



NEPAL
ECONOMIC
FORUM

DOING
BUSINESS
IN **FEDERATED**
NEPAL





Federalization in Nepal has led to the formation of 753 local bodies with each having powers vested in them to steer the growth and development of their regions. While discussions are ongoing on the bottlenecks and impediments to business environment in this new set up, Doing Business in Federated Nepal is an attempt to give a visual perspective on the existing opportunities for the public private community partnerships. The publication provides insights on business climate in Nepal under the new federated structure. It aims to provide baseline information on economic indicators of the provinces that will help the investors compute and compare the prospects of business climate across the provinces.

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FEDERAL 1. NEPAL AN OVERVIEW

1.1 POLITICAL SYSTEM

The Constitution of Nepal 2015 declares the country a Federal Democratic Republic. The Government of Nepal successfully conducted three levels of elections back in 2017—the local, provincial and federal—as mandated by the statute.

1.1.1 STRUCTURE OF STATE

The primary structure of the Federal Democratic Republic of Nepal is of three levels, namely the Federation, the State and the Local level. The Federation comprises seven states and the states are comprised of districts. The local level consists of Village Institutions, Municipalities and District Assemblies.

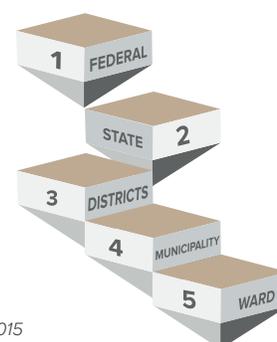
The number of Wards in a Village Institution and Municipality is as provided for in the Federal law. The Federal law can set any Special, Protected or Autonomous Region for social, cultural protection or economic development. The structure of the federal legislature is bicameral in nature comprising of the House of Representatives (HoR) and the National Assembly (NA). The state legislature is unicameral in nature called as the State Assembly and the legislative power of the Local Level is vested in the Village Assembly and the Municipal Assembly.

1.2 LEGAL SYSTEM

The Nepali legal system is based on the common law and Hindu legal concepts. Corporate laws and governance systems are similar to the Indian system. The judiciary is composed of the Supreme Court, Appellate Courts and District courts. The Constitution instils the judiciary with the right of judicial review. The identity of the judiciary is distinct from the executive and legislative branches.

1.3 ECONOMIC SYSTEM

Nepal underwent various reforms in the 1990s to make the country more investment-friendly and introduced policies such as the One Window System for Foreign Investment. Over the years, policies have been formulated to limit government interference and allow the private



1. As defined by the Constitution of Nepal 2015
2. Details to the composition of HoR and NA is listed in Appendix I

1.1.2 DISTRIBUTION OF STATE POWER

LIST OF POWER 	FEDERAL	STATE	LOCAL	FEDERAL & STATE	FEDERAL, STATE & LOCAL
Central financial planning, foreign grants, aid, loans, insurance policies, securities, cooperatives regulation	●				
Operation of BFIs and cooperative institutions, as per the policies of the central bank		●			
Cooperative institutions, local development projects			●		
Cooperatives					●
Customs, excise-duty, value-added tax, corporate income tax, individual income tax, remuneration tax, passport fee, visa fee, tourism fee, service charge and fee, penalty	●				
House and land registration fee, motor vehicle tax, entertainment tax, advertisement tax, tourism, agro-income tax, service charge, fee, penalty		●			
Local taxes (wealth tax, house rent tax, land and building registration fee, motor vehicle tax), service charge, tourism fee, advertisement tax, business tax, land tax (land revenue), penalty, entertainment tax, land revenue collection			●		
Service fee, charge, penalty and royalty from natural resources, tourism fee, motor vehicle permits					●
Matters relating to bankruptcy and insolvency, Contracts, cooperatives, partnership and agency related matters, Insurance business operation and management				●	
The acquisition, requisitioning of property and creation of a right in property				●	
Intellectual property (including patents, designs, trademarks and copyrights)	●				
Telecommunications, Inland and inter-State electricity transmission lines, national transportation policies and their management	●				
State level electricity, irrigation and water supply services, navigation, Intra-State trade		●			
Large electricity, irrigation projects and mines excavation	●				
International agreements, International trade, port, quarantine	●				
Agriculture and livestock development, factories, industrialisation, trade, business, transportation		●			

sector to operate under minimum restrictions. To this end, Nepal has done away with licensing requirements, simplified regulatory processes, broadened the scope of FDI and initiated other reformatory measures to create an efficient business environment.

The exchange rate of the Nepali Rupee (NPR) with the Indian Rupee (INR) is determined under a fixed arrangement since 1960. The current conversion rate stands at NPR 1.60 to INR 1. With all other countries, there exists a flexible exchange rate.

1.4 FINANCIAL SYSTEM

The Nepal Rastra Bank (NRB), the central bank of Nepal, drafts the monetary policy. It also regulates the banking industry, and banks can only open with its approval. Companies are not permitted to open a savings account but can open a call account to earn interest on savings. The Federation, State and Local level make laws, annual budget decisions, formulate and implement policies and plans on all matters related to financial powers within their respective jurisdictions.

1.5 CAPITAL MARKET

The capital market is regulated by the Securities Board of Nepal (SEBON) through the Securities Act, 2007. Nepal Stock Exchange Limited (NEPSE) is the sole stock exchange of the country. The Nepal capital market that began with few companies and limited transactions

in 1993, today has 196 listed companies with market capitalization of over USD 14 billion and with annual transactions of over USD 1.5 billion.

Although the market is still in its evolutionary stage, the role it can play in economic development as a key mobilizer of financial resources has also been felt lately. The SEBON has taken various initiatives in recent years to modernize and strengthen the sector. Full automated trading of securities at NEPSE began from 2016 while online trading is expected to start within 2018. Further, SEBON has enacted the much awaited Commodities Act recently and is working on drafting the regulation for Private Equity and Venture Capital. Moreover, to attract real sector companies into the market, SEBON has already amended the Securities Registration and Issuance Regulation and is also working on allowing Non-Resident Nepali's (NRNs) and Foreign Institutional Investors (FIIs) into the market.

1.6 OFFICIAL CALENDAR AND SCRIPTS

The Bikram Sambat (BS) Calendar (Lunar Calendar) is the official calendar of Nepal—the fiscal year ends on the third month of the BS calendar which generally falls on July 15.

Nepali is the official language of the central government. Consequently, all laws, rules and regulations are in Nepali, although English translations are available for most of the Acts. Also,

the financials of public institutions are prepared in Nepali and are also available in English.

1.7 INTERNATIONAL RELATIONSHIP

Nepal has diplomatic relations with 163 countries and to facilitate easy trade across borders (till October 2018), Nepal has entered into the following agreements with various countries and become a member of the following organisations.

- Nepal is a member of the World Intellectual Property Organisation (WIPO) and the Multilateral Investment Guarantee Agency (MIGA)
- Nepal is a regional member of the Asian Infrastructure Investment Bank (AIIB).
- Nepal has entered into Bilateral Investment Treaties (BITs) with countries such as India, France, Germany, Mauritius, and the United Kingdom
- Nepal is a member of the Belt and Road Initiative (BRI).
- To ensure access to the international market, Nepal is the member of World Trade Organisation (WTO), South Asian Free Trade Area (SAFTA) and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).
- Nepal is also a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and a member of the International Centre for the Settlement of Investment Disputes (ICSID), associated with the World Bank.



DOING
2. BUSINESS
IN NEPAL

2.1 LAWS RELATED TO INVESTMENT

Laws	Key Features
 <p>Banks & Financial Institutions Act (BAFIA), 2017</p>	<ul style="list-style-type: none"> • Allows conversion of promoter shares into public shares after a lock-in period of 10 years • Banks and financial institutions shall only be registered as a public company under the provisions of the Companies Act • Approval from the NRB must be obtained before the incorporation of such banking institution • Approval of the NRB is also required to establish a BFI with foreign ownership or to establish a branch of a foreign BFI
 <p>Company Act 2006 revised in 2017</p>	<ul style="list-style-type: none"> • Protection of corporate name/ brand • A private company can have a maximum of 101 shareholders • No mandatory requirement for private companies to convert to a public company except a compulsory requirement for telecommunication service providers • Share/Debtenture buying/selling provision • Special provisions for foreign companies open for business • Special arrangement for de-registration of defunct and defaulting companies
 <p>Foreign Investment & Technology Transfer Act (FITTA) 1992 revised in 2017</p>	<ul style="list-style-type: none"> • Equal treatment to foreign investment companies • Foreign investment allowed up to 100% in industries (except in few as mentioned by sectoral policies) • Technology transfer is possible in all sectors of industries • Repatriation is guaranteed in foreign currency • Business/Residential visa for investors • Explicit provision of dispute settlement for areas under the negative list for foreign investment
 <p>Industrial Enterprise Act 2016</p>	<ul style="list-style-type: none"> • Tax incentives • VAT, customs duty incentive, concession and benefits • Facilities to acquire land • No nationalisation of industries • No work, no pay, and restriction on strikes • One window service
 <p>Investment Board Act 2010</p>	<ul style="list-style-type: none"> • Investment to be made in any productive industry having fixed capital of Ten Hundred Million Rupees or having more than Ten Hundred Million Rupees project cost is implemented under this Act

2.2 INVESTMENT MECHANISM

The minimum capital requirement for the foreign companies and individuals investing in Nepal has been fixed at NPR 5,000,000 (USD 43,860). The investor will have to purchase shares equivalent to this amount or lend over this amount. This does not apply in establishing contact/liaison offices or branch offices of foreign companies.

2.3 BUSINESS REGISTRATION PROCEDURE

After the company/business gets the approval letter from the DoI or Investment Board Nepal, the company needs to be registered at the Company Registrar Office. The business is thereafter required to be registered with the DoI within 35 days

from the date of approval. During the registration process, the company needs to set out nature, classification of the industry, place where the industry is to be situated, machinery to be employed, raw materials, supporting raw materials, chemicals, packaging goods and the name of the industrialist.

The registered company will be issued a registration certificate within 21 days from the date of application for registration. Following company registration, investors will need to obtain PAN and VAT and if applicable, registration numbers from the Inland Revenue Department. Foreign investors also need to open a foreign currency account at the NRB.

2.4 INTELLECTUAL PROPERTY

Patent: Individuals can register a copyright in their name if either they are the inventor or if they have acquired rights over the original inventor. The DoI will permit registration as long as it does not adversely affect the public health, conduct, morality or the national interest. Patents registered under the Patent Trademark Act are published in the Official Gazette. In case anyone desires to copy the particulars, maps or drawings of the patent, it can do so by paying a specific fee to the Department. The title of the patentee will only be valid for seven years from the date of registration unless renewed. Misuse of registered patents will lead to a fine of up to NPR 250,000 (USD 2270) and confiscation of goods related to the offence.

Design: The title of the person in whose name a design has been registered in will only remain valid for five years unless renewed. Misuse of designs will lead to a fine of up to NPR 50,000 (USD 454) and confiscation of goods related to the offence.

Trademark: The title of the person in whose name a trademark has been registered in will remain valid for seven years unless renewed. If the logo is not used within one year from registration, the department may conduct necessary inquiries and cancel such a mark. The punishment for illegal use of a registered trademark stands at a fine of up to NPR 100,000 (USD 908) and confiscation of goods related to the offence.

INVESTMENT APPROVING AGENCIES

Investment Board Nepal	For an investment of more than or equal to NPR 10 billion (USD 90.8 million)
Department of Industry	For investment less than NPR 10 billion (USD 90.8 million)
Types of Companies	
A wholly owned subsidiary	With 100% foreign equity in the company
Joint-venture company	With a Nepali partner and/or with the general public and operating as a public company which may be listed or not listed in the stock exchange
	With a Nepali partner and running as a private company or a non-listed public company
Investment Vehicle	
Investment in share (equity)	
Reinvestment of the earnings derived from the above	
An investment made in the form of loan or loan facilities	
Mergers and acquisitions with existing Nepali corporations	

2.5 REGISTERING PROPERTY

Foreign nationals are not permitted to own land in their names. They can, however, purchase land in the name of the company after it is incorporated at the Company Registrar's Office. Services of local real estate dealers can be used for acquiring land. After identifying the property, it has to be registered at the local Land Revenue Office of the Department of Land Reform and Management.

2.6 TAXATION

The tax rate is determined and revised yearly based on the annual budget presented to the Parliament in the 15th of second month of the BS calendar that generally falls around May 29 of each year.

2.6.1 INCOME TAX

The Inland Revenue Department of Nepal charges income tax on four broad categories of net income which are Investment Income Tax, Windfall Gain Tax, Business Income Tax and Employment Income Tax.

Business income/ Corporate Tax:

All corporations earning profits from carrying on trade, profession or business in Nepal are liable

to pay corporate tax. A taxpayer is entitled to deduct all expenditure that is incurred in the production of profits from his gross income. Accumulated losses can be carried forward for only four fiscal years. Filing of income tax returns is based on a self-assessment system where corporations have to calculate advance tax at the start of a fiscal year. At the end of the fiscal year, the company is audited and total tax for the next fiscal year is determined based on the tax rate allocated in the budget for the next fiscal year. If the tax already paid is less than the actual tax, the difference has to be paid by 31 October of the next fiscal year. However, if a corporation is unable to pay within this period, the deadline can be extended by another three months with approval from the tax office. If the tax already paid is more than the actual tax, the difference is taken as an advance for the next fiscal year.

Employment income tax / salary tax:

Salary tax is charged on the income earned by all individuals from any form of employment in Nepal. Income is defined as the total of all wages, salary, leave pay, bonus, allowances and all perquisites and facilities including rent paid by the employer. The slab system for the calculation of salary tax is determined in the annual budget.

2.6.2 PROPERTY TAX AND VALUE ADDED TAX

Individuals and corporations have to pay tax on any building or land that they own. The three tiers of government collect this amount as stipulated by the constitution. The rate varies with each area.

Value Added Tax (VAT) is charged at a flat rate of 13%.

3. LABOUR LAWS IN NEPAL

Investors setting up enterprises in Nepal that will employ staff (either on a permanent, fixed term or consultancy basis) will need to follow Nepal's Labour Act 2017. The Act applies to all entities regardless of the number of workers.

3.1 SUMMARY OF GENERAL REGULATIONS

3.1.1 FOREIGN WORKERS

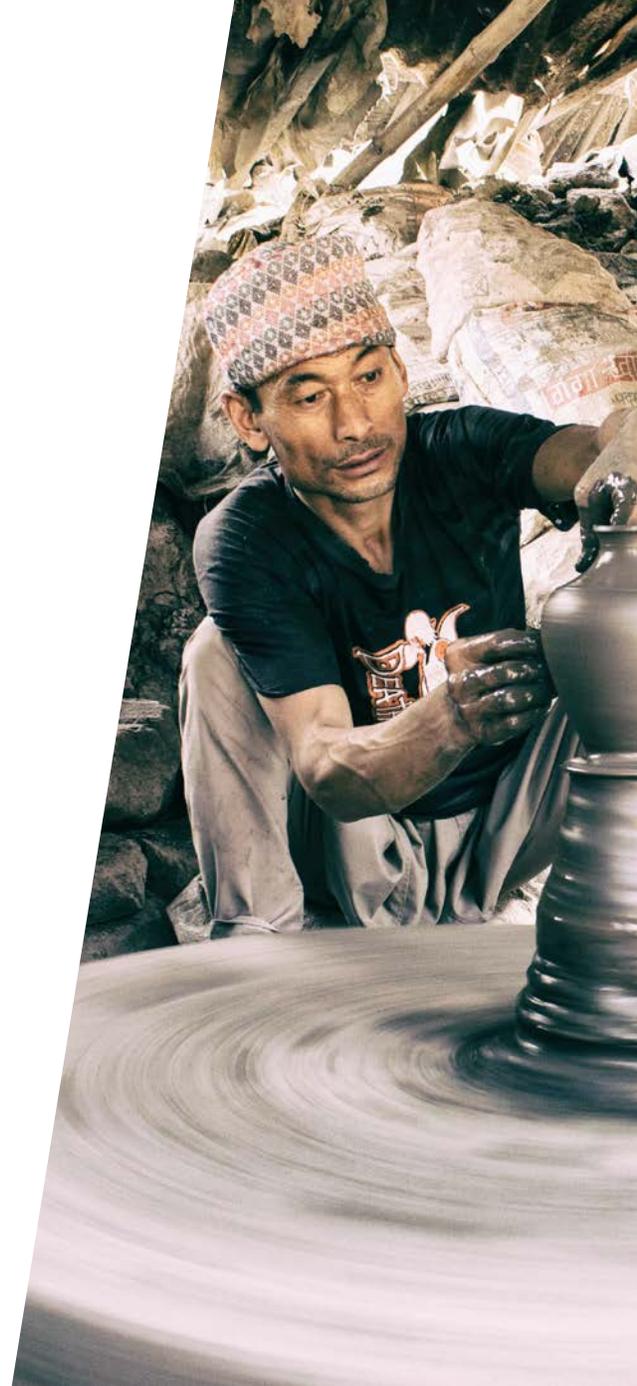
In regards to employment, Nepali Nationals are given priority over foreigners. However, in case no skilled Nepali national is available for employment, foreign nationals may be employed on a contract basis. The term of employment cannot exceed two years at a time

once they obtain approval from the Labour Department on the recommendation of the concerned Labour Office. As per the Labour Act, no foreign national can be engaged in work without the employment agreement which should be entered into either in language understandable by such foreign national or in English. Unless otherwise provided in the contract, the employment agreement continues for three years.

3.1.2 FORM OF CONTRACT

In Nepal, all employees are issued a letter of appointment or a contract of employment which states the post, enumeration, and

Wages	The statutory minimum wage legislation is NPR 13,450 (USD 122) per month
Working Hours	Maximum time of eight hours a day or 48 hours a week. Every worker shall be given one day's leave each week.
Benefits	<p><i>Provident Fund:</i> All establishments are required to deduct 10% from the basic monthly salary of a permanent worker and deposit it into the Provident Fund established under the 1962 Employees Provident Fund Act. The employer must also make a matching contribution to it.</p> <p><i>Gratuity:</i> Each establishment is required to set up a separate gratuity fund to deposit amounts of gratuity payable to workers since the first day of work. Gratuity shall be 8.33% of basic remuneration since the first day of employment.</p> <p><i>Workmen's Compensation:</i> Medical insurance of at least NPR 100,000 (USD 908) per year for every worker is noted in the Labour Act 2017, the premium of which is paid in equal half by the employer and employee. Additionally, accident insurance with coverage of at least NPR 700,000 (USD 6357) for every worker is noted in the law and the employer fully incurs the premium for it.</p>



service conditions of the concerned worker or employee.

3.2 DEALING WITH BREACH OF CONTRACTS

If one party breaches the terms of a contract, the other party is not liable to complete the agreement and can cancel it by furnishing a notice. The injured party can realise from the defaulter, the actual loss or damage suffered by him/her as a result of the breach.



In case the cash compensation paid to the aggrieved party is not adequate, the aggrieved party has the right to demand the completion of the contract instead of making compensation.

3.3 DISPUTE SETTLEMENT

If any dispute arises between a foreign investor and a national investor or the concerned industry with fixed assets investment as per Industry Registration

Certificate of up to NPR 500 million (USD 4.5 million), the interested parties shall be required to settle the dispute by mutual consultations in the presence of the DoI.

If the dispute cannot be resolved in the above manner, it shall be settled by the prevailing arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL)

in Kathmandu. As per the laws of Nepal, freedom to choose to choose jurisdiction and law is provided to industries with “fixed assets” investment of above NPR 500 million (USD 4.5 million), and disputes may be settled as mentioned in the joint venture agreements, share purchase agreement, licensing agreements, or other agreements. This is not applicable for branch or liaison office.



3.4 INSOLVENCY

The Insolvency Act, 2006 of Nepal governs corporate insolvency, whereas the Company Act deals with solvent liquidation and deregistration. The Insolvency Act presides over all entities with limited liability. The Act deems a company to be in a financially

difficult situation when it is likely to be insolvent immediately or shortly. Such a company can either opt for reorganisation or liquidation. A simple majority of creditors, however, have the power to accept or reject the reorganisation programme and decide to liquidate the company.

The petition for insolvency is filed in the District Court. Creditors, shareholders, debenture holders, liquidators and regulators of the business can initiate the insolvency proceedings. Creditors are given the right to accept or reject the petition when filed by debtors. All creditors have to oppose the petition

for it to be halted. If denied, debtors will be provided with additional time to repay the debt. If they fail to agree on time, the court may stipulate time not exceeding ten years. Creditors, however, cannot reject the petition if the debtors' successor files it. No distinction is made based on the nationality of creditors.

If some of the creditors oppose the petition, the process does not stop. All assets forming part of the estate will be realised and distributed to the creditors. The assets set aside for creditors opposing the petition will be handed over to the debtor. The bankrupt debtor cannot sell any part of the bankruptcy estate. If any asset is mortgaged before the bankruptcy petition, it is treated as exempt property.

Debtors are liable to a fine penalty and/or jail imprisonment for a maximum period of one year if they make false statements about creditors, loss of business and bankruptcy estate. Once the proceeds are distributed to the creditors, the debtor would be discharged from all his debt liabilities. However, if there are undisclosed assets, the creditors have ten years to recover their dues from such assets.

As per the laws of Nepal, freedom to choose jurisdiction and law is provided to industries with “fixed assets” investment of above NPR 500 million (USD 4.5 million), and disputes may be settled as mentioned in the joint venture agreements, share purchase agreement, licensing agreements, or other agreements. This is not applicable for branch or liaison office.

3.5 REPATRIATION

The procedure for repatriation of investment involves applying to the DoI for recommendation of repatriation. Upon receiving the recommendation letter from the DoI, the company/ investor has to apply to the NRB for final approval of repatriation. After receiving the approval from NRB, the investor/company can repatriate the sale proceeds/loan/income based on the case.

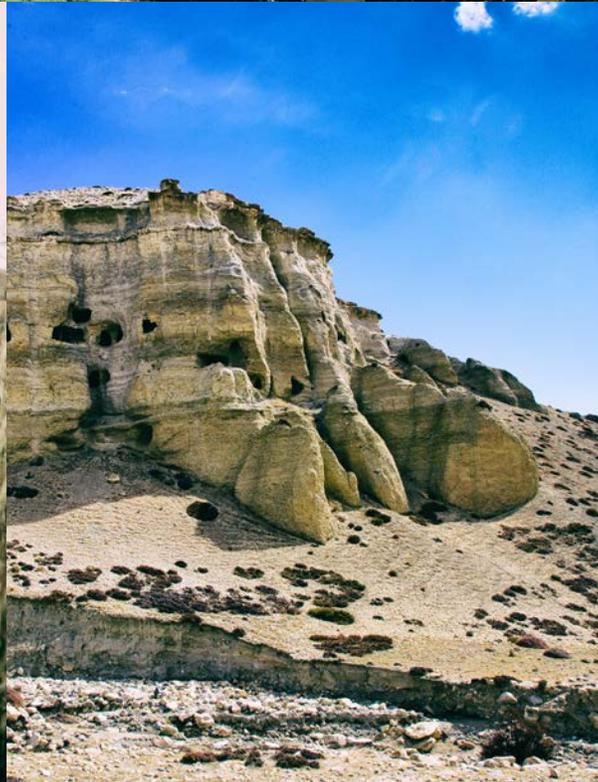
If an industry is closed down after fulfilling the formalities as prescribed in the existing laws, information thereof shall have to be provided to the concerned department within seven days from the date of closing down. A foreign investor shall be allowed to

repatriate the following amounts.

- The amount received by the sale of the share of foreign investment as a whole or any part thereof,
- The amount received as profit or divided in place of foreign investment,
- The amount received as the payment of the principal of and interest on any foreign loan,
- The amount received under an agreement for the transfer of technology in such currency as outlined in the concerned agreement,
- 75% of the salaries and allowances to expatriates,
- Repatriation can be made in foreign currency with an approval from the NRB. TDS will be charged where ever applicable.



MAPS OF
2. NEPAL



Source: <https://es.m.wikipedia.org/wiki/Archival:Everest-Panorama.jpg>



NEPAL AT A GLANCE

GEOGRAPHY			
Area	147,181 sq. km.	Terrain	Teral or flat river plain of the Ganges in the south, central hill region, the Himalayas in the north
Provinces	7	Time Zone	GMT + 5 hours 45 minutes
Districts	77	Official Language	Nepali in Devnagari Script
Capital	Kathmandu		
Location	South Asia; landlocked strategic location between India and China		
PEOPLE AND SOCIETY		ECONOMY	
Population (in millions)	26.5	Human Development Index	0.49
Male : Female Ratio	94:16	Labour Productivity (in thousand NPR)	100
Population Density per sq. km	180	Per Capita Income (USD)	730
Literacy Rate (%)	59.6	SECTOR CONTRIBUTION TO GDP	
Dependent Population	0.76	Agriculture (%)	24.52
houses with electricity access	67.7	Manufacturing (%)	4.87
Number of houses having mobile phones	56.73	Service (%)	52.14



Data Source: Central Bureau of Statistics, Nepal Rastra Bank

NEPAL'S RANKING IN DOING BUSINESS INDICATORS 2018

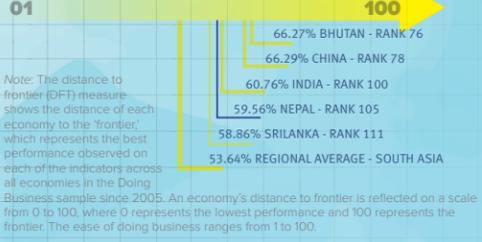
76	RESOLVING INSOLVENCY
133	ENFORCING CONTRACTS
76	TRADING ACROSS BORDERS
146	PAYING TAXES
62	PROCESSING MINORITY INVESTORS
90	GETTING CREDIT
38	REGISTERING PROPERTY
133	GETTING ELECTRICITY
157	DEALING WITH CONSTRUCTION PERMITS
109	STARTING A BUSINESS



MAP NOT TO SCALE

	PROVINCE 1	PROVINCE 2	PROVINCE 3	PROVINCE 4	PROVINCE 5	PROVINCE 6	PROVINCE 7
Area (in sq. Km.)	25,905	9661	20,300	22,585	17,318	31,873	19,539
Districts	14	8	13	11	12	10	9
Number of local bodies	137	136	119	85	109	79	88
Capital	Biratnagar	Janakpur/Dham	Hetauda	Pokhara	Butwal	Birendranagar	Godawari
Population (in millions)	4.53	5.40	5.52	2.73	4.11	1.62	2.55
Male : Female Ratio	91.5	101.2	98.8	84.3	90.5	95.5	91.3
Population Density per sq. km	175	559	272	121	238	51	131
Literacy Rate (%)	65.3	40.9	69.3	55.6	59.4	53.0	54.9
% of households with electricity access	66.1	60.4	86.3	83.0	65.7	21.7	48.4
Human Development Index	0.504	0.421	0.543	0.513	0.468	0.427	0.431
Labour Productivity (USD)	1032	1110	1655	1018	937	698	692
Economically active population (%)	43.0	31.0	42.5	43.9	40.6	41.4	41.5
Per Capita Income (USD)	1024	799	1534	1021	868	677	660
Province Contribution to GDP (%)	17.5	16.2	31.9	10.5	13.4	4.1	6.3
Contribution to country's Agriculture Sector (%)	21.5	18.0	16.0	11.8	16.9	6.0	8.9
Contribution to country's Industry Sector (%)	16.8	24.0	31.0	10.6	10.4	3.3	3.9
Contribution to country's Service Sector (%)	13.6	12.4	44.5	9.4	11.7	3.0	5.1
Number of Commercial Banks	112	122	107	74	99	54	63
Total capacity of existing and under construction hydropower projects (in MW)	888.9	0	2666.9	1883.4	37.9	43.5	127.8
Contribution to country's total road network (%)	20.0	10.0	24.4	17.9	15.4	5.2	7.1

DOING BUSINESS 2018 DISTANCE TO FRONTIER (DFT)



Note: The distance to frontier (DFT) measure shows the distance of each economy to the 'frontier', which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranges from 1 to 100.

- Buddhist Temples
- Capital
- Major City
- Cardamom
- Caves
- Coffee
- Conservation Parks
- Conservation Area
- Fishery
- Garlic
- Ginger
- Hindu Temple
- Historical Sites
- Hydropower
- International Airport
- National Airport
- Lakes & Ponds
- Maize
- Mining
- Mountains
- Non timber forest products
- Olives
- Orange / Mandarin
- Paddy / Wheat
- Paragliding
- Potato
- Rafting
- SEZ / Industries
- State Capital
- Sugar Cane
- Tea
- Tourist Sites
- Trade & Commerce
- Vegetables
- International Border
- Province Border
- Major Rivers



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PROVINCE 1 - NEPAL: QUICK FACTS



STATE CAPITAL
BIRATNAGAR
25,905 sq. km
Area 17.6%

Population 4.53 M
17.12%
122 Commercial Banks

PER CAPITA 1024
Province Contribution to GDP 17.5%

Literacy Rate 65.3%
Human Development Index 0.504

CONTRIBUTIONS
electricity access 66.1%
road network 20.0%
agriculture 21.5%
industry 16.8%
service 13.6%



INFRASTRUCTURE

NPR 592bn
USD 5.2bn

11,820 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road made ranges between NPR 30-50 million per km, there is an opportunity of NPR 354 to 591 billion (USD 3.1 to 5.2 billion) worth of investment.

The government has allocated NPR 1.1 billion (USD 9.8 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY

NPR 665bn
USD 5.8bn

The government has announced 3,752MW of hydropower projects for investment, which equates to investment opportunities worth NPR 665 billion (USD 5.84 billion).

SERVICE

NPR 26bn
USD 224mn

AGRICULTURE

NPR 19bn
USD 170mn

INDUSTRY

NPR 8bn
USD 71mn

HIGHLIGHTS & OPPORTUNITIES

ARUN 3
Hydropower project – export oriented project

Ski Tourism
in Mera Peak

Inaruwa-Purnea & Kimathanka–Latse Cross Border Transmission Line
– proposed by Rastriya Prasaran Grid Company Limited

THREE CITIES
being financed by AIB for urban infrastructure improvement

TWO FIVE STAR HOTELS
under construction –
Dwarika's Inn & Mechhi Crown Plaza

- Buddhist Temples
- Capital
- Major City
- Cardamom
- Caves
- Coffee
- Conservation Parks
- Conservation Area
- Fishery
- Garlic
- Ginger
- Hindu Temple
- Historical Sites
- Hydropower
- International Airport
- National Airport
- Lakes & Ponds
- Maize
- Mining
- Mountains
- Non timber forest products
- Olives
- Orange / Mandarin
- Paddy / Wheat
- Paragliding
- Potato
- Rafting
- SEZ / Industries
- State Capital
- Sugar Cane
- Tea
- Tourist Sites
- Trade & Commerce
- Vegetables
- International Border
- Province Border
- Major Rivers

PROVINCE 2 - NEPAL: QUICK FACTS



STATE CAPITAL
JANAKPURDHAM

9,661 sq. km
Area 6.56%

5.40 M
Population 20.4%

122 Commercial Banks

PER CAPITA \$ 799

Province Contribution to GDP 16.2%

40.9% Literacy Rate

0.421 Human Development Index

CONTRIBUTIONS
electricity access 60.4%
road network 10.0%
agriculture 18.0%
industry 24.0%
service 12.4%



INFRASTRUCTURE

NPR 130bn
USD 1.1bn

2,612 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road built ranges between NPR 30-50 million per km, there is an opportunity of NPR 78 to 130 billion (USD 0.7 to 1.1 billion) worth of investment.

The government has allocated NPR 1.3 billion (USD 11.2 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY

NPR 30bn
USD 0.3bn

The government has announced 200MW of solar power projects for investment, which equates to investment opportunities worth NPR 29.6 billion (USD 0.26 billion).

SERVICE

NPR 23bn
USD 205mn

AGRICULTURE

NPR 16bn
USD 142mn

INDUSTRY

NPR 12bn
USD 102mn

HIGHLIGHTS & OPPORTUNITIES

RAILWAY
Cross border from Bardibas to Jaynagar (India) - under construction

Nijgadh International Airport - under construction

MOTIHARI-AMLEKHUNJ petroleum pipeline project - under construction

Kathmandu Terai Fast Track - under construction

Education sector
Single university in the entire province

Dhalkebar-Muzzaffarpur 400 kv cross-border transmission line

EIGHT CITIES
being financed by AIIB for urban infrastructure improvement

RAMAYANA CIRCUIT
Boom in hospitality sector of Janakpur

- 🏠 Buddhist Temples
- 🏠 Caves
- 🐟 Fishery
- 🏠 Historical Sites
- 🌊 Lakes & Ponds
- 🌿 Non timber forest products
- 🏠 Capital
- ☕ Coffee
- 🌿 Garlic
- ⚡ Hydropower
- 🌾 Maize
- 🌿 Olives
- 🏠 Major City
- 🏠 Conservation Parks
- 🌿 Ginger
- ✈️ International Airport
- ⚙️ Mining
- 🍊 Orange / Mandarin
- 🏠 Cardamom
- 🏠 Conservation Area
- 🏠 Hindu Temple
- ✈️ National Airport
- ⚙️ Mountains
- 🌿 Paddy / Wheat
- 🏠 Paragliding
- 🏠 SEZ / Industries
- 🏠 State Capital
- 🏠 Tourist Sites
- 🏠 Trade & Commerce
- 🏠 Vegetables
- 🏠 International Border
- 🏠 Tea
- 🏠 Rafting
- 🏠 Sugar Cane
- 🏠 Province Border
- 🏠 Major Rivers

PROVINCE 3 - NEPAL: QUICK FACTS



STATE CAPITAL
HETAUDA
Area 20,300 sq. km
13.8%

Population 5.52 M
20.86%
107 Commercial Banks

PER CAPITA \$ 1534
Province Contribution to GDP 31.9%

Literacy Rate 69.3%
Human Development Index 0.543

CONTRIBUTIONS
electricity access 86.3%
road network 24.4%
agriculture 16.0%
industry 31.0%
service 44.5%



INFRASTRUCTURE

NPR 155bn
USD 1.3bn

3,077 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road made ranges between NPR 30-50 million per km, there is an opportunity of NPR 92 to 154 billion (USD 0.8 to 1.3 billion) worth of investment.

The government has allocated NPR 1.3 billion (USD 11.6 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY

NPR 178bn
USD 1.5bn

The government has announced 2,358MW of hydro power projects for investment, which equates to investment opportunities worth NPR 177.8 billion (USD 1.56 billion).

SERVICE

NPR 84bn
USD 734mn

AGRICULTURE

NPR 14bn
USD 126mn

INDUSTRY

NPR 15bn
USD 131mn

HIGHLIGHTS & OPPORTUNITIES



NAGDHUNGA - DHULIKHEL
METRO RAIL
Detailed Feasibility Study under preparation



Cable Car
project to Paanchpokhari



Tamakoshi 3 & Upper Tamakoshi Hydropower Project



SMART CITIES
in four areas of Kathmandu valley – Detailed Project Report under preparation



6 FIVE STAR HOTELS
under construction – Hyatt Place, Sheraton Kathmandu, Aloft Kathmandu, Marriott International, Zinc Kathmandu, CG Hotels

- Buddhist Temples
- Caves
- Fishery
- Historical Sites
- Lakes & Ponds
- Non timber forest products
- Paddy / Wheat
- SEZ / Industries
- Tourist Sites
- Province Border
- Capital
- Coffee
- Garlic
- Hydropower
- Maize
- Olives
- State Capital
- Trade & Commerce
- Major City
- Conservation Parks
- Ginger
- International Airport
- Mining
- Orange / Mandarin
- Sugar Cane
- Vegetables
- Cardamom
- Conservation Area
- Hindu Temple
- National Airport
- Mountains
- Tea
- International Border
- Major Rivers

PROVINCE 4 - NEPAL: QUICK FACTS



STATE CAPITAL
POKHARA
22,585 sq. km
Area 15.35%

2.7 M
Population 20.32%
74 Commercial Banks

PER CAPITA
1021
Province Contribution to GDP 10.5%

55.6%
Literacy Rate
0.513
Human Development Index

CONTRIBUTIONS
electricity access 83.0%
road network 17.9%
agriculture 11.8%
industry 10.6%
service 9.4%



INFRASTRUCTURE

NPR 500bn
USD 4.4bn

9,999 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road made ranges between NPR 30-50 million per km, there is an opportunity of NPR 300 to 500 billion (USD 2.6 to 4.4 billion) worth of investment.

The government has allocated NPR 0.7 billion (USD 6.3 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY

NPR 580bn
USD 5.1bn

The government has announced 2,348MW of hydro power projects for investment, which equates to investment opportunities worth NPR 580 billion (USD 5.09 billion).

SERVICE

NPR 10bn
USD 84mn

AGRICULTURE

NPR 11bn
USD 93mn

INDUSTRY

NPR 5bn
USD 45mn

HIGHLIGHTS & OPPORTUNITIES

POKHARA
INTERNATIONAL AIRPORT
- under construction

KALI GANDAKI HIGHWAY
CONNECTING INDIA, NEPAL AND CHINA

- Buddhist Temples
- Caves
- Fishery
- Historical Sites
- Lakes & Ponds
- Non timber forest products
- Paddy / Wheat
- SEZ / Industries
- Tourist Sites
- Province Border
- Capital
- Coffee
- Garlic
- Hydropower
- Maize
- Olives
- Slate Capital
- Trade & Commerce
- Major City
- Conservation Parks
- Ginger
- International Airport
- Mining
- Orange / Mandarin
- Sugar Cane
- Vegetables
- Cardamom
- Conservation Area
- Hindu Temple
- National Airport
- Mountains
- Tea
- International Border
- Major Rivers

PROVINCE 5 - NEPAL: QUICK FACTS



STATE CAPITAL
BUTWAL
17,318 sq. km
Area 11.77%

Population 4.11 M
15.53%
99 Commercial Banks

PER CAPITA \$ 868
Province Contribution to GDP 13.4%

59.4% Literacy Rate
Human Development Index 0.468

CONTRIBUTIONS
electricity access 65.7%
road network 15.4%
agriculture 16.9%
industry 10.4%
service 11.7%



INFRASTRUCTURE

NPR 325bn
USD 2.8bn

6,479 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road made ranges between NPR 30-50 million per km, there is an opportunity of NPR 194 to 324 billion (USD 1.7 to 2.8 billion) worth of investment.

The government has allocated NPR 1.04 billion (USD 9.1 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY

NPR 312bn
USD 2.7bn

The government has announced 1,468MW of hydro power projects for investment, which equates to investment opportunities worth NPR 312 billion (USD 2.74 billion).

SERVICE

NPR 22bn
USD 193mn

AGRICULTURE

NPR 15bn
USD 134mn

INDUSTRY

NPR 5bn
USD 44mn

HIGHLIGHTS & OPPORTUNITIES

Gautam Buddha International Airport
- under construction

Bhairahawa-Lumbini Butwal Growth Triangle

5 CITIES
being financed by AIB for Urban Infrastructure Improvement

Bhairahawa SEZ
Special Economic Zone

Bheri Babai Diversion Multipurpose Project
- under construction

Kaligandaki Corridor

Greater Lumbini Buddhist Circuit

- Buddhist Temples
- Capital
- Major City
- Cardamom
- Caves
- Coffee
- Conservation Parks
- Conservation Area
- Fishery
- Garlic
- Ginger
- Hindu Temple
- Historical Sites
- Hydropower
- International Airport
- National Airport
- Lakes & Ponds
- Maize
- Mining
- Mountains
- Non timber forest products
- Olives
- Orange / Mandarin
- Paddy / Wheat
- Paragliding
- Potato
- Rafting
- SEZ / Industries
- State Capital
- Sugar Cane
- Tea
- Tourist Sites
- Trade & Commerce
- Vegetables
- International Border
- Province Border
- Major Rivers

PROVINCE 6 - NEPAL: QUICK FACTS



STATE CAPITAL
SURKHET
31,873 sq. km
Area 21.66%

Population 1.62 M
6.12%
54 Commercial Banks

PER CAPITA \$ 677
Province Contribution to GDP 4.1%

53% Literacy Rate
Human Development Index 0.427

CONTRIBUTIONS
electricity access 21.7%
road network 5.2%
agriculture 6.0%
industry 3.3%
service 3.0%



INFRASTRUCTURE

NPR 1410bn
USD 12.4bn

28,212 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road made ranges between NPR 30-50 million per km, there is an opportunity of NPR 846 to 1410 billion (USD 7.4 to 12.4 billion) worth of investment.

The government has allocated NPR 480 million (USD 4.2 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY

NPR 178bn
USD 1.6bn

The government has announced 936MW of hydro power projects for investment, which equates to investment opportunities worth NPR 178 billion (USD 1.56 billion).

SERVICE

NPR 6bn
USD 49mn

AGRICULTURE

NPR 5bn
USD 47mn

INDUSTRY

NPR 2bn
USD 14mn

HIGHLIGHTS & OPPORTUNITIES

UPPER KARNALI
Hydropower project

MINING & EXTRACTION
metal and non-metal ores

RARA
National Park as a tourist destination

herbs processing
Huge potential for industry

- 🏠 Buddhist Temples
- 🏛️ Caves
- 🌿 Fishery
- 🏰 Historical Sites
- 🌊 Lakes & Ponds
- 🌳 Non timber forest products
- 🌾 Paddy / Wheat
- 🏭 SEZ / Industries
- 🏠 Tourist Sites
- 🏠 Capital
- 🏠 Province Border
- 🏠 Major City
- ☕ Coffee
- 🌿 Conservation Parks
- 🌊 Hydropower
- 🌾 Maize
- 🌳 Mining
- 🌾 Sugar Cane
- 🏠 Trade & Commerce
- 🏠 Cardamom
- 🌿 Conservation Area
- ✈️ International Airport
- 🏔️ Mountains
- 🌿 Vegetables
- 🏠 International Border
- 🏠 Hindu Temple
- 🌊 National Airport
- 🏔️ Rafting
- 🌿 Tea
- 🏠 Major Rivers

PROVINCE 7 - NEPAL: QUICK FACTS



STATE CAPITAL
GODAWARI
25,905 sq. km
Area 13.28%

Population 2.55 M
9.64%
63 Commercial Banks

PER CAPITA \$ 660
Province Contribution to GDP 6.30%

Literacy Rate 54.9%
Human Development Index 0.431

CONTRIBUTIONS
electricity access 48.4%
road network 7.1%
agriculture 8.9%
industry 3.9%
service 5.1%



INFRASTRUCTURE
NPR 725bn
USD 6.4bn

14,506 km of road needs to be built to enhance the road density to 1km/km². Considering that the cost per km of road made ranges between NPR 30-50 million per km, there is an opportunity of NPR 435 to 725 billion (USD 3.8 to 6.4 billion) worth of investment.

The government has allocated NPR 640 million (USD 5.6 million) in this province for maximum of five projects related to road, drinking water, irrigation and river control which is a huge opportunity for the private sector.

ENERGY
NPR 263bn
USD 2.3bn

The government has announced 1,236MW of hydro power projects for investment, which equates to investment opportunities worth NPR 263 billion (USD 2.31 billion).

SERVICE
NPR 10bn
USD 84mn

AGRICULTURE
NPR 8bn
USD 70mn

INDUSTRY
NPR 2bn
USD 17mn

HIGHLIGHTS & OPPORTUNITIES



UPPER KARNALI HYDROPOWER PROJECT



2 CITIES
being financed by AIIB for Urban Infrastructure Improvement



KARNALI CORRIDOR

- Buddhist Temples
- Caves
- Fishery
- Historical Sites
- Lakes & Ponds
- Non timber forest products
- Paddy / Wheat
- SEZ / Industries
- Tourist Sites
- Province Border
- Capital
- Coffee
- Garlic
- Hydropower
- Maize
- Olives
- State Capital
- Trade & Commerce
- Major City
- Conservation Parks
- Ginger
- International Airport
- Mining
- Orange / Mandarin
- Sugar Cane
- Vegetables
- Cardamom
- Conservation Area
- Hindu Temple
- National Airport
- Mountains
- Tea
- International Border
- Major Rivers



APPENDICES

PLEASE DO NOT FEEL FREE TO
ENTER THE TEMPLES WHICH ARE
CLOSED TO THE PUBLIC
SOME OF THE TEMPLES ARE
CLOSED TO THE PUBLIC
SOME OF THE TEMPLES ARE
CLOSED TO THE PUBLIC
SOME OF THE TEMPLES ARE
CLOSED TO THE PUBLIC

TEMPLE OF SHIVA
KATHMANDU



APPENDIX I: COMPOSITION OF THE FEDERAL PARLIAMENT

The Federal Parliament comprises of the House of Representatives (HoR) or the lower house and the National Assembly or the upper house.

The HoR comprises 275 members of whom 165 are elected through the first past the post (FPTP) electoral system with one member being elected from each election constituency. The remaining 110 members are elected via the proportional representation (PR) electoral system where voters voted for political parties and the whole country was considered as a single electoral constituency.

The National Assembly shall consist of fifty-nine members as follows:

- (a) Fifty-six elected members consisting of at least three women, one Dalit and one from persons with disabilities or minorities, from each State by an electoral college composed of members of the State Assembly, chairpersons and vice-chairpersons of the Village Bodies, and Mayors and Deputy-Mayors of the Municipalities, with different weight age of vote by members of the State Assembly, chairpersons and vice-chairpersons of the Village Bodies, and Mayors and Deputy-Mayors of the Municipalities, as provided for in the Federal law,
- (b) Three members consisting of at least one woman nominated by the President on are commendation of the Government of Nepal.

There is also a provision that at least one third of the total number of members elected in the Federal Parliament must be women. Each citizen who has completed the age of eighteen years has the right to vote in any one election constituency.

APPENDIX II: INDUSTRIES BARRED FROM INVESTMENT (AREAS RESTRICTED FOR FOREIGN INVESTMENT BY FITTA 1992)

Part (A)	Part (B)
Cottage Industries	Retail Business
Personal Service Business (Business such as Hair Cutting, Beauty Parlour, Tailoring and Driving Training, among others)	Travel Agency
Arms and Ammunition Industries	Trekking Agency
Explosives, Gunpowder	Water Rafting
Industries related to Radio-Active Materials	Pony Rafting
Real Estate Business (Excluding Construction Industries)	Horse Riding
Motion Pictures Business (Produced in national languages and the language of the nation)	Cigarette, Bidi (Tobacco), Alcohol (excluding those exporting more than 90%)
Security Printing	Internal Courier Service
Currencies and Coinage Business	Atomic Energy
	Tourist Lodging
	Poultry Farming
	Fisheries
	Bee-Keeping
	Consultancy Services such as Management, Accounting, Engineering and Legal Services (maximum 51% foreign investment is allowed)
	Beauty Parlour
	Domestic Food processing methods
	Local Catering Service
	Rural tourism

APPENDIX III: LAWS WITH RELATING TO INVESTMENT IN NEPAL

Besides the Company Act, Industrial Enterprise Act, BAFIA Act, FITTA and Investment Board Act, following Acts should be taken into consideration while investing in Nepal:

1. Arbitration Act 1999
2. Contract Act 2000
3. Customs Act 2007
4. Civil Code (Muluki Ain) 1853 (revised 1962)
5. Electricity Act 1992
6. Environment Protection Act 1997
7. Export-Import Control Act 1957
8. Income Tax Act 2002
9. Labour Act 2017
10. Local Self Governance Act 1999
11. Private Financing of Building and Operation of Infrastructure Act 2006
12. Public Procurement Act 2006
13. Value Added Tax Act 1996

APPENDIX IV: VISA REQUIREMENTS FOR POTENTIAL FOREIGN INVESTORS IN NEPAL

3.7 VISA REQUIREMENTS

Non-Tourist Visa: Non-tourist visas are issued to potential foreign investors who wish to make preliminary visits to Nepal. This visa has four subcategories—Working Visa, Press Visa, Relationship Visa, and Marriage Visa. Foreign nationals holding a working visa are allowed to accept a job and work in Nepal. The cost of working visa is 60 USD/month.

Business Visa: Business visa is provided for a maximum period of five years to foreign investors once they obtain the license to invest from the DoI. Various parameters such as investment level, financial performance, employment generation, income tax paid and area

of investment will be analysed before recommending the visa. Business Visa regardless of time period entails multiple re-entry facilities. The charges for this category are as follows:

CHARGE OF BUSINESS VISA (IN USD)

Investment	Per Month	Per Year	For Five Years
Less than NPR 10 million	30	300	1000
More than NPR 10 million	10	100	300
More than NPR 100 million	No Charges ('Share Details' is mandatory along with other necessary documents for visa processing)		

Residential Visa: Any foreign investor who has made an investment equivalent to more than USD 100,000 at any one time and in convertible foreign currency can be granted a residential visa on the recommendation of the DoI/ Investment Board Nepal. The validity period of this visa is one year at a time.

If the investor, making a lump sum investment equivalent to more than USD 100,000 in convertible currency, happens to be a company, only one shareholder authorised by that company and his/her dependents may be granted residential visas.

APPENDIX V: TAX RATES ON EMPLOYMENT INCOME AS PER THE NEPAL BUDGET FOR FY 2018/19

Married		Unmarried	
Salary per annum Amount in NPR	Tax Rate	Salary per annum Amount in NPR	Tax Rate
UP TO 400,000	1%	Up to 350,000	1%
400,000 to 500,000	10%	350,000 to 450,000	10%
500,000 to 700,000	20%	450,000 to 650,000	20%
700,000 to 2,000,000	30%	650,000 to 2,000,000	30%
Above 2,000,000	20% surcharge on top of above rates	Above 2,000,000	20% surcharge on top of above rates

If the annual income of an individual is higher than NPR 2,000,000, then he/she has to pay an additional amount of 20% on the tax paid on the amount exceeding NPR 2,000,000.

APPENDIX VI: LEAVES UNDER SPECIFIC PROVISIONS

APPLICABLE LEAVES

CATEGORY	MAXIMUM NO. OF DAYS	REMARKS
Weekly Holiday	1	fully paid
Public Holiday	13 (1 additional to female employees for International Women Labour Day)	fully paid
Annual Leave	One day for every 20 worked days (18 days in a year)	fully paid
Sick Leave	12	fully paid (leave on the proportional basis if not completed a year of service)
Mourning Leave	13 (1 additional to female employees for International Women Labour Day)	fully paid
Maternity Leave	14 weeks	fully paid for 60 days
Paternity Leave	15	fully paid

APPENDIX VII: LIST OF VAT EXEMPT GOODS AND SERVICES

The purchaser should not pay VAT on tax-exempt goods and services, and the supplier is not allowed input tax credits on purchases related to the following goods and services:

- Products and services of basic needs which include rice, pulses flour, fresh fish, meat, eggs, fruits, flowers, edible oil, piped water, wood fuel.
- Essential agricultural products are also tax-exempt, for example, paddy, wheat, maize, millet, cereals and vegetables.
- The expense of buying goods and

services required to grow essential agricultural products are tax-exempt.

This includes live animals, agrarian inputs including machinery, manure, fertilizer, seeds, and pesticides.

- Social welfare services including medicine, medical facilities, veterinary services and educational services.
- Goods made for the use of disabled persons.
- Air Transport.
- Educational and cultural goods and services such as books and other printed materials, radio and television transmissions, artistic

products, cultural programmes, non-professional sporting events and admissions to educational and cultural facilities.

- Personal services are also tax-exempt. These are services provided, for example, by actors and other entertainers, athletes, writers, translators and manpower supply agency.
- Exemption from VAT is also extended to the purchase and renting of land and buildings.
- Financial and insurance services.
- Postage and revenue stamps, banknotes, chequebooks

APPENDIX VIII: STEPS FOR REPATRIATION

STEPS FOR REPATRIATION			
1. RECOMMENDATION OF REPATRIATION FROM THE DOI			
Repatriation on Sale of Shares	Repatriation of Dividend	Repatriation of Loan and Interest	Repatriation of Technology Transfer Fees
Tax clearance certificate	Tax clearance certificate	Tax clearance certificate	The industrial unit with approved technology transfer agreement, trademark license agreement, management agreement and technical assistance agreement can apply to the DoI for the transfer of fees as per the agreement. The company has to submit the calculation of the amount due to the foreign technology supplier certified by the auditor along with the certificate of payment of income tax on royalty as per the prevailing tax rate.
Custom declaration form and the approval letter if the investment was made in the form of plant, machinery and equipment	Custom declaration certificate of the import of plant machinery and equipment if the investment by the foreign investor has been made in the form of capital equipment	Custom declaration certificate and invoice of the plant machinery if the loan was obtained in the form of machinery	
Proof of investment made and number of shares owned	Proof of dividend declaration	Letter of approval of the loan agreement	
Letter from the company stating the completion of the transfer of the related shares duly certified by the Company Registrar's Office or such competent body	Documentary proof of investment made which is issued by the commercial bank	Certificate from the commercial bank regarding the transfer of the loan amount into Nepal	
Prior approval of DOI, if the share was transferred to any foreign national	Auditor's report including balance sheet and profit and loss account		
Copy of the Board of Director's resolution			
2. APPROVAL OF REPATRIATION FROM NRB			
Repatriation of Dividends		Repatriation of sale proceeds of Investment / Principal	
Recommendation letter from DOI		Recommendation letter from DoI	
Approval of FDI taken from DOI/IBN		Approval of FDI from DOI/IBN	
Approval from NRB to bring the foreign currency into Nepal		Approval from NRB to bring the foreign currency into Nepal	
Bank Statement showing inflow of foreign currency into Nepal		Bank Statement / Bank Certificate showing inflow of foreign currency into Nepal	
Registration documents, PAN certificate, Articles and Memorandum		Share sale / Purchase agreement between Foreign investor (seller) and Purchaser	
Audited financial statements and annual report		Valuation report of the assets and liabilities of the company/ firm whose shares are being transferred (in case of unlisted companies, valuation shall be at fair value as per NFRS 3: Business Consideration)	
Custom declaration certificate and invoice of the plant machinery if the FDI was obtained in the form of machinery		Registration document, PAN certificate, Articles and Memorandum (Photocopy)	
Tax clearance certificate / TDS deposit certificate of Dividend		Updated Share Register certified by the office of company registrar	
		If buyer is Nepali individual / entity, notice from Central Investigation Bureau that the individual/entity is not black listed	
		In case of repatriation of principal/interest, a declaration from Central Investigation Bureau that the company is not black listed and has no overdue loan in any bank and financial institution	
		Custom declaration certificate and invoice of the plant machinery if the FDI was obtained in the form of machinery	
		Letter from IRD certifying that the applicable Capital Gain Tax and all other taxes have been paid	



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GO Nepal assists firms in streamlining business operations related to human resources including assessments, performance management, recruitment, training and orientation. Managing enterprise information with effective filing systems, managing client/service database and procurement of goods & services are some of the services provided under enterprise management.

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NOVEMBER 2018

Publisher: Nepal Economic Forum

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Design: Big Stone Medium

“DOING BUSINESS IN FEDERATED NEPAL”

is an in-house production of Nepal Economic Forum

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Photo credit: Jean-Marie Hullot (pg.15),

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Cover Image: ErWin – <https://www.flickr.com/photos/123096458@N03/20834305592>



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