

**Press Release**

**Kathmandu Nepal**

**17 July 2018**

**Government should immediately withdraw additional service charge imposed on Internet Access**

Nepal Government has levied 13 per cent Telecommunication Service Charge (TSC) on the internet services under the Periodic Tax Collection Act 2012 through the budget announcement for FY 2075/76 from 17 July 2018. This newly imposed 13 per cent service charge is in addition to the existing 13 per cent VAT.

The charges for internet access in Nepal is already higher than many South Asian and South East Asian countries in the region and this additional charge has made internet access dearer for the Nepalese users. The government of Nepal has adopted policies to connect the unconnected half of the population to the internet and such a step is going to widen the digital gap we have been trying to narrow. Further, such steps would also discourage the start-ups, small and medium-sized enterprises to go digital and take advantage of information technology. The federal government and sub-national governments have ambitious plans for Digital Nepal and smart cities, free public wi-fi zones and such a regressive step would also negatively impact those plans.

Access to internet is not only a right in itself but also plays important role in exercise of civil, political, economic, social and cultural rights, including the right to freedom of expression and opinion and right to information to name. Internet can be a driving force for the "prosperous Nepal" we dream of but we need to first make the access to internet universal for that.

After the government made public the proposal of taxing internet access, Internet Society Nepal organized a public discussion on 31 May 2018 and invited representatives of Ministry of Communication and Information Technology, Department of Information Technology among others. In that program representative of civil society, IT industry and others requested the government to reconsider the proposal of taxing access to the Internet and how it could negatively affect the pace of internet access in Nepal.

In this context, Internet Society would like to redraw the attention of Nepal Government and policy makers to this issue and request to withdraw the Telecommunication Service Charge levied on use of the internet immediately.

With regards,



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General Secretary  
Internet Society Nepal