

NEPAL INVESTMENT GUIDE 2018



GOVERNMENT OF NEPAL
OFFICE OF THE INVESTMENT BOARD

Disclaimer

The information included in this Guide is for informational purposes only and may not reflect the most current legal developments, adjustments, or settlements. This information is not offered as legal or any other advice on any particular matter. The Investment Board and the contributing authors expressly disclaim all liability to any person in respect of anything, and in respect of the consequences of anything, done or omitted to be done wholly or partly in reliance upon the whole or any part of the contents of “Nepal Investment Guide”. No reader should act or refrain from acting on the basis of any matter contained in this brochure without first seeking the appropriate legal or other professional advice on the particular facts and circumstances.

Publisher

Government of Nepal
Investment Board Nepal
Office of the Investment Board
ICC Complex, New Baneshwor, Kathmandu, Nepal
Phone: 977-1-4475277, 977-1-4475278
Fax: 977-1-4475281
Email: info@ibn.gov.np
Website: www.ibn.gov.np

Copyright

Government of Nepal
Investment Board Nepal
Office of the Investment Board, ICC Complex,
New Baneshwor, Kathmandu, Nepal

PAPER

Environment friendly, woodfree paper

First Edition, 2016

Second Edition, 2018

Second Edition (Revised), 2018

Acknowledgement

The Office of the Investment Board would like to thank the Department for International Development (DFID) and Japan International Cooperation Agency (JICA) for providing financial and technical support for this publication. We acknowledge the inputs of representatives of the various Government of Nepal agencies, private sector organisations, sectorial experts and individuals who contributed to the information in this document.

Support Partners



CONTENTS

COUNTRY OVERVIEW

NEPAL: COUNTRY PROFILE	06
ECONOMIC INDICATORS	07
STRATEGIC ADVANTAGES	08
HOW TO INVEST IN NEPAL	
OPEN FOR BUSINESS	10
APPROVING AGENCIES AND PROCEDURE FOR STARTING A BUSINESS IN NEPAL	11
INVESTMENT APPROVING AGENCIES	12
REGISTRATIONS	15
VISAS FOR FOREIGN NATIONALS	17
LABOUR LAW	18
TAXATION	20
IMPORT AND EXPORT	22
PROPERTY LAW	24
INDUSTRIAL DISTRICTS	25
DRY PORTS	25
SPECIAL ECONOMIC ZONE	26
ENVIRONMENTAL CLEARANCE	28
DISPUTE RESOLUTION	28

SECTORAL OPPORTUNITIES

HYDROPOWER	30
TRANSPORT	31
AGRICULTURE	32
TOURISM	33
INFORMATION COMMUNICATION TECHNOLOGY	34
MINES AND MINERALS	35
MANUFACTURING	36
HEALTH AND EDUCATION	37
ANNEX 1. NEGATIVE LIST FOR FOREIGN INVESTMENT	38
ANNEX 2. RELEVANT AGENCIES AND ORGANISATIONS	39

ACRONYMS

BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIPPA	Bilateral Investment Promotion and Protection Agreement
BPO	Business Process Outsourcing
BS	Bikram Sambat (Nepali calendar)
CBS	Central Bureau of Statistics
DG	Director General
DOI	Department of Industry
DPR	Detailed Project Report
DTAA	Double Taxation Avoidance Agreement
EBA	Everything But Arms
EIA	Environmental Impact Assessment
EPR	Environment Protection Rules
EXIM	Export Import
FDI	Foreign Direct Investment
FITTA	Foreign Investment and Technology Transfer Act
FMCG	Fast Moving Consumer Goods
FS	Feasibility Study
FY	Fiscal Year
GDP	Gross Domestic Product
GNI	Gross National Income
GSP	Generalized System of Preferences
IBN	Investment Board of Nepal
IDs	Industrial Districts
IEE	Initial Environmental Examination
IIPB	Industrial and Investment Promotion Board
INR	Indian Rupees
IRD	Inland Revenue Department
LDC	Least Developed Country
MIGA	Multilateral Investment Guarantee Arrangement
MOF	Ministry of Finance
NPR	Nepali Rupees
NRB	Nepal Rastra Bank
NTB	Nepal Tourism Board
OCR	Office of the Company Registrar
PAN	Permanent Account Number
PDA	Project Development Agreement
PIA	Project Investment Agreement
PPP	Public-Private Partnership
SAARC	South Asian Association for Regional Cooperation
SEZ	Special Economic Zone
SEZA	Special Economic Zone Authority
USD	United States Dollar
VAT	Value Added Tax
WTO	World Trade Organization

COUNTRY OVERVIEW

NEPAL: COUNTRY PROFILE

Official Country Name

Federal Democratic Republic of Nepal

Region

South Asia

Capital

Kathmandu, located in Province 3

Population

29.10 million

Area

147,181 square km

Altitude

59 to 8,848 metres (Mt Everest)

Standard Time

GMT + 5:45 hours

Form of Government

Federal Republic: Multi-party parliamentary democracy with elected prime minister accountable to parliament as executive head

Federalism

Divided into seven provinces

Language

Nepali, written in Devanagari script
English is widely used in business

Religion

Secular state; Hinduism 81.3%, Buddhism 9.0%, Islam 4.4%, Kirat 3.1%, Christianity 1.4%, Others 0.76%

Geography (South to North)

Terai region : Altitude 59–700 m

Hilly region : Altitude 700–3,000 m

Mountain region : Altitude 3,000–8,848 m

Currency

Nepali rupee (NPR)

1 USD = 103.91 NPR (Fiscal Year 2017/18, Upto July)

1 INR = 1.60 NPR (Pegged)

ISD Code

+ 977

Climate

Terai region : Tropical/sub-tropical

Hilly region : Moderate

Mountain region : Sub-alpine/alpine

River systems

Mahakali basin: Western Border of Nepal

Karnali basin: Mid-Western Nepal

Gandaki basin: Central and Western Nepal

Koshi basin: Central and Eastern Nepal

Nearest Ports

Kolkata to Birgunj: 739.4 km

Kolkata to Kathmandu: 938 km

Visakhapatnam to Birgunj: 1470.6 km

Visakhapatnam to Kathmandu: 1669.1 km

PARTICULARS	Province 1	Province 2	Province 3	Gandaki Province	Province 5	Karnali Province	Province 7
District	14	8	13	11	12	10	9
Metropolitan City	1	1	3	1	-	-	-
Sub- Metropolitan City	2	3	1	-	4	-	1
Municipality	46	73	41	26	32	25	33
Rural Municipality	88	59	74	58	73	54	54
Area (square km)	25,905	9,661	20,300	22,585	17,318	31,873	19,539

Source: Province Wise Profile of Nepal's Demographic, Social, Economic and Financial Status, NRB, 2018

ECONOMIC INDICATORS

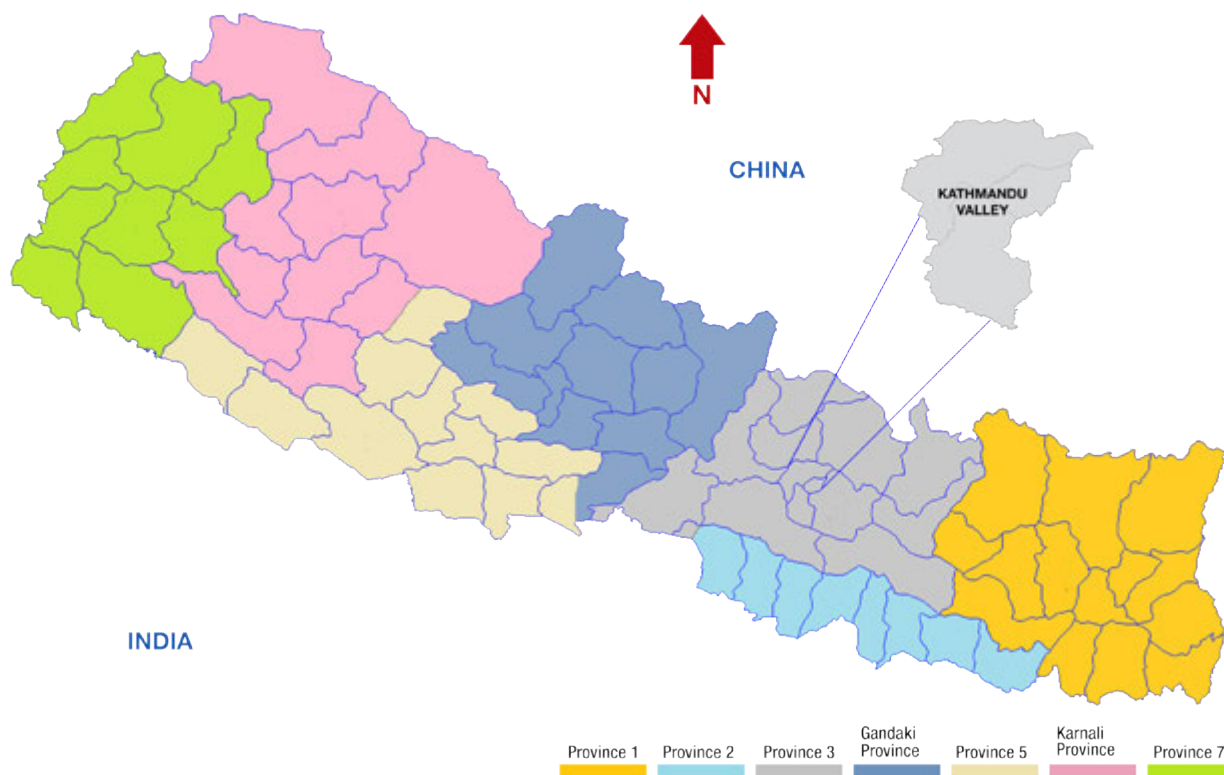
PARTICULARS	2014/15	2015/16	2016/17	2017/18
Population (million)	27.95	28.33	28.71	29.10
Per Capita GDP (USD)	766.91	747.79	866.48	1003.64
GDP Growth Rate (%)	2.97	0.20	7.39	5.89
Per Capita GNI (USD)	778.23	759.08	877.64	1011.71
Per Capita GNDI (USD)	1033.50	1017.35	1155.94	1294.00
Primary Sector* (% GDP)	32.35	32.17	29.35	28.21
Secondary Sector** (% GDP)	14.22	13.64	14.09	14.18
Tertiary Sector*** (% GDP)	53.44	54.19	56.56	57.61
Remittance (% GDP)	28.98	29.52	26.32	24.25
Inflation Consumer Price (Annual %)	7.20	9.90	4.50	4.10
Exchange Rate (USD:NPR)	99.49	106.35	106.21	103.91

*Agriculture and Forestry, Fishing, Mining and Quarrying

**Manufacturing, Electricity, Gas and Water and Construction

***Services

Source: Economic Survey 2018, MOF, National Accounts 2018, CBS, and Current Macroeconomic Situation 2017/18, NRB



STRATEGIC ADVANTAGES

In 2015, the country adopted a new constitution that embraces Nepal as multiparty democratic federal republic with the private sector-led liberal economy. The government is committed to the promotion of foreign investment, has enacted and amended various investment related and sector specific laws to provide a unique opportunity for FDI in Nepal. Although Nepal is currently classified as a LDC by the United Nations, its goal is to transition to a middle income country by 2030.

Strategic location and geographic advantages

- Strategically located between two large and rapidly growing economies – China and India – with easy access to markets of more than 2.7 billion people
- The topography and abundant water resources give rise to vast untapped hydropower potential
- Contains the Himalayas, which is the highest mountain range on Earth, with 8 of the world's 10 highest peaks, combined with unique cultural heritage, creating potential for tourism
- Incredibly rich biodiversity, creating potential in agriculture and medicinal and aromatic plant research

Market Access

- Duty free and open border access to India
- Zero tariff entry facility for over 8000 products to China
- Enjoys various duty and tax free arrangements in the region as a Member of SAARC, and BIMSTEC Free Trade Agreement
- Member of MIGA of the World Bank Group
- Member of WTO
- Duty free, quota free market access to European Union under EBA arrangements
- Duty free US market access for 77 items which also include garment products for 10 years (starting from 2016)

Ease of doing business

- Ranked 3rd after Indian and Bhutan among South Asian countries in the 'Ease of Doing Business Report 2018' by the World Bank Group
- Foreign investors are allowed 100% ownership of a company in almost all sectors
- Repatriation of capital and profits to the investor's home country is allowed
- Importance of the private sector recognized by the Constitution of Nepal (2015)
- Arbitration and dispute resolution by independent judiciary.
- Various bilateral investment protection and double tax avoidance arrangements are in place and such agreements are expected to increase significantly in the year ahead
 - BIPPA signed with Finland, India, Germany, Mauritius, United Kingdom, and France
 - DTAA signed with Austria, China, India, Korea, Mauritius, Norway, Pakistan, Qatar, Sri Lanka and Thailand

Large pool of capable workers

- 57.87% of Nepal's population represents working age group (15-59 years)
- Relatively low cost of labour; minimum monthly wage (except for tea enterprises) being NPR 13,450 (approx. USD 122) as of July 2018
- Large English speaking population, especially in the major cities including the capital, Kathmandu
- High participation of women in the workforce

HOW TO INVEST IN NEPAL

This section looks at how to invest in Nepal. It explains what forms of FDI are allowed, the process of applying for approval of foreign investment, the agencies responsible and the fees involved. It also takes a quick look at how to register a company and how to register for tax. In addition it also gives an overview of labour law, tax issues, visa requirements, special economic zones provisions among other relevant information.

OPEN FOR BUSINESS

Nepal is open for business in many areas. Government of Nepal has made progressive policy, as well as structural and procedural, changes to attract foreign investment. Foreign investors need to apply for approval before they incorporate a company and conduct business activities in Nepal. Application can be made to the Department of Industry or the Investment Board Nepal, depending on the size of the investment. FITTA 1992 and IBN Act 2011 are the laws regulating the entry and operation of foreign investment in the country. For national priority projects, foreign investment is especially encouraged in the recently enacted/amended laws.

Some important laws related to investment

The Foreign Investment and Technology Transfer Act (FITTA) 1992 governs foreign investment. Some of the major provisions in the Act are:

- Equal treatment to foreign investment companies
- 100% Foreign investment allowed 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
- Clear provision of dispute settlement

For areas negative list for foreign investment see Annex 1.

The Companies Act, 2006 amended in 2017 simplifies and makes the processes of establishing, managing and administering companies more convenient and transparent. Some of the major provisions in the Act are:

- Protection of corporate name/ brand
- A private company can have a maximum of 101 shareholders
- No mandatory conversion requirement for private companies to convert to a public company except a mandatory requirement for telecommunication service provider companies
- Share/Debt buying/selling provision
- Special provisions for foreign companies

- Special provision for de-registration of defunct and defaulting companies

Industrial Enterprise Act, 2016 simplifies and clarifies the procedures for entry, operation and exit of industrial enterprises. Some of the major provisions in the Act are:

- 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

Banks and Financial Institutions Act, 2017 (BAFIA) protects and promotes the rights and interests of depositors, provides quality and reliable banking and financial intermediary services through healthy competition. Some of the major provisions in the Act are:

- 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 Central Bank, NRB must be obtained prior to incorporation of such banking institution
- Approval of NRB is also required to establish a BFI with a foreign ownership or to establish a branch of a foreign BFI

Budget 2017/2018 Highlights

- Government intends to make Nepal an attractive investment destination for foreign investors by treating foreign investment as complimentary to national capital formation
- Provisions to make the process of business registration to closure (predictable), simplified transparent and based on information technology
- Provisions to develop one window service for investors.

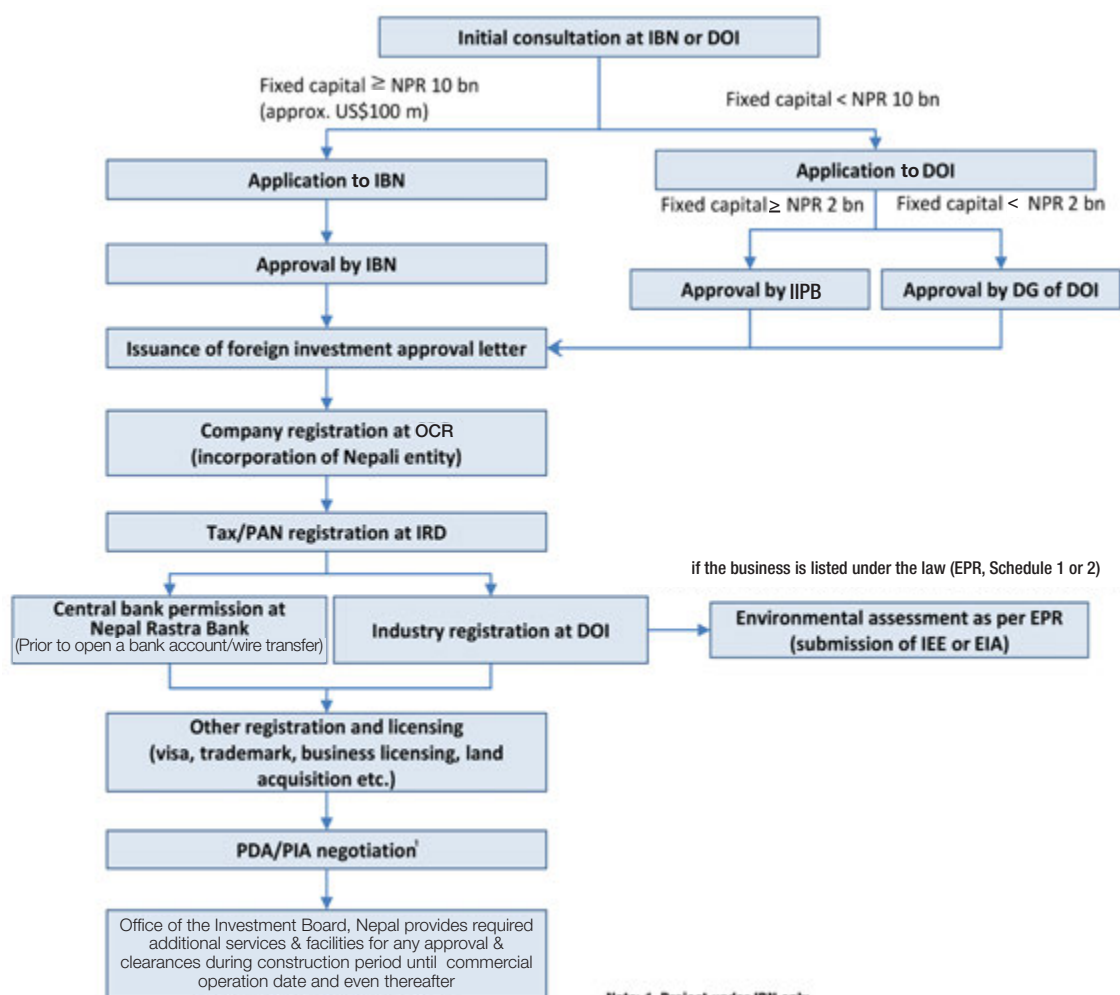
APPROVING AGENCIES AND PROCEDURE FOR STARTING A BUSINESS IN NEPAL

Approving Agencies

INVESTMENT SIZE	APPLICATION AT	APPROVAL BY
≥ NPR 10 BN (APPROX US\$ 100 M)	INVESTMENT BOARD NEPAL (IBN)	INVESTMENT BOARD NEPAL (IBN)
< NPR 10 BN ≥ NPR 2 BN (APPROX US\$ 20 M)	DEPARTMENT OF INDUSTRY (DOI)	INDUSTRIAL AND INVESTMENT PROMOTION BOARD (IIPB)
< NPR 2 BN	DEPARTMENT OF INDUSTRY (DOI)	DIRECTOR GENERAL OF DOI

Note: The Industrial and Investment Promotion Board is under the Ministry of Industry.

Procedure



Note: 1. Project under IBN only

INVESTMENT APPROVING AGENCIES

Investment Board Nepal (IBN)

IBN, established in 2011 is a high-level government body chaired by the Right Honorable Prime Minister. IBN functions as a central fast track one window government agency established to facilitate economic development in Nepal by creating an investment-friendly environment by mobilizing and managing domestic as well as foreign investments.

The Investment Board Act, 2011 gives the Office of the IBN a broad mandate to fulfill the role of a Public Private Partnership ("PPP") executing agency as well as an Investment Development and Promotion body.

Documents required to submit for investment approval:

- Application letter as per annex 1 of IB Regulations 2069
- Applicant's details, including Memorandum & Articles of Association
- Ownership detail with ultimate beneficiary
- Financial and technical capability of the applicant
- Experiences of the applicant in similar projects
- Source of finance for the project with proposed capital structure
- Detail on technology being offered
- Preliminary or pre-feasibility study report of the project
- Business plan for the project including estimated project cost
- The project's preliminary environmental study plan
- Estimated fees to be obtained from project beneficiaries (consumers)
- Estimated royalty or fees to be submitted to the government

If a Joint venture company:

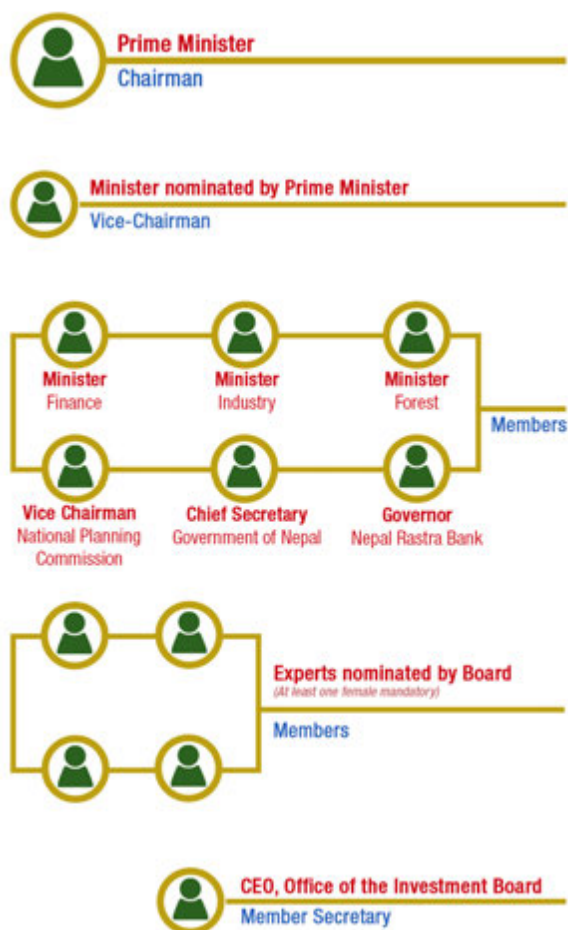
- Copy of joint venture agreement
- Copy of share purchase agreement
- Copy of share subscription agreement

Fees for investors through IBN

Type of fee	Time of payment	Hydropower generation projects	Other projects
Application Fee	With submission of foreign investment application	NPR 10,000	NPR 10,000
Licence Fee	On receiving a licence for investment	NPR 100,000	NPR 100,000
Fee	Prior to signing of PDA or PIA	USD 1,500/ MW and the difference between 0.2% of the total project cost and USD 1,500/ MW	0.2% of the total project cost

Note: Investors are subject to deposit 0.1% of the estimated total project cost as performance bond prior to signing the PDA/PIA.

Composition



Note: The Board can appoint relevant ministers, secretaries and other private sector representatives as invitees.

IBN Mandates



*SEZs/ EPZs: Special Economic Zones/ Export Processing Zones

**Service Industries include construction, mines and minerals, tourism and aviation industry.

Department of Industry (DOI)

The DOI, under the Ministry of Industry, is the government agency responsible for the administration and implementation of FITTA and promotion of industry in Nepal, particularly for small and medium scale industries. It provides foreign investment approval to projects below NPR 2 billion (approx. USD 20 million). IIPB chaired by the Minister of Industry provides foreign investment approval to projects with investment between NPR 2 billion to NPR 10 billion (approx. USD 20 to 100 million). The DOI is also responsible for registering trademarks, patents and designs to protect industrial property rights .

Documents required:

Foreign equity investment in a new industry

- Project Report (3 copies)
- Joint Venture Agreement (JVA), in case of more than one investor (3 copies)
- Citizenship certificate of local party or Certificate of Incorporation including Memorandum and Articles of Association, if local party is a company (1 copy)
- Copy of passport of foreign party/or Certificate of incorporation, including Memorandum of Association and Articles of Association, if participant is a company (1 copy)
- Bio-data / Company profile of the foreign party (1 copy)
- Financial Credibility Certificate (FCC) of the Foreign Investor provided by a home country bank or domiciled country bank (1 copy)

Foreign Investment in an existing Industry by share transfer

- Application form
- Investment Plan, Action Plan
- Certified copy of industry registration certificate
- Request from the share transferor
- Request from the share transferee
- Copy of the minutes of the board meeting of both Nepalese and foreign company
- Share transfer agreement
- Copy of passport and bio-data of foreign party, if party is an individual
- Copy of certificate of incorporation and company profile of the foreign party, if the party is a company

- Authority letter(s) from the companies concerned to confirm signature on behalf of the companies
- Financial credibility certificate of the foreign investor provided by a bank
- Current shareholders' list as certified by the Company Registrar's Office or by the company itself
- Audit report and tax clearance certificate

Loan Investment in an existing Nepalese Industry

- Loan Agreement
- Certificate of Incorporation, including Memorandum of Association and Articles of Association of the lending agency
- Company profile of the lending agency
- Industry registration certificate
- Copy of the minute of the Board of the recipient company regarding the loan to be acquired
- Authority letter from the concerned companies or individuals to carry out any necessary work on their behalf, if applicable

Technology Transfer

- Technology Transfer Agreement (TTA)
- Citizenship certificate of local party or Certificate of Incorporation including Memorandum of Association and Articles of Association, if local party is a company
- Copy of passport of foreign party/or Certificate of Incorporation, including Memorandum of Association and Articles of Association, if the party is a company
- Bio-data / Company profile of the foreign party
- Industry registration certificate
- Copy of the minutes of the Board of the recipient company
- Authority letter from the concerned companies or individuals to carry out any necessary work on their behalf, if applicable
- Audit report and tax clearance certificate

Fees:

There are no fees for FDI approval by the Department of Industry. However, a maximum of NPR 20,000 should be deposited at the time of issuing an approval letter. This amount is refunded when the project becomes operational.

REGISTRATIONS

Company Registration

To start a business in Nepal, investors need to incorporate a company. The agency responsible for the incorporation of a company is the OCR under the Ministry of Industry. The Companies Act 2006 provides for incorporation of two types of companies: private limited and public limited.

Private Limited Company

- Limits the number of shareholders to 101
- Cannot make an invitation to the general public for share subscription
- A private company can only have a maximum of eleven (11) directors

Public Limited Company

- Has a minimum of 7 shareholders and no maximum limit
- Has a minimum paid-up capital of NPR 10 million
- A public company is required to have at least one female director, if the company has a female shareholder
- May also offer shares to the public at the Nepal Stock Exchange (NEPSE) under the Companies Act and Securities Act

Documents required for the registration of a company:

- Memorandum of Association- 2 sets
- Articles of Association- 2 sets
- Passport of the Authorized Person of the Company- 1 copy
- Citizenship of the Witness- 1 copy
- Approval for Foreign Investment from respective agency- 1 copy
- Power of Attorney issued in favour of the Advocates associated with the registration- 1 copy

The amount to be deposited at the time of Foreign Investment Approval, refundable after the start of operations are as follows:

Range of Fixed Asset	Deposit (NPR)
Fixed assets \leq 2,500,000	4,000
2,500,000 < Fixed assets \leq 5,000,000	7,000
5,000,000 < Fixed assets \leq 10,000,000	10,000
10,000,000 < Fixed assets	20,000

Note: The amount shall be deposited at the Rastriya Banijya Bank, Teku. Code Number: 27-307-07, Account Number: SA.A.1700203

The non-refundable fees for the Company Registration are as given below:

Range of Authorized Capital	Fee (NPR)
500,000 < Authorized Capital \leq 2,500,000	9,500
2,500,000 < Authorized Capital \leq 10,000,000	16,500
10,000,000 < Authorized Capital \leq 20,000,000	16,500

Note: An additional fee will be calculated at the rate of NPR. 30 per NPR. 100,000 of Authorized Capital.

Tax Registration

Any enterprise doing business in Nepal, needs to register itself and obtain a PAN from the IRD. Enterprises with turnover of NPR 5 million or more, also need to register for VAT at the same department. For more on taxation and the taxation accounting system in Nepal refer the section in this guide on taxation.

Documents required for PAN/VAT registration:

- Application form
- Copy of your Citizenship Certificate. Foreigners: any authentic identification document.
- Copy of the Company Registration Certificate (if applicable).
- Two identical passport size photos of the person who signs the application form. Partnerships: two identical size photos of each partner.
- Proof of deposit if requested by your Inland Revenue Office (foreigners only).
- Sketch map of the location of your main office or head office.

Industry Registration

Industrial Enterprise Act (2016) makes it mandatory for all business activities falling under the definition of 'industry' to be registered as an industry with DOI.

Documents required for industry registration:

- Copy of the foreign investment approval letter issued by the concerned authority- 1 set
- Certificate of Incorporation- 1 set
- Memorandum of Association and Articles of Association of the company- 1 set each
- EIA Report or IEE Report

[Note: The above is applicable for foreign investment in new industry]

Central Bank Registration

NRB, the Central Bank of Nepal, was established in 1956 under the Nepal Rastra Bank Act 1955, to discharge central banking responsibilities including guiding the development of the embryonic financial sector. NRB is a public institution that manages the country's currency, money supply, and interest rates. Foreign investment needs to register at NRB.

- (a) Approval for bringing in the foreign investment through banking channel

Documents required for NRB registration:

- Approval granted by DOI/ IBN for making foreign investment pursuant to respective Acts.
- Resolution of the Board of Directors of the Company incorporated in Nepal regarding foreign investment.
- Incase of joint venture company, a copy of Joint Venture Agreement
- Certificate of Registration of the Company incorporated in Nepal.
- PAN Certificate of the Company incorporated in Nepal.
- Certificate of Registration of the Industry incorporated in Nepal.
- Memorandum of Association of the Company incorporated in Nepal.
- Articles of Association of the Company incorporated in Nepal.
- Certification from Credit Information Bureau that the Company incorporated in Nepal is not blacklisted.
- Most recent audited financial statements of the Investor.

- (b) Recording of the investment brought in Nepal through banking channel

In addition to the documents above, the following documents are required, however, the documents need not be submitted twice unless there is change in the submitted documents:

- Board resolution of the company to record the investment
- Approval from NRB to bring in foreign currency, if any
- Investment certificate issued by the concerned bank reflecting the account of foreign investment maintained in its account

Repatriation

Repatriation can be done when all taxes are fully paid and all necessary legal obligations have been met. Repatriation approval is given by the central bank on the basis of the recommendation of the concerned regulatory authority (DOI/IBN, DoED/MoE for energy related companies, NTA/ MOCIT for communications related companies, etc.).

Repatriation of Capital/ Profit/ Royalty

The foreign investors are entitled to repatriate the following amounts:

- Amounts received from the sale of the share of foreign investment as a whole or any part thereof,
- Amounts received as profits or dividends from foreign investment,
- Amounts received as the payment of principal and interest on any foreign loans,
- Amounts received as royalties or management fees under the agreement for technology transfer in such currency as set forth in the concerned agreement and approved by the Department of Industry.
- Part of the earnings of foreign nationals working in projects with foreign investment: foreign nationals working in any industry with prior approval of the Department of Labour and who are from a country other than India (this does not apply to Indian citizens as NPR and INR are freely convertible) may repatriate their salary, allowances, emoluments, etc., in convertible foreign currency in an amount not exceeding 75% of such salary, allowances and emoluments.
- The foreign investor or a foreign technology supplier is also entitled to repatriate the amount received under the agreement for technology transfer in such currency as set forth in the concerned agreement for the technology transfer as approved by the investment approving agency.

VISAS FOR FOREIGN NATIONALS

There are different categories of visas issued to foreign nationals in Nepal. This section gives an overview of the main types of visa available for foreign nationals: tourist, non-tourist, business, resident and non-resident Nepali visas.

Tourist visa

Under this category, visitors can come to Nepal and stay for 60 days with renewals allowed for up to 150 days in total in a calendar year. A tourist visa can be obtained from Nepali missions in the tourist's country of origin or upon arrival at the port of entry by paying the prescribed fee.

Non-tourist visa

Foreigners having obtained permission from the Government of Nepal to work on either remuneration or volunteer basis in any firm/company/association/industry or enterprise within Nepal require this visa. This type of visa is issued for a period not exceeding one year at a time and its term may be extended as needed. A non-tourist visa requires approval from the Ministry of Home Affairs if the duration of the visa applied for exceeds three months.

Foreigners who have obtained a recommendation from the Department of Industry/Investment Board to conduct a feasibility study for any industry or enterprise for a period not exceeding six months can also obtain a non-tourist visa.

Non-tourist visa for expatriate staff

If the required skilled workforce is not available locally, an industry can employ foreign nationals by obtaining a work permit. This visa is granted for a duration of one year at a time upon the recommendation of the investment approving agency (Investment Board Nepal/Department of Industry) and Department of Labour, and can be extended for a period of 5 years on an annual renewal basis.

Business visa

A business visa can be granted on the recommendation of the concerned agency to the following foreigners (and his/her family):

- A foreigner and/or his/her authorised representative who has obtained a licence to invest in any business or industrial enterprise within Nepal
- A foreigner who has obtained a licence to make an investment to export from Nepal
- A foreigner visiting Nepal from a country who exports goods manufactured in Nepal through purchase or places a purchase order for export

Business visas are issued for periods not exceeding five years at a time; however, the validity of this type of visa may be extended as needed.

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 Department of Industry/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.

Non-resident Nepali visa

If any foreigner of Nepali origin, residing in a foreign country, intends to reside in, or carry on trade or business in, or conduct study, teaching or research work in any subject, in Nepal, a non-resident Nepali visa may be granted to such a foreigner and his or her family members for a period not exceeding ten years at a time.

LABOUR LAW

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 laws. This section gives a brief overview of the labour laws contained in the Labour Act 2017.

Working day

The normal allowable working hours are 8 hours a day and 48 hours a week. The employer can decide the starting and finishing time as well as the day of the weekly holiday (which is traditionally Saturday).

Working age

A person must be over the age of 16 to be hired for employment. A child under the age of 14 cannot be employed under any circumstance. A child between the age of 14 and 16 can be employed for up to 6 hours a day.

Hiring

The Labour Act has flexibility in hiring employees through different modes as per the requirement of the entity: regular employment, task-based employment, casual worker and time-bound workers, including short-term workers and part-time workers. Likewise, outsourced labourers can also be engaged in works other than the core work of the entity. The work that can be carried out by the outsourced labourers is as prescribed in the Nepal Gazette.

Employing foreigners

Under its accession to the WTO agreement Nepal has made a commitment to allow 15% of technical and managerial posts to be filled by expatriate staff by entities with foreign investment. For the visa requirements of foreign workers, refer to the section in this guide on visas.

Wages and benefits

The government revises the minimum wage periodically, usually every 2–3 years. No employee can be paid less than the minimum wage. Wages and benefits are generally based on the collective bargaining agreement reached between the union representing the workers and the management. The minimum wage includes a basic wage and a cost of living allowance, both decided by the government. Wages may be paid on a weekly, fortnightly or monthly basis, but the period between the payments should not exceed one month. Female and male workers are entitled to equal remuneration. Employers may pay allowances in addition to wages. Some examples of allowances paid in Nepal are transport allowance, medical allowance and house-rent allowance. However, the payment of such allowances is not mandatory.

Public holidays and leave

- All workers are entitled to one-day holiday a week (usually Saturday) and 13 public holidays a year.
- 13 public holidays and 1 public additional holiday (International Women Day) for female employees.
- An employee is entitled to 18 days of fully paid home leave a year, or 1 day of home leave for every 20 days of work.
- Workers are entitled to 12 days sick leave on full pay in a year.
- Female workers are entitled to 14 weeks of leave, during pregnancy or after delivery of a child. Out of which 60 calendar days (weekly and public holidays counted in this period) of leave with full pay. Likewise, male workers are entitled to 15 calendar days (weekly and public holidays counted in this period) of leave with full pay as paternity leave.
- Workers are also entitled up to 13 days of mourning leave, provided their religion demands such mourning, on the demise of their spouse or parents/ parents-in-law.
- Provision of leave in lieu for employees who work on public or weekly holidays.

Holidays are not a right, but only a facility (which can be more than listed above as per the company's policy) and, as such, the employees have to seek permission to take leave, except in the case of illness of the employee, delivery of a child, or demise of a spouse or parents/ parents-in-law.

Misconduct and disciplinary action

In case of misconduct by a worker, the employer has the right to take disciplinary measures. There are punishments that can be used by an employer depending upon the severity of the misconduct. These are: warning, withholding of annual salary increment for one year or withholding promotion for one year, deduction of one day remuneration and dismissal from service. The Labour Act also provides that sexual harassment in the workplace is subject to disciplinary action up to dismissal from service.

Retrenchment

As per the Labour Act, workers can be retrenched as agreed with the Trade Union or Labour Relation Committee in the absence of Trade Union. Where the agreement cannot be reached with the Trade Union or the Labour Relation Committee, employees can be retrenched by giving information to the Labour Office.

Employees are entitled to the retrenchment compensation at the rate of one month salary for each year of service. The compensation is paid on a proportionate basis for services rendered below one (1) year. The employee who is paid unemployment allowance is not entitled to the retrenchment compensation. The rule of retrenchment does not apply to an employer who has less than 10 people.

Provident Fund

According to the law, workers under employment contract have to be provided with welfare and social security benefits. The employer has to deduct 10% of an employee's salary, match that amount and deposit the combined sum in the employee's provident fund.

Gratuity

Every enterprise has to pay a gratuity at the rate of 8.33% of basic remuneration from the first day of employment.

Festival Allowance

Every enterprise has to pay an amount equivalent to the monthly remuneration once a year as a festival allowance and the employee not completing 1 (one) year service is entitled to the allowance on a proportional basis.

Insurance

Enterprises have to set aside accident insurance coverage of at least seven hundred thousand rupees (NPR. 700,000) for every worker with the premium fully paid by employer medical insurance. Likewise, every enterprise has to have coverage of at least one hundred thousand rupees (NPR. 100,000) per year for every worker with the premium paid half by the employer and half by the employee.

Trade union rights

Nepal's constitution and laws provide the right to form a trade union. Workers and other non-managerial employees can be part of the trade union. The union can submit claims or demands, enter into collective bargaining, or resort to strikes by following a prescribed procedure. Employees are allowed to hold strikes to press their demands, and ask employers to address them by conducting bilateral talks. Likewise, the workers who hold protests following the legal framework will be paid half a day's wages even though no work is done. The management can resort to lockout by following the procedures laid out in the Act and rules, which includes taking permission from the government. The Act and rules also provide procedures for resolution of workplace conflicts.

Labour offices

There are labour offices at 10 different locations across the country. As there is no separate entity prescribed by law to manage the operation of factories, these offices also act as factory inspectors.

TAXATION

Investors setting up enterprises in Nepal must comply with Nepal's tax laws.

Income tax

The main objective of Nepal's tax system is to enhance revenue mobilisation through effective revenue collection for the economic development of the nation. Income is taxed in accordance with the provisions of the Income Tax Act 2002. All income earners are required to register with the IRO, obtain a PAN and file a tax return annually. Companies are subject to a flat rate of tax, whereas individuals are taxed at progressive rates. The Director General of the Inland Revenue Department is responsible for the general administration of the Income Tax Office.

Taxable income

Income tax is levied on the accessible income earned or received from a business, employment, or investment, as well as any windfall gains for an income year. Where an entity generates income from all the sources listed above, tax is paid on the total income for the year.

Capital gains tax

A capital gain is the profit realised on the sale of a capital asset for a value that is higher than the original purchase price. Capital gains tax is only triggered when an asset is sold, not while it is held by an investor. Capital gains earned by entities are taxed at rates ranging from 10-15% depending on the nature of transaction. Direct expenditure incurred on the acquisition/sale of the capital asset is deductible when computing the taxable gain.

Withholding tax

Dividends distributed by a resident company or a partnership are subject to a final withholding tax of 5% for resident and non-resident recipients, including foreign investors. These dividends are not taxed in the hand of the recipient, but withheld by the distributing company or partnership.

Deductions

All actual business expenses incurred in acquiring or earning income from business are allowable deductions for tax purposes including: interest, pollution control, research & development expenses, the cost of trading stock, depreciation and repair and improvement costs (amounts not exceeding 7% of depreciation base at the end of the year).

Losses

Tax losses can be carried forward for a period of 7 years and, in the case of public infrastructure projects to be built, for a period of 12 years. However, tax losses may not be carried back (e.g., set-off against taxable income for an earlier period) except global contracts. Entities that have received a full or partial tax exemption in any year on investment or business income are not entitled to carry forward losses incurred in these exempt years.

Annual tax returns

All businesses are required to adopt the income year ending 15 July and submit a tax return within three months thereof (i.e., by 15 October of each year), although an extension of three months may be requested (and is generally granted). Accounts are to be audited by a qualified auditor who holds a certificate of practice issued by the Institute of Chartered Accountants of Nepal. Taxable income is computed in accordance with the prevailing tax laws and their amendments. The financial statements of listed public companies and those with public accountability shall be prepared in accordance with Nepal Financial Reporting Standards, which is the equivalent of the International Financial Reporting Standards (IFRS), effective from 2017–18.

Value Added Tax (VAT)

Nepal instituted VAT about 20 years ago. VAT is levied on almost all goods and services. The Inland Revenue Department is the government agency that manages

and administers VAT in the country. Any person, firm or company having an annual turnover of NPR 5 million or more has to register for VAT except the business that fall under Schedule 1 of VAT Act. VAT is levied at a flat rate of 13% and taxpayers (intermediaries) can claim input credit on VAT paid during procurement. 0% VAT is levied on exports, which means that they can claim an input tax credit. However, no input credit claim can be made for non-VAT-able goods and services.

Double tax relief

Nepal provides relief against international double taxation to residents by granting foreign tax credits. Foreign tax is allowed as benefit in the form of tax credit. Excess credits can be carried forward and adjusted only against the assessable foreign income. In addition, double tax relief can be claimed under the provisions of existing DTAA's that Nepal has negotiated with other tax jurisdictions. Nepal has entered into DTAA's with 10 countries: Austria, China, India, Korea, Mauritius, Norway, Pakistan, Qatar, Sri Lanka and Thailand.

Customs duty

Customs duty is levied on the import of goods to Nepal as per the Customs Act, 2007. It ranges from 0–80% on the transaction value (cost, insurance and freight [CIF] to the Nepal border) depending on the product. Most raw materials fall within the 0–10% duty band, whereas finished goods and consumer items fall within the 5–30% duty band. Duty at the rate of 80% is levied on only a few items (i.e. motor vehicles, arms and ammunitions, and pipe tobacco). In the case of exports, there is generally no duty except for certain products, like those originat-

ing from forests, certain agricultural products that are in short supply in Nepal or industrial raw materials and minerals. There is a provision for an administrative review of the customs duty by the Revenue Tribunal if the decision made by custom officer is not acceptable to the taxpayer. In such case, the taxpayer has to submit an appeal within 35 days from the date of determination of the custom duty.

Excise duty

Excise duty is governed and regulated by the Excise Act, 2002 and the Excise Regulation, 2003. No one is allowed to manufacture, import, sell and store excisable goods and services without being registered at the IRD for excise. Persons, firms or institutions that need to register may submit a prescribed application form to the excise officer at the concerned Inland Revenue Office. The rate of excise duty generally ranges from 0–60%. Exports are exempt from excise duty. Most raw materials fall within the 0–5% duty band, whereas finished goods and consumer items are levied on ad valorem (value of the goods). Duty at the rate of 35–60% is levied mainly on the import of motorcars. There is a provision for an administrative review at the IRD if the decision made by excise officer is not acceptable to the taxpayer. In such case, the taxpayer has to submit an appeal within 35 days from the date of receipt of the decision made by the excise officer. The taxpayer can approach the Revenue Tribunal if he or she is not satisfied with the Department's decision

Corporate tax rates

Nature of entity	Tax rate
Normal rate for entities	25%
Special industries registered under Section 3 of industrial Enterprise Act 1992	20%
Banks and financial institutions	30%
General insurance 30%, life insurance 25%	25%-30%
Enterprises involved in petroleum businesses	30%
Saving and credit cooperatives located in urban areas	20%
Enterprises operating roads, bridges, railways hydropower stations, transmission lines, etc. on BOOT basis, etc.	20%

IMPORT AND EXPORT

This section contains useful information on how to import and export goods to and from Nepal. Nepal follows a liberal regime in international trade. The Export Import (Control) Act, 1957 is the main law and empowers the Government of Nepal to prohibit or control the export or import of any product or commodity. In addition to this Act are the Export-Import Rules, 1978; Customs Act, 1962; Customs Regulation, 1969; and Annual Finance Act (which is based on the annual budget speech of the finance minister and the order made by the Ministry of Commerce).

Any entity is required to obtain EXIM Code from department of customs to be eligible for export and import for all transactions in Nepal, provided that import is more than Rs. 50,000 and export is more than 5 lakhs per transaction. However, for any entity that has already obtained an EXIM Code must use it every time regardless of the value of export or import.

Import

Only registered firms and companies can be involved in importing goods. The firms and companies have to be registered with the concerned department (Department of Industry or the Department of Cottage and Small Industries for industry and the Department of Commerce for trading firms). They should also be registered with the Inland Revenue Department for PAN and VAT.

Importers have to fill out a customs declaration form (Pragyapan Patra), and submit it with the relevant documents to the Customs Office. In addition to this document, the Customs Office will also ask for a copy of the registration document (e.g., industry registration, firm registration, PAN/VAT registration certificate, tax clearance certificate) when the company is carrying out import activities for the first time.

Custom tariff on imports

Nepal levies custom duty at the point of import and the duty levied is based on the nature of the product. Nepal uses the Harmonized Commodity Description and Coding System, also known as the Harmonized System of Tariff nomenclature, to classify products and duty is prescribed according to the Harmonized System code.

For the calculation of duty to be levied, Nepal uses the CIF (cost, insurance, and freight) value of imports. The valuation system is aligned with the WTO/ General Agreement on Tariffs and Trade (GATT) valuation. The generally observed principle is that the rate of tariff for raw materials

is lower than the rate of tariff for finished goods. Similarly, essential goods not produced in Nepal fall into a lower duty band than luxury or non-essential items or for which use is discouraged due to their negative implications for the environment or human and animal health, etc.

On items that are commonly imported, duty is levied on an ad valorem basis. There are a few exceptions, where duty is based on quantity (volume or weight). The existing rates are 0–80% depending on the products. Most raw materials fall within the 0–10% duty-band, whereas finished goods and consumer items fall within the 5–30% duty-band. Duty at a rate of 80% is levied on only a few items (i.e., motor cars, arms and ammunitions and pipe tobacco). The duty levied on imports is generally based on the trade agreements Nepal has entered into. Foreign company cannot engage in import and trading activities however foreign companies can export to Nepal.

Export

Any firm or company exporting goods or materials must complete a customs declaration form and submit it to the customs officer at the point of exit from the country. The customs officer certifies the declaration form, after he/she is satisfied with all documents and other formalities. Goods can be transported across the border only after such a certificate is issued.

Exporters should declare the value of export goods in a prescribed form and submit it to the customs officer for certification. According to law, exporters are responsible for receiving the total payment for exported goods in any convertible currency within six months from the date of shipment from Nepal. Foreign trade is also governed by the Export-Import Rules, 1978.

Certificate of origin

A Certificate of Origin is required by Nepalese Customs for all exports. Three private sector associations – the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Confederation of Nepalese Industry (CNI), and Nepal Chambers of Commerce (NCC) – can issue a Certificate of Origin. For exports on preferential terms (to India and China on duty free basis and South Asian Free Trade Area exports), only the FNCCI is authorised to issue the Certificate of Origin. The issuance of a Certificate of Origin for Indian exports involves a site visit and approval by a technical committee from the Department of Industry.

GSP Form and Certificate

For exports under the Generalized System of Preferences (GSP) provided by various countries, exporters have to fill in a separate standard document called a GSP Form and have it stamped and certified by the Nepalese Customs at the time of export. A GSP Form is printed in a special format and colour approved by the United Nations Conference on Trade and Development (UNCTAD) for acceptance by preference giving countries.

Phyto-sanitary certificates

Phyto-sanitary certificates are issued from Plant Quarantine Posts under the Plant Protection Act and rules after a thorough examination and proper treatment of exportable seeds or plants, or plant products, if required.

Custom tariff on exports

Generally, there is no duty on the export of products, but certain products, like those originating from forests (non-timber forest products), certain agricultural products that are in short supply in Nepal, or industrial raw materials and minerals may be levied with export duty. The list of products and the export duty structure can be obtained from the Department of Customs.

Products banned for export

1. Articles of archaeological and religious importance
 - National and foreign coins of archaeological value
 - Idols of gods and goddesses, palm leaf inscription (Tad Patra), plant leaf inscription (Bhoj Patra)
 - Scroll (thanka paintings) of historical importance
2. Conserved wildlife and related articles
 - Wild animals
 - Bile and any parts of wild animals
 - Musk
 - Snake skin, lizard skin
3. Narcotic drugs: marijuana, opium, hashish (as defined in the Single Convention on Narcotics, 1961)
 - Articles of industrial importance
 - Explosives materials and fuse or materials needed there for
 - Materials used in the production of arms and ammunition
4. Industries / raw materials
 - Raw hides and skin (including dry salted)
 - Raw wool
 - All imported raw materials, parts and capital goods
5. Other products
 - Mamira (Medicinal Plant)
 - Logs and timber

PROPERTY LAWS

Zoning laws

There are no strict zoning laws in Nepal or areas designated for different kinds of activities or purposes (e.g., residential areas, commercial areas, industrial areas, agricultural areas, etc.) and where other kinds of activities cannot be undertaken. However, there are certain norms fixed by the Industrial Promotion Board regarding the location of industries, which forbid the location of certain businesses in certain areas.

Land acquisition

Companies can request the relevant authority/agency to acquire private land as per the Land Acquisition Act, 1977. Land may be acquired in the name of the entity for the purpose of setting up an industry in the following ways:

Private land: To obtain land or buildings owned by private individuals, the investor must negotiate with the owner to either purchase or lease the land. The purchase deeds are registered at the Land Management Office. Under the existing law, foreign individuals are not permitted to acquire property, but foreign companies can purchase and own land in Nepal.

Forest land: If forest land has to be obtained, the investor must follow the process prescribed by the Ministry of Forests and Soil Conservation. The Ministry may ask for an equal amount of private land to be procured for use as forest land and afforestation in the same area.

Government (non-forest land): In the case of government (non-forest) land, the land can be leased by the investor according to the Land Leasing Policy, 2014. Lease terms range from 10–50 years. The lease can be renewed after the term expires.

Intellectual property

In Nepal, the protection and enforcement of IPR are primarily governed by the Copyright Act, 2059 (2002) and the Patent, Design and Trademark Act, 2022 (1965). In addition, Nepal is also a signatory to various intellectual property treaties such as the Paris Convention for the Protection of Industrial Property (1883), the Agreement on Trade-Related Aspects of Intellectual Property Rights (1995) and the Berne Convention for the Protection of Literary and Artistic Works, 1886 pursuant to which Nepal is under an obligation to safeguard IPR. Nepal is also a member country of the World Intellectual Property Organization (WIPO).

Currently, there are separate laws for the protection of industrial intellectual property rights and copyrights. While the Ministry of Industry (MoI) is responsible for industrial intellectual property issues like patent, design, trademark and geographical indications (GI), the issues related to copyright fall under the jurisdiction of the Ministry of Culture, Tourism and Civil Aviation (MoCTCA).

The government prioritizes intellectual property to improve the investment climate in Nepal and has introduced the first National Intellectual Property Right Policy, 2017 in order to create a balanced IP system in Nepal. Likewise, it also aims to create awareness about the social, economic and cultural aspects of IP, encourage the commercialization of IP and strengthen the legal, administrative and human resources to ensure protection and enforcement of IP in Nepal.

INDUSTRIAL DISTRICTS

GoN has established 11 IDs in different parts of Nepal with the assistance of various donor countries. The government-owned Industrial District Management Limited (IDM), which was established as a separate corporate entity in July 1988, is entrusted with the overall management and supervision of all the IDs, as well as other tasks such as conducting feasibility studies of IDs in potential areas, materializing new IDs, and planning and promoting the industries therein. IDM is incorporated under the Companies Act in the form of a Public Limited Company. Its shareholders are the GoN, Ministry of Industry, The Office of Comptroller General and Nepal Industrial Development Corporation. Currently, there are 10 IDs in operation at Balaju, Patan, Bhaktapur, Hetauda, Nepalgunj, Pokhara, Butwal, Dharan, Birendranagar and Rajbiraj.

IDs provide the following advantages for industry:

Low cost initial investment: Already developed land and industrial sheds/warehouses are available on lease.

Basic physical infrastructure: Roads, drainage, culverts, electricity supply, water supply, and water filtration services are in place.

Supporting facilities: Banks, a post office, clinic, day care centre, workshop, canteen, sports hall, open playground, display/review centre, meeting/conference hall, primary school, guest house, safe and clean environment, and security arrangements are also provided.

Status of IDs approved and announced by GON:

Location	Area (Ha)	Progress
Damak, Jhapa	1418.92	636.5 Ha Land acquired
Mayurdhaap, Hetauda	135.14	DPR approved
Shaktikhor, Chitwan	1176.35	Master Plan preparation ongoing
Naubasta, Banke	228.38	DPR approved
Motipur, Rupandehi	549.32	DPR approved
Daiji, Kanchanpur	608.11	Master plan being prepared

DRY PORTS

Nepal is a landlocked country and relies on the Kolkata Port in India to handle almost all of its sea freight imports but Visakhapatnam has also been added as the additional port. Efforts are underway to further diversify the transit facility and connectivity through PR China and Bangladesh. Four dry ports have been constructed at the Nepal India border (three in 2000 with assistance from the World Bank and one in 2010 with assistance from Asian Development Bank).

Birgunj is the only rail-linked dry port with a gateway port as well as other Indian railheads. Biratnagar (Morang district), Bhairahawa (Rupandehi district) and Kakarb-

hitta (Jhapa district) are road-based dry ports. A fifth dry port is under construction at Tatopani (Sindhupalchok district) on the Nepal-China border with technical and financial assistance from the Government of China. Dry ports are also proposed for future construction in Yari (Humla), Nechung (Mustang), Rasuwagadhi (Rasuwa), Kimathanka (Sankhuwasabha), Olangchungola (Taplejung), Nepalgunj (Banke) and Mahendranagar (Kanchanpur).

SPECIAL ECONOMIC ZONE

The Government of Nepal has adopted the concept of a Special Economic Zone (SEZ), which is a commercial area established for the promotion of foreign trade, to attract foreign and national investors to invest in, and establish ,export-oriented industries and businesses. The SEZ Authority Act, 2016 and SEZ Authority Regulation that came into effect from September, 2017 has specific provisions that makes it attractive for investors to establish industries in SEZs. There are 14 different locations declared as SEZ sites out of which Bhairahawa SEZ is already complete. The other 13 SEZ locations are Dhanusa, Gorkha, Jhapa, Jumla, Dhangadi, Kailali, Morang, Nepalgunj, Nuwakot, Paanchkhal, Rautahat, Simara and Siraha. Apart from that the Government has planned to add SEZs in Chitwan, Dang and Saptari as well.

Basic Features of SEZ Authority Act – 2016

- Envisioned the establishment of the SEZ Authority to construct or maintain physical infrastructure in the SEZ; monitor and regulate industries established in the SEZ; and provide one stop services.
- Private Sector is allowed to establish, operate and manage the special economic zone.
- Existing industries operating outside SEZ can't be relocated in the SEZ.
- A license is needed to establish an industry in the SEZ. The maximum validity period of the license is 30 years, and it can be renewed for another 10 years if the industry is utilizing more than 30 percent of its capacity.
- Industries established in a SEZ must export 75% of total production or services.
- Industries established in a SEZ will receive a rebate on the rent of land or building which are taken on lease for three years as per the following:
 - a. 50 percent in the first year
 - b. 40 percent in the second year and
 - c. 25 percent in the third year
- Income tax exemption: Industries established in a SEZ will get full income tax exemption for the first 5 years. Thereafter, an industry using up to 60 percent of domestic raw materials is entitled to receive 50 percent exemption for the next 10 years while the others will get 50 percent exemption for the next 5 years only.
- Income tax rebate: Furthermore, industry established in Hilly or Himalaya Region SEZs will get full income tax exemption for the first 10 years, while for the next 10 years it will get 50 percent exemption only.
- Dividend tax exemption: In the first 5 years, an industry will get 100 percent tax exemption facility on dividends, while, thereafter, it is entitled to receive 50 percent exemption for the next 3 years only.
- Value Added Tax (VAT) facility: Industry is entitled to get zero VAT facility, when (a) it exports products or services; and (b) when it sells its products and raw materials to other industries established in the SEZ.
- Custom Duty exemption:
 - a. Industry is entitled to receive customs duty concessions and other facilities under a bank guarantee of government for importing raw materials and auxiliary raw materials, packing materials and others, plant, machinery equipment, tools and spare parts and up to three vehicles- depending upon the nature and size of the industry.
 - b. Any importer which sells its goods to the industry established at the SEZ is entitled to receive customs duty refund.
- Provisions for foreign license-holders:
 - a. A foreign investor who has invested in foreign currency in the SEZ, is entitled to repatriate the amount he/she receives from sales of partial or full shares; dividends; and principal and interest on foreign loans in a foreign currency as mentioned in the MoU with the Authority.
 - b. Foreign license-holder can conduct transactions in a foreign currency through accounts in commercial banks on the recommendation of the SEZA.
- A one window unit will be established in the SEZ to provide all relevant services and facilities to industries established in the SEZ.
- Strikes and protests are strictly prohibited within the

SEZ.

- Investor can sell or transfer his/her share of the industry established in the SEZ to a new investor. Permission of the SEZA is needed if more than 50 percent of such share is being transferred or sold.
- Liability for fulfilling commitments made in the initial MoU with the SEZA will thus transfer to a new

investor.

- Bhairahawa is the only SEZ that has been completed and rental charges are at Rs 20 per square meter and an entity must have fixed capital of Rs 20 million to set up an industry in SEZ.

ID, Dry Port and SEZ locations



SEZ	Location	Area (approx.)	Feasibility Study	Land Acquisition
Bhairahawa	Rohini Gaunpalika, Bhairahawa	36.8 ha	Completed	Acquired
Dhanusa, Janakpur	Umaprempur	55 ha	Completed	Land not acquired
Gorkha	Deurali	60 ha	Completed	Land not acquired
Jhapa	Topganchhi, Jhapa	300 ha	Completed	Land not acquired
Jumla	Pandugupha	47 ha	Completed	Land not acquired
Kailali Dhangadi	Shreepur, Haraiya	180 ha	Completed	Land not acquired
Kailali Taalban	-	-	Completed	Land not acquired
Morang, Biratnagar	Amaduwa, Sunsari	200 ha	Completed	Land not acquired
Nepalgunj	Naubasta	348 ha	Completed	Land not acquired
Nuwakot	Ratmate, Jiling	70 ha	Completed	Land not acquired
Paanchkhaal	Hokse, Panchkhal	50 ha	Completed	Acquired
Rautahat	Jhunkhunwa	106 ha	Completed	Land not acquired
Simara	Simara, Bara	564 ha	Completed	Acquired
Siraha	Gobindapur	160 ha	Completed	Land not acquired

ENVIRONMENTAL CLEARANCE

Nepal has established a system of environmental clearance and pollution control certification under the Environment Protection Act, 1997 and Environment Protection Rules, 1997. The Environment Protection Rules prescribe the process for carrying out environmental assessments and obtaining clearance from the Ministry of Forest and Environment or an other concerned ministry.

There are two types of environmental assessments - IEE and EIA. Certain industries also require a Pollution Control Certificate.

Initial Environmental Examination (IEE)

An IEE is applicable to small projects which have a small environmental footprint and which fall under Schedule 1 of Environment Protection Rules. An IEE involves the preparation of Terms of Reference and then an analytical study of the impacts and mitigation measures. The IEE report is then submitted to the concerned ministry for its approval.

Environmental Impact Assessment (EIA)

An EIA is required for larger projects which are likely to have greater environmental consequences and which fall under Schedule 2 of Environment Protection Rules. An EIA requires preparation of a scoping document before finalizing the Terms of Reference. Once the Scoping and ToR documents are approved by the Ministry of Forest and Environment, a detailed study on potential impacts, mitigation measures and an Environmental Management Plan are presented in the report. During the EIA study process, it is mandatory to conduct a public hearing in the project affected area. The EIA report is then submitted to the Ministry of Forest and Environment for its approval.

Pollution Control Certification

Certain industries mentioned under Schedule 7 of the Environment Protection Rules 1997 require a Pollution Control Certificate, which can be obtained from the Ministry of Forest and Environment.

SOCIAL ASPECT

Nepal does not have laws related to accessing and addressing social impacts of projects till now. Provisions on tackling social issues such as resettlement and rehabilitation and benefit sharing to affected families to help them improve livelihood are mainly dependent on negotiations between the Government and Investors and are laid out in the PDA document. Nepal does have a policy on Land Acquisition, Resettlement and Rehabilitation for Infrastructure Development Projects 2015, which is a policy guideline for resettlement and rehabilitation of affected households. IBN encourages use of International Social Performance Standards in all its projects and also has experience in implementation of these standards. However, Land Acquisition Act 1977 is the main legal means of acquisition of private land, as the act allows to acquire any land on the payment of compensation for development project.

DISPUTE RESOLUTION

The Foreign Investment and Technology Transfer Act (FITTA) has a special provision for dispute settlement. The Act calls for dispute settlement by mutual consultation. For industries with fixed assets/investment of up to NPR 500 million, if the dispute cannot be settled by mutual consultation in the presence of the Department of Industry, it shall be settled by arbitration in accordance with the prevailing arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL). The arbitration shall be held in Kathmandu. For IBN projects, the PDA/PIA also has a clear provision for dispute settlement. The laws of Nepal shall be applicable in the arbitration process. For industries with fixed assets/investment of more than NPR 500 million, disputes may be settled as per the joint venture agreement or share purchase agreement.

SECTORAL OPPORTUNITIES

HYDROPOWER

Nepal is rich in water resources with multiple sources of water, including glaciers, snowmelt from the Himalayas, rainfall and groundwater. There are four main river systems in Nepal: (i) the Mahakali, (ii) the Karnali; (iii) the Gandaki; and (iv) the Koshi systems. All originate in the Himalayas and produce significant flows, even in the dry season.

Nepal's theoretical capacity for producing power from hydropower projects is around 83,290 MW, out of which 42,130 MW is estimated to be economically feasible. However, current installed capacity is only 1044 MW of electricity, despite the fact that peak domestic demand (suppressed) is well over 1508 MW. With 52% of all hydropower generation capacity and the entire transmission and distribution network under its control, the Nepal Electricity Authority (NEA) is the most significant player in the energy sector. Independent power producers (private players) own approximately 48% of hydropower generation capacity.

The decade between 2019 and 2029 is to be marked as 'Energy and Water Resources Decade'. The white paper released by Ministry of Finance has stated the government's plan to amend the Electricity Act and Nepal Electricity Authority Act, formulate Renewable Energy Development Plan and immediate set up of Electricity Regulation Commission under the Electricity Regulation Commission Act 1990. The white paper also incorporates 'One Province, One Mega Project' strategy with an aim to build a mega hydro or solar project in each of the seven provinces.

Opportunities

- The government has set forward a target to increase per capita electricity consumption to 1500 Kwh within the next 10 years. It has also planned to produce 5000 MW within next 5 years and 15000 MW within the next 10 years.
- Nepal aims to become a middle income country by 2030. To meet its growth aspirations, Nepal will need to add 15,000+ MW (which requires investment of approximately USD 25 billion). Consequently, a lot of industries and infrastructure projects are in the pipeline opening up huge opportunities.
- In addition to energy development, investment opportunities lie in the upgradation and expansion of distribution systems (for which investment of approximately USD 2 billion is required) and transmission systems (for which investment of approximately USD 4.45 billion is required).
- The Power Trade Agreement (PTA) signed with India has opened up a large market for exporting electricity to India. Multiple cross border transmission lines with India and China are being constructed that will significantly increase the export of energy to the neighboring countries.
- The SAARC Framework agreement on Energy Cooperation signed during the 18th SAARC Summit in 2014 will pave the way for the eventual formation of a regional energy market.



Photo Courtesy: Mr. Khadga Bahadur Bisht

TRANSPORT

The transportation sector in Nepal contributes 7.97% of GDP and grew at a rate of 5.41% in 2017/18. The average growth rate of the sector in the last decade is 6.32%. By 2017/18 total road network has reached 88,037 kms in Nepal that includes road constructed by the central and local authorities. There is 29639 km of strategic road which includes 13149 km black topped roads, 6956 km graveled roads, and 9534 km earthen (Fair Weather) roads. Additionally there are 1974 bridges in operation. Nepal also has 44 domestic airports and 1 international airport in Kathmandu.

The National Planning Commission has identified 21 'National Pride Projects' that will contribute to the development of the economy, of which 10 are related to the transportation infrastructure sector.

The Government of Nepal has started to upgrade domestic airports into international regional airports in Bhairahawa in the Terai (the plains adjoining India) and Pokhara (in the west). It is also increasing the capacity of Tribhuvan International Airport and blacktopping 22 domestic airport runways. An international airport is also planned for Nijgadh, which is about 76 km from Kathmandu, to be connected via the Fast Track road. The airport and fast track project are expected to gain quick pace soon and are bound to be the major transport projects in Nepal that holds tremendous opportunities.

Opportunities

- Only approx. 18 % of roads in Nepal are black topped. Hence, there are immense opportunities to expand the road network, for which the government is seeking to form public-private partnerships.
- Nepal's main highways require expansion to accommodate the increase in traffic.
- In order to cater to the needs of the growing urban population, the development of mass public transportation system (bus-rapid transport (BRT), railways, monorails, airports) has been prioritized.
- Eight north-south corridors (roads) linking China and India through Nepal will open opportunities for enhanced trade between India and China.
- A cross-border railway line connecting Kathmandu with China, five cross-border railway lines, ultimately connecting Kathmandu with India, a railway line along the East-West Highway are a part of strategic plan providing huge investment opportunities.
- There is also a huge potential for building cable cars especially in the hilly regions providing links to the tourist destinations.



Photo Courtesy: JICA

AGRICULTURE

Nepal's geography, topography, water resources and ample supply of labour give Nepal a comparative advantage in agricultural production. Nepal's natural gifts are agricultural diversity and verified topographical and temporal conditions making the land suitable for the production of various kinds of agro-based products, medicinal herbs and essential oils among others. Nepal's altitude ranges from just 59 meters at Kechana Kalan in Jhapa district to 8848 meters at Mount Everest, the world's highest point.

The country's economy is largely dependent on the agricultural sector, which accounted for 27.59% of GDP in 2017/18 and absorbs about two thirds of the labour market. Around 25% of the total land area is cultivable land; another 33% is comprised of forest land and the rest is mountains.

The agricultural sector in Nepal is gradually transitioning its growth from subsistence to commercial scale. The country also shares an open border with five adjoining Indian states comprising approximately 350 million people, a huge, duty-free market for agricultural products. The GON has taken an integrated value chain approach in its development efforts and has encouraged all stakeholders to support this approach through the Agriculture Development Strategy (ADS) and Nepal Trade Integration Strategy (NTIS).

Opportunities

- There are good opportunities in input markets (such as for seeds, fertilizers, agricultural infrastructure and technology).
- Due to favorable climatic conditions, the focus on high value organic crops is increasing.
- Opportunities exist in processing, packaging and branding of non-timber forest products (medicinal and aromatic plants) cardamom, ginger, aquaculture, vegetables, floriculture, tea, coffee, honey and other agro products
- NTIS 2016 identified four agro products with competitive advantage in Nepal : Cardamom, Ginger, Tea and Medicinal and Aromatic Plants



TOURISM

With the world's highest mountain range, the Himalayas, and 8 of the 10 highest peaks in world, Nepal has long been popular among mountaineers, trekkers and adventure seekers. It also offers beautiful lakes, steep rivers and gorges, unique wildlife, historic monuments, impressive fine arts, significant religious sites and exotic cultures attracting a wide array of travelers.

Nepal is also a destination for religious tourism and pilgrimages. The birthplace of Lord Buddha, Lumbini and the holy Hindu temple Pashupatinath and other Buddhist and Hindu pilgrimage sites are the main attractions for people following Buddhism and Hinduism.

About a million recorded tourists visited Nepal in 2017 with an average receipt of about US\$ 892 per arrival. Nepal has seen consistent growth in the number of tourists in the last 2 years with impressive growth rates of about 40% and 25% in 2016 and 2017, respectively. This sector directly and indirectly employs approximately 500,000 people.

The National Tourism Strategy 2016-2025 envisages a five-fold increase in arrivals to 2.52 million annually by 2025, opening lots of opportunities in terms of infrastructure development to connect the sites, accommodation, travel and other tourist activities.

Opportunities

- There are opportunities in developing tourism infrastructure (hotels, recreation centers/activities, roads, airports, etc.).
- There is also great potential for expanding the market for Meetings, International Conferences and Events (MICE) tourism.
- Plans to build a new international airport and upgrade the current international airport and regional airports (Pokhara, Bhairahawa) are underway, which will increase the tourist traffic significantly.
- The expansion of existing tourism products and the introduction of new and innovative products has the potential to attract different types of tourists and extend their average length of stay as well as spending.



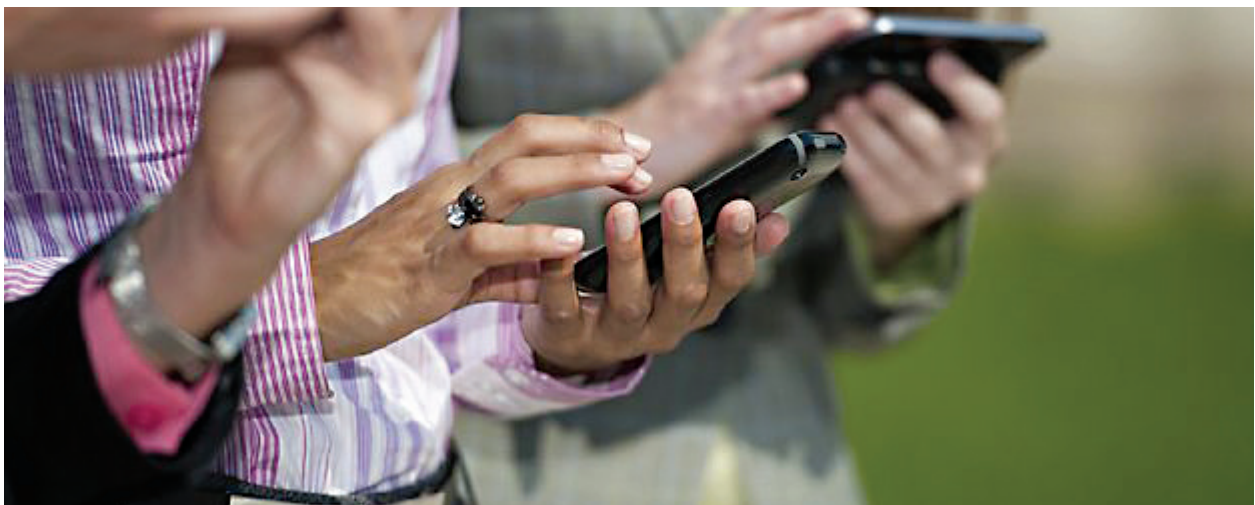
INFORMATION COMMUNICATION TECHNOLOGY

Nepal's ICT sector is one of the fastest emerging sectors in the country, with huge potential for growth in the coming years. According to the Nepal Telecommunications Authority, the internet penetration rate in Nepal drastically increased from 35.70% in 2014 to 62.94% in 2017. Similarly, mobile penetration rate has reached 130% with mobile subscriptions increasing from 18.93 million in 2013 to 38.1 million in 2017. All the services related to the ICT sector are open to foreign direct investment, except for media. For telecommunications, up to 80% foreign ownership is allowed.

NTIS 2016 has included the ICT sector as one of twelve sectors with the greatest export potential. The GoN intends to make additional efforts to develop the sector. With rising telephone penetration, improving internet infrastructure, and highly skilled low wage manpower, the ICT sector exhibits a number of investment opportunities. This is a cross cutting sector which has the potential to play a catalytic role and generate high growth which will ultimately enhance the performance of all other sectors.

Opportunities

- Foreign BPO companies can benefit from the cost advantages offered by low wages and low establishment and operating costs. The time zone in Nepal is also favorable for companies looking to outsource from America or Europe.
- As there are only two major telecommunications companies holding approx. 80% of the market share there is room for new firms to enter the market to challenge the competition
- The most obvious opportunities include: Information Technology Enabled Services (ITES) and Business Process Outsourcing (BPO) services, Internet Service Providers, online payment infrastructures and services, Internet Data Centers, and IT parks.
- GoN has plans to build smart cities in which the role of ICT is significant.



MINES AND MINERALS

Nepal lies in the center of the 2,500 km Himalayan belt, which has favorable geology for various minerals (metallic, non-metallic) and fuel. With almost 83% of its territory in mountainous regions, Nepal is a developing country with vast natural resources including water, minerals, forests, and a myriad of agricultural products and medicinal and aromatic plants. As many as 63 minerals have been identified in Nepal. In 2017/2018, 126 mines and quarries for 15 different minerals were in operation. Of these, 49 are limestone quarries.

Nepal has an abundance of minerals required for industry and construction, including the most abundant, limestone, coal, talc, red clay, granite, marble, coal, gold, and precious and semi-precious stones (tourmaline, aquamarine, ruby and sapphire). As of 2015/16, over 250 private investors have shown interest and acquired 400 prospecting licenses to explore 24 mineral commodities and 222 mining licenses to exploit 15 mineral commodities (except river gravel and sand mines). The Department of Mines and Geology is engaged in the exploration, excavation and evaluation of mineral resources in Nepal.

Opportunities

- Opportunities to make use of 100.5 million tons of iron ore, 2.3 million tons of zinc and lead deposits, copper deposits in more than 107 localities, recently discovered Uranium, and other metallic minerals are known to be found in various regions of Nepal.
- Opportunities also lie in the non-metallic minerals sector, with estimates of 1.25 billion metric tons of best cement grade limestone deposits, 5 billion tons of dolomite and 200 million tons of magnesite
- A number of fuel minerals (naturally occurring carbon or hydrocarbon fuels such as petroleum, and natural gas) exist in different parts of Nepal.
- Semi-precious gemstones such as tourmaline, Beryl/Aquamarine, Garnets, Kyanites and Rock crystals and precious gemstones that are available in Nepal.
- There are a variety of igneous, metamorphic, and sedimentary rocks including Marbles, Granites, Slate and Quartzite available in Nepal.
- Stones in the form of river boulders, gravel, roofing slate, paving stones, building stones, marble and sand can be found throughout the country. Construction minerals occur in two forms: River boulders & Gravel and Natural bedrock deposits.



MANUFACTURING

Nepal's manufacturing sector is rich in potential, both for large scale projects and innovative small-scale projects. Even though Nepal is primarily an agricultural country, various initiatives have been taken to stimulate the manufacturing sector, which the government believes is crucial to the country's economic development. The government is committed to supporting industrialisation by promoting investment in the manufacturing sector. Industrial Districts and SEZs have been created to ensure a competitive and investment friendly environment and to simplify administrative procedures.

The incentives and facilities available to foreign investors make Nepal an attractive investment destination. There are so many viable areas for investment broadly classified into 3 sub sectors: Fast Moving Consumer Goods (FMCG), industrial goods and consumer goods in manufacturing industries in Nepal, both in terms of national investment and foreign direct investment.

Nepal being a least developed country and a member of regional and global agencies such as WTO, SAARC, BIM-STEAC as well as through special agreements with India, China, the EU and US, enjoys duty free market access for its products to almost all the important economies of the world.

Opportunities

- With a population of around 28 million, rising disposable incomes, rapid urbanization, untapped but growing rural areas, and favorable regulatory environment Nepal's possesses huge potential for FMCGs – and the FMCG sector is growing at a remarkable pace (at around 20% annually). While urban markets account for the greatest share of total revenue in the consumer sector, there is a lot of scope for growth in rural markets, with consumption expected to grow in these areas as the penetration of brands increases.
- The garment industry in Nepal has grown significantly in the last decade, with relatively inexpensive labour, the government's favorable policies, the existence of a domestic market as well as export potential, and incentives for the export of garments attracting investors.
- Industrial goods including fabricated metal products, non-metallic mineral products, basic metal, plastics and rubber products and textile.
- Consumer goods including electronics, furniture, leather and allied products.



HEALTH AND EDUCATION

Nepal's health care sector also has the potential to export services. As the country's economy grows, the demand for quality health services will also grow. In the fiscal year 2017/18, there are total of 4,718 health institutions comprising 123 hospitals, 4009 health posts, 382 ayurvedic hospitals and dispensaries, and 204 primary health centers. The contribution of the health sector to GDP stands at 1.68 percent in the current fiscal year 2017/18. The scope for the private sector lies principally in tertiary care and curative health care, where there is scope for both general and specialised health care institutions.

The education structure of Nepal is at two levels; school education and higher education. School education is at two levels, basic level and secondary level. Legally, there are two types of educational institutions in Nepal. The first type is the public institution, which receives regular government funding grants. The second type, comprises private institutions which are comparatively smaller in number. Private institutions are funded either by the fees collected from students, from donor support, or both. Private educational institutions are established either as non-profit trusts or for profit companies.

Opportunities

- There are also opportunities for public private partnerships in the development and management of public health infrastructure. The GoN has indicated its receptiveness to proposals from the private sector to expand primary and secondary health care facilities.
- Investment opportunities exist in the health care sector, the pharmaceutical industry, health care facilities, diagnostic centers, specialized services, ayurvedic medicines and ayurveda holistic treatment centres and health care educational services.
- Opportunities exists in developing education infrastructure, including upgrading and building educational institutions and even education cities (medical, IT, engineering, management, etc), for which the government is seeking to engage in public-private partnerships.
- Nepal lacks research centers that are committed to the creation and dissemination of knowledge in a range of disciplines and fields, and laboratories, libraries, and other infrastructure that permit teaching and research at the highest possible level.



ANNEX 1. NEGATIVE LIST FOR FOREIGN INVESTMENT

The following areas are restricted for foreign investment by FITTA 1992 (referred to as the Negative List).

FITTA 1992, Negative List
1. Cottage industries (except industries using electricity of more than 5 KW)
2. Personal service businesses (businesses such as hair cutting, beauty parlours, tailoring, driver training etc.)
3. Arms and ammunition industries
4. Gunpowder and explosives
5. Industries related to radio-active materials
6. Real estate business (excluding construction industries)
7. Film industries (national languages and other recognised languages of the country)
8. Security printing
9. Bank notes and coins
10. Retail businesses (excluding international chain retail businesses with minimum investment of NPR 500 million, operating in at least two countries)
11. Bidi (tobacco, excluding more than 90% exportable)
12. Internal courier service
13. Atomic energy
14. Poultry
15. Fisheries
16. Beekeeping
17. Consultancy services such as management, accounting, engineering, legal services (maximum 51% foreign investment is allowed)
18. Beauty parlour
19. Processing of food grains on rent
20. Local catering services
21. Rural tourism

The negative list has been revised in the Foreign Investment Policy 2015 and proposed in FITTA amendment. However, as at the time of publication of this document, the changes have not been implemented.

ANNEX 2. RELEVANT AGENCIES AND ORGANISATIONS

LIST OF AGENCIES

OFFICE OF THE PRIME MINISTER AND COUNCIL OF MINISTERS

Singha Durbar, Kathmandu
Tel: +977-1-4211000, 4211025
Fax: +977-1-4211065, 4211086
Email: info@nepal.gov.np
Website: www.opmcm.gov.np

MINISTRY OF AGRICULTURE, LAND MANAGEMENT AND COOPERATIVES

Singha Durbar, Kathmandu
Tel: +977-1-4211905, 4211950
Fax: +977-1-4211935
Email: info@moad.gov.np
Website: www.moad.gov.np

MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY

Singha Durbar, Kathmandu
Tel: +977-1-4211556
Fax: +977-1-4211729
Email: info@moic.gov.np
Website: www.moic.gov.np

MINISTRY OF CULTURE, TOURISM AND CIVIL AVIATION

Singha Durbar, Kathmandu
Tel: +977-1- 4211669, 4211846
Fax: +977-1-4211758, 4211992
Email: info@tourism.gov.np
Website: www.tourism.gov.np

MINISTRY OF DEFENCE

Singha Durbar, Kathmandu
Tel: +977-1-4211289
Fax: +977-1-4211294
Email: info@mod.gov.np
Website: www.mod.gov.np

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

Singha Durbar, Kathmandu
Telephone: +977-1-4200353, 4200354
Fax: +977-1-4200373, 4200375
Email: info@moe.gov.np
Website: www.moe.gov.np

MINISTRY OF ENERGY, WATER RESOURCES AND IRRIGATION

Singha Durbar, Kathmandu
Tel: +977-1-4211426
Fax: +977-1-4200026
Email: info@moen.gov.np
Website: www.moen.gov.np

MINISTRY OF FEDERAL AFFAIRS AND GENERAL ADMINISTRATION

Singha Durbar, Kathmandu
Tel: +977-1-4200367, 4200368
Fax: +977-1-4200238
Email: info@moga.gov.np
Website: www.moga.gov.np

MINISTRY OF FINANCE

Singha Durbar, Kathmandu
Tel: +977-1-4211338
Email: moev@mof.gov.np
Website: www.mof.gov.np

MINISTRY OF FOREIGN AFFAIRS

Singha Durbar, Kathmandu
Tel: +977-1-4200182, 4200183
Fax: +977-1-4200160
Email: info@mofa.gov.np
Website: www.mofa.gov.np

MINISTRY OF FORESTS AND ENVIRONMENT

Singha Durbar, Kathmandu
Tel: +977-1-4211567
Fax: +977-1-4211868
Email: info@mfsc.gov.np
Website: www.mfsc.gov.np

MINISTRY OF HEALTH AND POPULATION

Ramshah Path, Kathmandu
Tel: +977-1-4262543, 4262802
Fax: +977-1-4262896
Email: info@mohp.gov.np
Website: www.mohp.gov.np

MINISTRY OF HOME AFFAIRS

Singha Durbar, Kathmandu
Tel: +977-1-4211208, 4211214
Fax: +977-1-4211257
Email: gunaso@moha.gov.np
Website: www.moha.gov.np

MINISTRY OF INDUSTRY, COMMERCE AND SUPPLIES

Singha Durbar, Kathmandu
Tel: +977-1-4211579
Fax: +977-1-4211619
Email: info@moi.gov.np
Website: www.moi.gov.np

MINISTRY OF LABOUR, EMPLOYMENT AND SOCIAL SECURITY

Singha Durbar, Kathmandu
Tel: +977-1-4211889, 4211991
Fax: +977-1-4211877
Email: info@moless.gov.np
Website: www.moless.gov.np

MINISTRY OF LAW, JUSTICE AND PARLIAMENTARY AFFAIRS

Singha Durbar, Kathmandu
Tel: +977-1-4200252
Fax: +977-1-4211684
Email: infolaw@moljpa.com.np
Website: www.moljpa.gov.np

MINISTRY OF PHYSICAL INFRASTRUCTURE AND TRANSPORT

Singha Durbar, Kathmandu
Tel: +977-1-4211782, 4211931
Fax: +977-1-4211720
Email: info@mopit.gov.np
Website: www.mopit.gov.np

MINISTRY OF URBAN DEVELOPMENT

Singha Durbar, Kathmandu
Tel: +977-1-4211673, 4211873
Fax: +977-1-4211873
Email: info@moud.gov.np
Website: www.moud.gov.np

MINISTRY OF WATER SUPPLY & SANITATION

Singhdurbar, Kathmandu
Tel: +977-1-4200556
Fax: +977-1-4200556
Email: info@mowss.gov.np
Website: www.mowss.gov.np

MINISTRY OF WOMEN, CHILDREN AND SOCIAL WELFARE

Singhdurbar, Kathmandu
Tel: +977-1-4200082, 4200164
Fax: +977-1-4200116
Email: mail@mowcsw.gov.np
Website: www.mowcsw.gov.np

MINISTRY OF YOUTH AND SPORTS

Singha Durbar, Kathmandu
Tel: +977-1-4200542, 4200540
Fax: +977-1-4200552
Email: info@moys.gov.np
Website: www.moys.gov.np

NEPAL RASTRA BANK

Central Office Baluwatar, Kathmandu
Tel: +977-1-4410158, 4410201
Fax: +977-1-4410159
Website: www.nrb.org.np

DEPARTMENT OF COTTAGE AND SMALL INDUSTRIES

Tripureshwor, Kathmandu
Tel: +977-1-4259842, 4259846
Fax: +977-1-4259747
Email: info@dcsi.gov.np
Website: www.dcsi.gov.np

DEPARTMENT OF CUSTOMS

Tripureshwor, Kathmandu
Tel: +977-1-4259861
Fax: +977-1-4259808
Email: csd@customs.gov.np
Website: www.customs.gov.np

DEPARTMENT OF ELECTRICITY DEVELOPMENT

Anamnagar, Kathmandu
Tel: +977-1-4480326, 4479507
Fax: 977-1-4480257
Email: info@doed.gov.np
Website: www.doed.gov.np

DEPARTMENT OF ENVIRONMENT

Kupondole, Lalitpur
Tel: 977-1-5553690, 5526319
Fax: 977-1-5551149
Email: info@doenv.gov.np
Website: www.doenv.gov.np

DEPARTMENT OF IMMIGRATION

Kalikasthan, Dillibazar, Kathmandu
Tel: +977-1-4429659, 4429660
Fax: +977-1-4433934, 4433935
Email: info@nepalimmigration.gov.np
Website: www.nepalimmigration.gov.np

DEPARTMENT OF INDUSTRY

Tripureshwor, Kathmandu
Tel: +977-1-4261168, 4261101
Fax: +977-1-4261112
Email: info@doind.gov.np
Website: www.doind.gov.np

DEPARTMENT OF LABOUR AND OCCUPATIONAL SAFETY

Minbhawan, Baneshwor
Tel: +977-1-4107194
Fax: +977-1-4107288
Email: info@dol.gov.np
Website: www.dol.gov.np

DEPARTMENT OF LAND REFORM AND MANAGEMENT

Babar Mahal, Kathmandu
Tel: +977-1-4223049, 4220028
Phone: +977-1-4230585
Email: info@dolrm.gov.np
Website: www.dolrm.gov.np

DEPARTMENT OF MINES AND GEOLOGY

Lainchaur, Kathmandu
Tel: +977-1-01-4414740
Fax: +977-1-4414806
Website: www.dmgnepal.gov.np

DEPARTMENT OF NATIONAL PARKS AND WILDLIFE CONSERVATION

Babarmahal, Kathmandu
Tel: 977-1-4227926, 4220850
Fax: 977-1-4227675
Email: infor@dnppwc.gov.np
Website : www.dnpwc.gov.np

DEPARTMENT OF RAILWAYS

Bishalnagar, Kathmandu
Tel: 977-1-4417924
Website: www.dorw.gov.np

DEPARTMENT OF ROADS

Chakupat, Patan Dhoka, Kathmandu
Tel: +977-1-5529075
Fax: +977-1-5529106
Email: dgdor@dor.gov.np
Website: www.dor.gov.np

INDUSTRIAL DISTRICT MANAGEMENT LIMITED

Balaju, Kathmandu
Tel: +977-1-4350849, 4350523
Fax: +977-1-4351369
Email: info@idm.org.np
Website: www.idm.org.np

INLAND REVENUE DEPARTMENT

Lazimpat, Kathmandu
Tel: +977-1- 4415802, 4410340
Fax: +977-1-4411788
Email: mail@ird.gov.np
Website: www.ird.gov.np

NEPAL ELECTRICITY AUTHORITY

Central Office, Durbar Marga, Kathmandu
Tel: +977-1-4153051
Fax: +977-1-4153009
Email: info@nea.org.np
Website: www.nea.org.np

NEPAL TOURISM BOARD

Bhrikutimandap, Kathmandu
Tel: +977-1-4256909
Fax: +977-1-4256910
E-mail: info@ntb.org.np
Website: www.welcomenepal.com

OFFICE OF THE COMPANY REGISTRAR

Tripureshwor, Kathmandu
Tel: +977-1-4259948, 4263089
Fax: +977-1-4259961
Email: info@ocr.gov.np
Website: www.ocr.gov.np

SPECIAL ECONOMIC ZONE AUTHORITY

Babarmahal, Kathmandu
Tel: 977-1-4220950, 4219785
Fax: 977-1-4245215
Email: sezauthority@seznepal.gov.np
Website: www.seznepal.gov.np

TRADE AND EXPORT PROMOTION CENTRE

Pulchowk, Lalitpur
Tel: +977-1-5525898, 5532642
Fax: +977-1-5525464
Email: info@tepc.gov.np
Website: www.tepc.gov.np

CONFEDERATION OF NEPALESE INDUSTRIES

Thapathali, Kathmandu
Tel: +977-1-5111122, 5111123
Fax: +977-1-5111125
Email: cni@wlink.com.np
Website: www.cnind.org

FEDERATION OF NEPAL COTTAGE AND SMALL INDUSTRIES

Maitighar Height, Kathmandu
Tel: +977-1-4222751, 4269817
Fax: +977-1-4215602
Email: fncsi@ntc.net.np
Website: www.fncsi.org

FEDERATION OF NEPALESE CHAMBERS OF COMMERCE AND INDUSTRY

Pachali Shahid Shukra Marg, Teku, Kathmandu
Tel: +977-1-4262061, 4262218
Fax: + 977-1-4261022
E-mail: fncci@mos.com.np
Website: www.fncci.org

NEPAL CHAMBER OF COMMERCE

Kantipath, Kathmandu
Tel: +977-1-4230947
Fax: 977-1-4229998
Email: info@nepalchamber.org
Website: www.nepalchamber.org

INVESTMENT BOARD NEPAL

Office of the Investment Board, ICC Complex,
New Baneshwor, Kathmandu, Nepal
Tel: +977-1-4475277,977-1-4475278
Fax: +977-1-4475281
Email: info@ibn.gov.np
Website: www.ibn.gov.np