

# Steps for Exporting Business

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

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<b>2<sup>ND</sup></b>	Obtain <b>BUSINESS REGISTRATION CERTIFICATE</b> of a single proprietorship firm or a partnership firm OR Obtain registration certificate of a <b>PRIVATE OR A PUBLIC LIMITED COMPANY</b>	1,2,3 6  7  8 9 10 1 & 2  11  12	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  Initial Environmental Examination (IEE) Report  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	5. Department of Commerce or its offices 5. Cottage & Small Industries Department or its office 5. Cottage and Small Industries Development Board or its offices 5. Department of Industries or its district offices  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 or Office designated of the CRO	<input type="checkbox"/> For a trading firm or a partnership firm <input type="checkbox"/> For firms or partnership which have fixed capital less than Rs. 30 million. Doc. No. 14 should be submitted in case of a company. <input type="checkbox"/> With fixed capital more than Rs. 30 mil.  IEE – applicable for industries like brick, diary, hotel, etc.  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

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3 <sup>rd</sup>	Obtain PERMANENT ACCOUNT NUMBER (PAN) REGISTRATION CERTIFICATE 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

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4 <sup>th</sup>	MANAGE FINANCIAL SOURCES FOR BUSINESS (for manufacturing or trading), establish credit limit with the bank in order to obtain pre- or post shipment finance if necessary, OPEN & MAINTAIN A BANK ACCOUNT of a firm or company and <b>ORGANIZE YOURSELF FOR EXPORTING</b>	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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5 <sup>th</sup>	<p><b>ESTABLISH RELATIONSHIP WITH IMPORTERS – GETTING READY FOR EXPORTING</b> which involves:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Identification of potential export products</li> <li><input type="checkbox"/> Finding out from the Department of Commerce if selected products are export banned or restricted requiring export license</li> <li><input type="checkbox"/> Selection of the most potential exportable products</li> <li><input type="checkbox"/> Identification of the most potential and target markets for the selected product/s</li> <li><input type="checkbox"/> Selection of the priority markets</li> <li><input type="checkbox"/> Identification of the potential customers of selected products in the priority markets</li> </ul>	<p>9. TEPC, NCC or other Chamber of commerce, FHAN, diplomatic mission at home, internet, chamber of commerce at target markets, etc.</p> <p>9. TEPC</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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5 <sup>th</sup>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Prepare company and product profiles/ brochures, details of offers with pro-forma Invoice, and other promotional materials to submit to the potential customers</li>   <li><input type="checkbox"/> Establish contacts with the matching buyers or the most likely buyers in the target markets</li>   <li><input type="checkbox"/> Inform them all procedural requirements for export transactions in Nepal and conclude the deals using your prudent negotiation skills</li>   <li><input type="checkbox"/> Send Pro-forma invoice and request buyer either to open a Letter of Credit (irrevocable) or to make advance payment through a commercial bank</li>   <li><input type="checkbox"/> Arrange Production or procurement of goods/services for export as per buyer's instructions and</li> </ul>	19	Pro-forma Invoice and General Terms and Conditions of Export	<p>6. Your office or hire a consultant</p>   <p>6. Your office</p>

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6 <sup>th</sup>	PREPARE DOCUMENTS – for an export transaction (a) DOCUMENTS REQUIRED FOR ALL PRODUCTS	20 21 22.1 22.2  23 24  25	Invoice  21.1 Letter of Credit (L/C) or 21.2 Advance Payment Certificate (APC)  Application for GSP Form A  Application to FNCCI to arrange COO for export of industrial products to India  Certificate of Origin (COO) 24.1 For exports to India 24.2 For all exports to Overseas	6. Your firm, partnership or company  8. Commercial bank where you normally receive L/C or Advance Payment  10. TEPC  4. Local Chamber of Commerce and Industry (for No. 24.1 to 24.3)  6. Prepare photocopy	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 TIA  :by land or air or railway and sea via transit through India &  :by post parcel from Foreign Post Office



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6 <sup>th</sup>	(b) DOCUMENTS REQUIRED DEPENDING ON THE TYPE OF PRODUCT	14	Business Registration Certificate (Photocopy)	6. Prepare photocopy yourself	(For Export via India)
		16	PAN Registration Certificate (Photocopy)		Applicable only if buyer requests
		26	Letter of Authority to the Forwarding Agency, which should be addressed to the Customs Office	6. Prepare this document in your letter head	Applicable to metal products, artistic jewelleries, Pauvas, Thankas, paintings, wood- carvings, stone
		27	Customs Deceleration Forms (Pragyapan P	11. Customs Office, Nepal	crafts, etc.
		28	Foreign Exchange Control Export Deceleration Form	12. Nepal Rastra Bank	For textile fabric products exports to US (Refer Appendix VI Indicative Prices (floor prices)
		29	Customs Transit Declaration Form	11. Customs Office, Nepal	(Refer Appendix VII)
		30	Insurance Policy	13. Insurance Company (like Rastriya Beema Sansthan)	In case where duty free imported raw materials are used in export item.
		31	Invoice Certificate of FHAN or invoice attested by a concerned association	9. FHAN or other product associations provide separate certificate	Fee of 0.2% on FOB value or Rs. 25/ whichever is higher is charged
		32	No Objection Letter		For readymade garments or textile articles export to EC countries (For detailed procedures
		33	Value Added Certificate (for jewellery in format prescribed by Nepal Rastra Bank)	14. Curio Pass Office of the Archeological Department	See Appendix VIII)
		34	Application form for Curio Pass Certificate (If applicable)	14. Department of Agriculture, Plant Quarantine Section	
			Phytosanitary Certificate	14. Department of National Parks and Wild Lives	Applicable for gold and silver jewelleryes
			Cites Certificate (For research, educational exhibition or the Zoo purposes only, but not for trade)	Conservation	

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		35	Application to get a letter of recommendation for exports of garments.	14. Garment Association of Nepal (GAN) Garments	
		36	Bonded Warehouse Certificate	11. Customs Office (Nepal)	In case where duty free imported raw materials are used in export item.
		37	Double or Multiple Country Declaration (DCD or MCD)	6. Prepare this document with the help of forwarders	
		38	Recommendation for Export License or for authentication of Certificate of Origin of garments	14. Garment Association of Nepal (GAN)	

Fee of 0.2% on FOB value or Rs. 25/ whichever is higher is charged For readymade garments or textile articles export to EC countries

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7 <sup>th</sup>	<b>FREIGHT FORWARDING AGENT</b> 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.
8 <sup>th</sup>	<b>MAKE TRANSPORT ARRANGEMENT</b> 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	39 40 41	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	

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10 <sup>th</sup>	<b>INTIMATE IMPORTER</b> about the cargo and forward the necessary documents				If possible forward the requested documents with the consignment
11 <sup>th</sup>	Submit relevant documents to the bank for <b>NEGOTIATION OR FINAL PAYMENT</b> (to get credited full payment to your bank account)	20, 23, 24, 25, 27,29, 34, 41	As indicated earlier		Submit documents upon request of bank or instruction of importer

Apart from these 7 customs point there 22 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).