months of the date of re-importation.
 - (ii) The Customs is satisfied as regards to the proof of identity of the used machinery and equipments.
 - (iii) The importer at the time of importation executes a bond undertaking to:
 - (a) export the goods after repairs or reconditioning within the period as stipulated;
 - (b) pay on demand, in the event of its failure to comply with any of the aforesaid conditions the applicable customs duties.
7. Both parties shall take measures to exchange trade related data with each other from time to time, with a view to facilitate the flow of trade and transport.

II. With Reference to Article II

1. It is understood that all goods of Indian or Nepalese origin shall be allowed to move unhampered to Nepal or India respectively without being subjected to any quantitative restrictions, licensing or permit system with the following exceptions: (a) Goods restricted for export to third countries,
 - (b) Goods subject to control on price for distribution or movement within the domestic market, and
 - (c) Goods prohibited for export to each other's territories to prevent deflection to third countries.
 2. In order to facilitate the smooth flow of goods across the border, the list of commodities subject to restrictions/prohibitions on exports to each other's territories shall be immediately communicated through diplomatic channels as and when such restrictions/prohibitions are imposed or relaxed.
 3. It is further understood that when notifications regarding restrictions on exports to each other are issued, adequate provisions will be made therein to allow the export to each other of the goods which are already covered under the forward contract or by Letter of Credit or goods which are already in transit and/or booked through the railways or other public sector transport undertakings or goods which have already arrived at the border customs posts on the day of the notification.
 4. In respect of goods falling under prohibited or restricted categories as mentioned in paragraph 1 above and where needed by one Contracting Party, the other shall authorise exports of such goods subject to specific annual quota allocations. Specific request list of such goods shall be furnished to each other by the end of November, and specific quota allocations for the following calendar year shall be made by the end of December with due regard to the supply availability and the overall need of the other Contracting Party. The quota list may be jointly reviewed as and when necessary.
-

5. The Contracting Parties shall take appropriate measures and co-operate with each other to prevent unauthorized import in excess of the quota of goods the export of which is prohibited or restricted from the territory of the other Contracting Party.
6. Both parties shall grant recognition to the Sanitary and Phytosanitary certificates (including health certificates) issued by the competent authority of the exporting country, based on assessment of their capabilities, in the area of food and agriculture product (including primary, semi processed and processed), and shall allow entry of these products into their markets on the basis of these certificates subject to meeting the mandatory requirement of the importing country.

III. With Reference to Article III

1. The Government of India will allow the Government of Nepal payment of the excise and other duties collected by the Government of India on goods produced in India and exported to Nepal provided that:
 - (i) Such payment shall not exceed the import duties and like charges levied by the Government of Nepal on similar goods imported from any other country, and
 - (ii) The Government of Nepal shall not collect from the importer of the said Indian goods so much of the import duty and like charges as is equal to the payment allowed by the Government of India.

IV. With Reference to Article IV

1. The following primary products would be eligible for preferential treatment:
 1. Agriculture, horticulture, floriculture and forest produce,
 2. Minerals which have not undergone any processing,
 3. Rice, pulses, flour, atta, bran and husk,
 4. Timber,
 5. Jaggery (gur and shakar),
 6. Livestock, poultry bird and fish,
 7. Bees, bees-wax and honey,
 8. Raw wool, goat hair, bristles and bones as are used in the manufacture of bonemeal,
 9. Milk, home made products of milk and eggs,
 10. Ghani-produced oil and oilcakes,
 11. Herbs, ayurvedic and herbal medicines, including essential oils and its extracts,
 12. Articles produced by village artisans as are mainly used in villages,
 13. Akara,
 14. Yak Tail,
 15. Stone aggregate, boulder, sand and gravel,
 16. Any other primary products, which may be mutually agreed upon.
-

2. It is understood that in the matter of internal taxes or charges the movement of primary products of either Contracting Party to any market destinations in the territory of the other shall be accorded treatment no less favorable than that accorded to the movement of its own primary products within its territory.
3. It is also understood that the aforesaid provisions will not preclude a Contracting Party from taking any measures, which it may deem necessary on the exportation of primary products to the other.

V. With Reference to Article V

1. The Government of India will provide preferential access to the Indian market free of customs duties normally applicable and quantitative restrictions except as mentioned elsewhere, for all articles manufactured in Nepal, provided they fulfill the qualifying criteria given below:
 - (a) The articles are manufactured in Nepal wholly from Nepalese materials or Indian materials or Nepalese and Indian materials. In addition, the following products, but not limited to, shall be considered as wholly produced or manufactured.
 - (i) Raw materials or mineral products extracted from soil, water, riverbed or beneath the riverbed.
 - (ii) Products taken from the seabed, ocean floor or sub-soil thereof beyond the limits of national jurisdiction, provided it has the exclusive rights to exploit that seabed, ocean floor or sub-soil thereof, in accordance with the provisions of the United Nations Convention on the Law of the Sea (UNCLOS).
 - (iii) Used articles collected there, fit only for the recovery of raw materials.
 - (iv) Waste and scrap resulting from manufacturing operations conducted there.
 - (b) (i) The articles 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 its manufacture are classified; and the manufacturing process is not limited to insufficient working or processing as indicated in Annexure "B", and
 - (ii) The total value of materials, parts or produce originating from non-Contracting Parties 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.

Note:

The value of materials, parts or produce originating from non-Contracting Parties 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, 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.

- (c) For Nepalese articles not fulfilling the conditions given in sub-para-1 (b) (i) above, but fulfilling the condition at sub-para-1 (b)(ii) above, preferential access may be given by the Government of India, on a case by case basis, after satisfying itself that such article has undergone a sufficient manufacturing process within Nepal.
 - (d) However, the import of Nepalese manufactured articles described in Annexure “C” which fulfill the criteria in sub-para-1 (a) or (b) (i) & (ii) above will be governed by the terms specified in this Annexure.
 - (e) In the case of other articles manufactured in Nepal which do not fulfill the qualifying criteria specified in sub-para-1 (a) or (b) (i) & (ii) above, the Government of India will provide normal access to the Indian market consistent with its MFN treatment. The Certificate of Origin for MFN export will be as prescribed in Annex D/II
2. Import of articles in accordance with the para-1 above shall be allowed by the Indian customs authorities on the basis of the Certificate of Origin to be issued by the agency designated for this purpose by the Government of Nepal in the format prescribed at Annexure – D/I for each consignment of articles exported from Nepal to India. Information regarding the basis of calculation for grant of such Certificates of Origin to the manufacturing facilities in Nepal will be provided to the Government of India on an annual basis. Preferential facility shall not be available for the articles listed at Annexure-“E”.
 3. On the basis of a Certificate issued, for each consignment of articles manufactured in the small-scale units in Nepal, by the Government of Nepal, that the relevant conditions applicable to the articles manufactured in similar Small Scale Industrial units in India for relief in the levy of applicable Excise Duty rates are fulfilled for such a parity, Government of India will extend parity in the levy of Additional Duty on such Nepalese articles equal to the treatment provided in the levy of effective Excise Duty on similar Indian articles under the Indian Customs and Central Excise Tariff. However, this facility will be applicable only to articles manufactured in Nepal in such small-scale units, which qualify as small-scale units under the Nepalese Industrial Policy as on 5th December 2001.
 4. The “Additional Duty” rates equal to the effective Indian excise duty rates applicable to similar Indian products under the Indian Customs & Central Excise Tariff will continue to be levied on the imports into India of products manufactured in the medium and large-scale units in Nepal.
 5. Whenever imports into India of products manufactured in the medium and large scale units of Nepal attract an “Additional Duty” over and above an Additional Duty equivalent to the effective duty of excise applicable to similar products produced or manufactured in India, Government of India shall, upon request from Government of Nepal, consider waiver of such additional duties on imports of products from Nepal.

Explanation: Additional Duty shall mean a duty levied under Section 3(5) of the Customs Tariff Act, 1975 of India.

6. In regard to additional duty collected by the Government of India in respect of manufactured articles other than those manufactured in “small” units; Wherever it is established that the cost of production of an article is higher in Nepal than the cost of production in a corresponding unit in India, a sum representing such difference in the cost of production, but not exceeding 25 per cent of the “additional duty” collected by the Government of India, will be paid to the Government of Nepal provided the Government of Nepal have given assistance to the same extent to the (manufacturers) exporters.
7. Export of consignments from Nepal accompanied by the Certificate of Origin will normally not be subjected to any detention/delays at the Indian customs border check posts and other places en route. However, in case of reasonable doubt about the authenticity of Certificate of Origin, the Indian Customs Authority may seek a clarification from the certifying agency, which will furnish the same within a period of thirty days. Meanwhile, the subject consignment will be allowed entry into India on provisional basis against a bond i.e. a legally binding undertaking as required. After examining the information so provided by the certifying agency, the Indian Customs Authority would take appropriate action to finalize the provisional assessment. Whenever considered necessary, request for a joint visit of the manufacturing facility may be made by the Indian Customs Authority, which would be facilitated by the concerned Nepalese authority within a period of thirty days.
8. Where for social and economic reasons, the import of an item into India is permitted only through public sector agencies or where the import of an item is prohibited under the Indian Trade control regulations, the Government of India will consider any request of the Government of Nepal for relaxation and may permit the import of such an item from Nepal in such a manner as may be found to be suitable.
9. For the purpose of calculation of import duties customs valuation procedures, as prescribed under the prevailing customs law, will be followed.

VI. With reference to Article VI

The Government of Nepal, with a view to continuing preferences given to Indian exports, will waive additional customs duty on all Indian exports during the validity of the Treaty.

VII. With reference to Article VII

Both Contracting Parties shall make provisions so that no discrimination will be made in respect of tax, including central excise, rebate and other benefits to exports merely on the basis of payment modality and currency of payment of trade. This would be made effective from the date to be mutually agreed to, after which the Protocol to Article III would become redundant. Both contracting parties agreed to develop modalities for transition from the existing to the new system.

VIII. With Reference to Article IX

In the event of imports under the Treaty, in such a manner or in such quantities as to cause or threaten to cause serious injury to the domestic industry relating to the article, an investigation for application of safeguard measures may be initiated. The following conditions and limitations shall apply to an investigation for application of safeguards measures.

- a. a Party shall immediately deliver written notice to the other Party upon:
 - (i) Initiating an investigatory process relating to serious injury or threat thereof and the reasons for it;
 - (ii) making a finding of serious injury or threat thereof caused by increased imports; and
 - (iii) taking a decision to apply a safeguard measure;
- b. in making the notification referred to in paragraph (a), the Party proposing to apply a safeguard measure shall provide the other Party with all pertinent information, which shall include evidence of serious injury or threat thereof caused by the increased imports, precise description of the goods involved and the proposed measure, proposed date of introduction and expected duration; the Party proposing to apply a measure is also obliged to provide any additional information which the Party considers pertinent;
- c. a Party proposing to apply a measure shall provide adequate opportunity for prior consultations with the other Party as far in advance of taking any such measure as practicable, with a view to reviewing the information arising from the investigation, exchanging views on the measure and reaching an agreement. Such consultation shall take place at the Joint Committee meeting set up by the two governments. If the consultations in the Joint Committee fail to resolve the issue within a period of sixty days from the date of request for consultation, then the requesting government shall be free to take appropriate remedial measures. The Nepal-India Inter Governmental Committee (IGC) will review such measures.

Explanation: The terms “Domestic Industry” and “Serious Injury” shall be interpreted as defined in the WTO Agreement on Safeguards.

The determination of ‘Serious injury’ shall be as per the WTO Agreement on Safeguard.

The determination of ‘serious injury’ shall be as per the WTO safeguard Agreement. **“Threat of injury”** means a situation in which a substantial increase of imports under the Treaty is of a nature so as to cause injury to the domestic producers, and that such injury, although not yet existing is clearly imminent. A determination of threat of injury shall be based on facts and not on mere allegation, conjecture, or remote or hypothetical possibility.

IX. With reference to Article XI

1. In case of problems arising in clearance of goods at the land customs stations, provided that the quality of goods in questions would deteriorate or perishes due to delays, such
-

problem shall be dealt at the joint meeting of the local authorities comprising of the followings:

- a. Customs officers
 - b. Quarantine/ food test officers
 - c. Representatives of local chambers
 - d. Any other local officials nominated by the respective government.
2. Such consultation will be carried out with a view to resolving the issue in an expeditious manner and at facilitating trade through resolving the issues in situ. However the case will be referred to the respective government, if the resolution could not be settled through such consultation.
3. Issues on bilateral trade and other trade related matters will be referred to an InterGovernmental Committee (IGC) led by Secretaries in the Ministry of Commerce of the two Governments. The Committee shall meet at least once in a six months alternatively in Kathmandu and New Delhi. An Inter-Governmental Sub-Committee (IGSC) shall be constituted at the level of Joint Secretaries of the Ministry of Commerce of the two countries, which shall meet at the interval of two IGC meetings. The Inter-governmental Sub-Committee shall be responsible for taking up extensive consultation and decisions on trade and trade related issues with a view to facilitating bilateral trade and making recommendation to Inter -governmental Committee, whenever necessary. The Sub-Committee shall also work as the Joint Committee as mentioned in Protocol with reference to Article IX above.
-

Annexure “ A ” AGREED ROUTES FOR MUTUAL TRADE

1. Pashupatinagar/Sukhia Pokhari
2. Kakarbhatta/Naxalbari
3. Bhadrapur/Galgalia
4. Biratnagar/Jogbani
5. Setobandha/Bhimnagar
6. Rajbiraj/Kunauli
7. Siraha, Janakpur/Jayanagar
8. Jaleswar/Bhitamora (Sursand)
9. Malangawa/Sonabarsa
10. Gaur/Bairgania
11. Birgunj/Raxaul
12. Bhairahawa/Nautanwa
13. Taulihawa/Khunwa
14. Krishnanagar/Barhni
15. Koilabas/Jarwa
16. Nepalgunj/Nepalgunj Road
17. Rajapur/Katerniyaghat
18. Prithvipur/Sati (Kailali)/Tikonia
19. Dhangadhi/Gauriphanta
20. Mahendranagar/Banbasa
21. Mahakali/Jhulaghat (Pithoragarh)
22. Darchula/Dharchula
23. Maheshpur/Thutibari (Nawalparasi)
24. International Airports connected by Direct Flights between Nepal and India
(Kathmandu/Delhi, Mumbai, Kolkatta and Chennai)
25. Sikta-Bhiswabazar
26. Laukha-Thadi
27. Guleria/Murtia

Annexure “ B ” ILLUSTRATIVE LIST OF INSUFFICIENT WORKING OR PROCESSING

The following shall be considered as insufficient working or processing to confer the status of originating or manufactured or produced or made in Nepal, to an article, whether or not there is a change in heading 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 its manufacture are classified: -

- b) Operations to ensure the preservation of articles in good condition during transport and storage (e.g., ventilation, spreading out, drawing, chilling, placing in salt, sulphurdioxide or other aqueous solutions, removal of damaged parts and like operations);
- c) Operations consisting of removal of dust, shifting or screening, sorting, classifying, matching (including the making up of sets), washing, painting, cutting up;
- d) Changes of packing and breaking up and assembly of consignments;
- e) 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;
- f) The affixing of marks, labels or other like distinguishing signs on articles or their packaging;
- g) 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 Article V of the Treaty to enable them to be considered as manufactured or produced or made in Nepal;
- h) Assembly of parts of an article to constitute a complete article;
- i) A combination of two or more operations specified in a) to g) above.

Annexure “C”

Nepalese manufactured articles allowed entry into India free of customs duties on a fixed quota basis.

S.no.	Nepalese Article	Quantity in MT per year
1.	Vegetable fats (Vanaspati)	100, 000 (One hundred thousand)
2.	Acrylic Yarn	10, 000 (Ten thousand)
3.	Copper products under Chapters 74.00 & Heading 85.44 of the H.S. Code	10,000 (Ten thousand)
4.	Zinc Oxide	2,500 (two thousand five hundred)

- a) Imports into India of the above four commodities for quantities in excess of the fixed quota mentioned above will be permitted under normal MFN rates of duty, notwithstanding any concession in any other preferential arrangement.
- b) Imports into India of the above commodities will be permitted through the Land Customs Stations (LCS) at Kakarbhitta/Naxalbari, Biratnagar/Jogbani, Birganj/Raxaul, Bhairahawa/Nautanwa, Nepalgunj/Nepalgunj Road and Mahendranagar/Banbasa.
- c) Modalities of operationalization of the fixed quota on vegetable fat (Vanaspati) shall be as agreed from time to time.
- d) The existing administrative arrangements for operationalization of the fixed quota of Sl. no 2, 3 and 4 shall be reviewed for further simplification, as required.

**Annexure "D/I" 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 package
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) & (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 & 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 col. 10 (ii) (A) & (B) to the value of col. 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 Government of Nepal and the Government of India.

(Place & Date, Signature of authorized signatory).

13. Certification

It is certified that the articles herein referred to are eligible for preferential treatment as per provisions of the Treaty of Trade between the Government of Nepal and the Government of India. It is further certified that:

1. The articles have been manufactured in Nepal at a factory situated at

_____ (name of the 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*.

For the Government of Nepal
(Place and Date, Signature & Stamp of certifying authority)

14. For Official use of Indian Customs

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 the Government of India.

Signature & Seal of the Certifying authority Dated: Place:

** 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 will not be treated as product of third country origin.*

**Annexure-"D/II" Certificate of Origin for export to India under MFN
arrangement**

1. Product Name:
 2. HS Code:
 3. Manufacturing Unit in Nepal:
 4. Article consigned from (Exporter's business name, address):
 5. Article consigned to (Importer's name and address):
 6. Marks and number of packages:
 7. Description of Articles:
 8. Gross weight or other quantity:
- _____

9. Number and date of Invoice together with value:

10. Ex-factory price of the Articles:

11. Declaration by exporter:

The undersigned hereby declares that the details furnished above are true and correct and complies with the provisions of Nepal-India Trade Treaty.

Place and Date, Signature of authorized signatory.

12. Certification by the competent authority:

The above declarations are correct to my knowledge and hence recommend for export to India under MFN arrangement.

Signature and seal of certifying authority

**Annexure “ E ” MFN LIST OF ARTICLES
WHICH WILL NOT BE ALLOWED
PREFERENTIAL ENTRY FROM NEPAL TO INDIA
ON THE BASIS OF CERTIFICATE OF ORIGIN TO BE
GIVEN BY AGENCY DESIGNATED BY
THE GOVERNMENT OF NEPAL**

1. Alcoholic Liquors/Beverages (*) and their concentrates except industrial spirits,
2. Perfumes and cosmetics with non-Nepalese/non-Indian Brand names,
3. Cigarettes and Tobacco.

Note: Government of India may, in consultation with the Government of Nepal modify the above list.

(*) Nepalese beers can be imported into India on payment of the applicable liquor excise duty equal to the effective excise duty as levied in India on Indian beers under the relevant rules and regulations of India. (Nepalese beer has been exempted from the whole of the additional duty vide customs notification No. 178/2003-customs date 17.12.2003)
