



**BHANDARI**  
LAW AND PARTNERS

# DOING BUSINESS IN NEPAL 2026



**A Legal Guide for  
Foreign Investors**



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# Law firm Description



Bhandari Law and Partners is a corporate law firm based in Kathmandu, Nepal, founded in 1989 A.D. as *Bhandari Law Chamber* by Advocate Thahar Bahadur Bhandari and was later restructured into its current form as Bhandari Law and Partners. The firm is recognized for providing strategic, practical, and reliable legal solutions, combining decades of local expertise with international legal standards. Its experienced team of lawyers delivers comprehensive services across a wide spectrum of corporate and commercial law, offering actionable guidance for businesses, investors, institutions, and individuals navigating complex legal challenges.

The firm's practice covers Foreign Investment Law, Energy and Infrastructure Law, Construction Law, Public Procurement, Project Finance, Banking, Finance and Insurance Law, Intellectual Property Law, Entertainment Law, Capital Market, Private Equity and Venture Capital, Privacy and Data Protection, White-Collar Crimes, Employment Law, Taxation Law, Telecommunication, Media and Technology Law, Competition and Antitrust Law, Commercial, Civil and Criminal Litigation, Construction and International Arbitration, Investor-State Arbitration, Cross-Border Litigation, and other corporate legal matters. Known for its integrity, client-focused approach, and consistent results, Bhandari Law and Partners is a trusted legal advisor in Nepal and beyond, helping clients achieve their business and legal objectives with confidence.

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# Abbreviations

<b>ADB</b>	Asian Development Bank
<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>AOA</b>	Articles of Association
<b>BPO</b>	Business Process Outsourcing
<b>BRI</b>	Belt and Road Initiative
<b>CAGR</b>	Compound Annual Growth Rate
<b>CIB</b>	Credit Information Bureau (implied in non-blacklist context)
<b>DOI</b>	Department of Industries
<b>DST</b>	Digital Service Tax
<b>DTAA</b>	Double Taxation Avoidance Agreement
<b>FCC</b>	Financial Credibility Certificate
<b>FDI</b>	Foreign Direct Investment
<b>FY</b>	Fiscal Year
<b>GDP</b>	Gross Domestic Product
<b>GON</b>	Government of Nepal
<b>HDI</b>	Human Development Index
<b>IBN</b>	Investment Board of Nepal
<b>ICT</b>	Information Communications and Technology
<b>IMF</b>	International Monetary Fund
<b>IRD</b>	Inland Revenue Department
<b>IT</b>	Information Technology

# Abbreviations

<b>KPO</b>	Knowledge Process Outsourcing
<b>MIGA</b>	Multilateral Investment Guarantee Arrangement
<b>MOA</b>	Memorandum of Association
<b>NRB</b>	Nepal Rastra Bank
<b>OCR</b>	Office of Company Registrar
<b>PPP</b>	Public Private Partnership
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SAFTA</b>	South Asian Free Trade Area
<b>TDS</b>	Tax Deducted at Source
<b>VAT</b>	Value Added Tax

# CHAPTER ONE

## DEMOGRAPHIC AND ENVIRONMENTAL OVERVIEW OF NEPAL

### 1.1 Geographic Location

Nepal, officially the Federal Democratic Republic of Nepal, is a landlocked sovereign nation in South Asia. Renowned for its rich cultural heritage and diverse ecosystems, Nepal offers a unique blend of tradition and opportunity. As a country strategically positioned between two global economic giants, India and China, Nepal serves as a gateway for trade and investment in the region.

Nepal is located between latitudes 26° and 31°N and longitudes 80° and 89°E, bordered by China to the north and India to the south, east, and west. Covering a total area of approximately 147,181 square kilometers, Nepal is characterized by its dramatic topography, ranging from the fertile plains of the Terai in the south to the majestic Himalayas in the north, including Mount Everest, the world's highest peak at 8,848 meters.

The country is divided into three distinct ecological zones:

**The Himalayan Region:** The northern region, home to towering peaks like Everest, Kanchenjunga, and Annapurna, attracts adventurers and tourists worldwide.

**The Hill Region:** The central belt, including cities like Kathmandu and Pokhara, is known for its cultural landmarks, moderate climate, and scenic beauty.

**The Terai Region:** The southern plains, a fertile agricultural and industrial hub, share a border with India and facilitate significant cross-border trade.

### 1.2 Connectivity to Global Markets

Nepal's proximity to India and China positions it as a vital link in regional trade networks. The southern border with India facilitates seamless access to major Indian ports such as Kolkata and Visakhapatnam, enabling cost-effective trade routes for goods entering and exiting Nepal. The open border with India supports robust cross-border commerce, with key trade points like Birgunj and Bhairahawa handling significant volumes of imports and exports.

To the north, Nepal's border with China connects to the Tibetan Plateau and, through initiatives like the Belt and Road Initiative (BRI), offers potential access to Chinese markets and ports such as Shenzhen and Shanghai via overland routes. The operational Rasuwagadhi-Kerung, Korala Pass, border point enhances trade connectivity with China, fostering opportunities for investors to tap into Trans-Himalayan Commerce.

Nepal also offers the lowest tax burden compared to its regional neighbours, has signed multiple double taxation avoidance treaties and bilateral investment protection treaties, has 57% of the population capable of entering the workforce, reduced investment threshold, permitted land ownership in companies name, allowed 100% foreign ownership in most sectors, simplified visa processes for tourists and investors making it an ideal place for foreign investment.

### 1.3 Diagrammatic presentation of Nepal

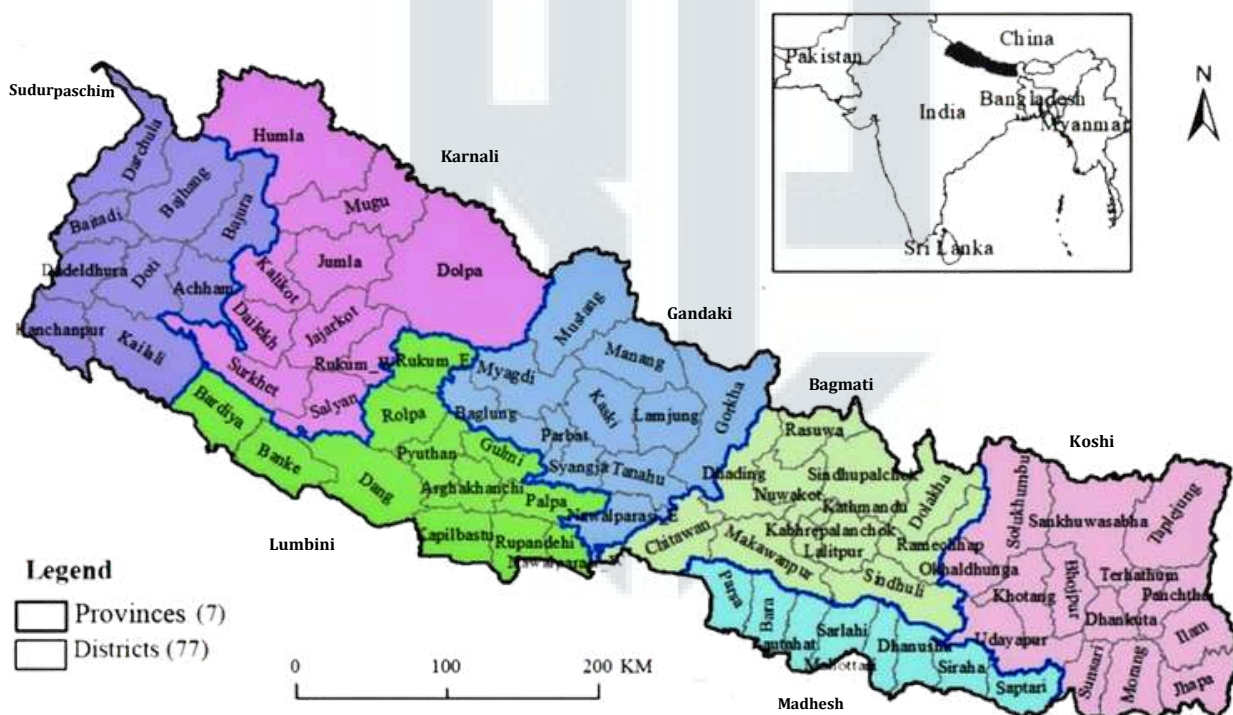


Figure: Map of Nepal showing the seven provinces, international borders with China (north) and India (south, east, west), all districts.

## 1.4 Fact Sheet of Nepal

<b>Official country name</b>	<b>Nepal (Federal Democratic Republic of Nepal)</b>
<b>Time Zone</b>	GMT/UTC +5:45 (Nepal Standard Time)
<b>Governing System</b>	Federal multiparty parliamentary republic
<b>International Memberships</b>	<ul style="list-style-type: none"> <li>• United Nations (UN)</li> <li>• South Asian Association for Regional Cooperation (SAARC)</li> <li>• World Trade Organization (WTO)</li> <li>• Asian Infrastructure Investment Bank (AIIB)</li> <li>• World Bank</li> <li>• Belt and Road Initiative (Participating Country)</li> <li>• Asian Development Bank (ADB)</li> <li>• International Monetary Fund (IMF)</li> <li>• Multilateral Investment Guarantee Agency (MIGA)</li> <li>• South Asian Free Trade Area (SAFTA)</li> <li>• Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)</li> <li>• United Nations Conference on Trade and Development (UNCTAD)</li> <li>• United Nations Educational, Scientific and Cultural Organization (UNESCO)</li> </ul>
<b>Currency</b>	Nepalese Rupee (NPR)
<b>Economy</b>	Open Market Economy
<b>Human Development Index (HDI) (2023-24)</b>	0.601
<b>International Dialling Code</b>	+977
<b>Population Million</b>	29.16 million ( as per Nepal's 12th National Census)

# CHAPTER TWO

## GOVERNING LAWS AND GOVERNING AUTHORITIES OF FDI IN NEPAL

### 2.1 Governing laws of FDI in Nepal

Foreign Direct Investment (“FDI”) in Nepal is governed by a framework of laws and regulations that collectively aim to regulate, facilitate, and promote investment by foreigner. These laws cover aspects such as investment approval, technology transfer, company formation, foreign exchange, and public-private partnerships. The primary legislative instruments applicable to FDI are as follows:

S.N.	Governing Law	Subject Matter of Governance
1	<b>Foreign Investment and Technology Transfer Act 2019 (2075) (“FITTA”)</b>	Establishes the legal framework for regulating, promoting, and facilitating foreign investment and technology transfer in Nepal.
2	<b>Foreign Investment and Technology Transfer Rules 2021 (2077)</b>	Provides procedural guidelines and mechanisms for the implementation of FITTA.
3	<b>Industrial Enterprises Act, 2020 (2076) (“IEA”)</b>	Regulates the establishment, operation, and classification of industrial enterprises, including those with foreign investment.
4	<b>Foreign Exchange Regulation Act, 1962 (2019) (“FERA”)</b>	Governs foreign exchange transactions and ensures the proper management and control of foreign currency in Nepal.
5	<b>Public Private Partnership and Investment Act, 2019 (2075) (“PPPI Act”)</b>	Facilitates joint investment initiatives between the public and private sectors, including projects involving foreign investors.
6	<b>Companies Act, 2006 (2063)</b>	Regulates the incorporation, operation, management, and dissolution of companies, including those with foreign ownership
7	<b>Nepal Rastra Bank Foreign Investment and Foreign Loan Management Bylaw, 2021 (including amendments up to Fifth Amendment, 2025)</b>	Foreign currency inflows/recording for FDI, repatriation of investment/earnings /royalties, approval/ recording/ repayment of foreign loans, exchange facilities, and related forex procedures.

## 2.2 Governing Authorities

The authorities responsible with the approval, regulation, management, facilitation and monitoring of the foreign investment in Nepal includes following:

S.N.	Governing Law	Subject Matter of Governance
1	<b>Department of Industries (“DOI”)</b>	Approves all foreign investment projects.
2	<b>Investment Board Nepal (“IBN”)</b>	Approves large-scale investments such as hydropower, PPP projects, and strategic/national priority projects.
3	<b>Office of Company Registrar (“OCR”)</b>	Incorporates and registers companies with foreign investment
4	<b>Nepal Rastra Bank (“NRB”)</b>	Regulates and supervises foreign exchange transactions and foreign exchange matters like capital injection.

# CHAPTER THREE

## POTENTIAL SECTORS OF INVESTMENT

Nepal's economy is undergoing rapid transformation, driven by rising domestic demand, regional integration, and policy reforms aimed at creating an investor-friendly environment. The country's natural resource base, strategic geographic location, and emerging human capital provide unique opportunities for investment across multiple sectors.

### 3.1 Hydropower

Nepal is endowed with abundant water resources, with more than 6,000 rivers and rivulets flowing across the country. The nation's theoretical hydropower potential is estimated at approximately 83,000 MW, of which around 42,000 MW is considered economically feasible. Despite this enormous potential only a small fraction—roughly 3,000 MW has been developed, indicating significant scope for further investment and expansion in the hydropower sector. Nepal's strategic geographic location between two rapidly growing economies, India and China positions it as a natural hub for regional energy trade. With increasing cross-border transmission infrastructure and bilateral energy cooperation frameworks, Nepal has strong prospects to export surplus electricity, particularly to the Indian market. Domestically, electricity demand continues to rise in line with population growth, urbanization, and industrial development. Nepal's latest recorded population growth rate stands at approximately 0.92%, and the government's policies increasingly focus on electrification, clean energy, and reduced dependence on fossil fuels has further strengthened demand for hydropower within the country. This combination of abundant resources, rising domestic demand, and expanding regional trade opportunities positions Nepal as a key player in South Asia's renewable energy landscape.

Additionally, ongoing efforts to modernize the power grid, encourage private sector investment, and develop small- and medium-scale hydropower projects are expected to accelerate progress. With these measures, Nepal could not only meet its domestic energy needs but also become a significant exporter of green electricity in the region.

## 3.2 Tourism

Nepal has always been renowned for its beautiful landscapes, iconic landmarks, and cultural richness, and is the proud homeland to ten UNESCO World Heritage Sites. In 2023, the tourism industry contributed around 6.6 % of the national GDP.

In 2025, Nepal welcomed approximately 1.16 million international visitors, marking modest growth from the previous year and reaching about 97 % of pre-pandemic levels. Tourism revenue continued to strengthen, underpinned by both international and domestic travel demand.

The rise in adventure tourism including mountain climbing, paragliding, and bungee jumping has attracted global enthusiasts, while demand for quality infrastructure, luxury accommodations, and resort experiences is increasing. Many regions of Nepal remain underexplored, with growing unmet demand for tourism services.

Coupled with the government's pro-investment policies, these trends make the tourism sector in Nepal a promising destination for foreign investors.

## 3.3 Information, Communication and Technology Sector

Nepal's ICT sector is emerging rapidly as a dynamic contributor to the national economy. The country's IT and digitally delivered service exports reached around USD 515 million in 2022, reflecting strong recent growth in offshore software and IT services. This export activity represented about 1.4 % of GDP and contributed meaningfully to foreign exchange reserves, with over 66,500 IT professionals and freelancers engaged in service exports to global markets including the United States, Europe, and Asia. The ICT sector's share of GDP is also rising, with estimates suggesting it contributed nearly 1.9 % to GDP in FY 2024/25, underscoring its expanding role in Nepal's digital economy. Nepal benefits from a large and growing workforce of tech-savvy youth. The country produces an estimated 15,000 IT graduates annually with skills in areas like software development, data science, and emerging technologies, offering a strong human resource base for both domestic firms and foreign investors. The sector's competitive cost structure including relatively lower labour and operational costs compared with many regional peers enhances Nepal's attractiveness for outsourcing, Business Process Outsourcing (BPO), software development, and IT-enabled services investments.

### 3.4 Foreign Direct Investment Trends

Foreign direct investment in Nepal has expanded steadily across a wide range of economic sectors over the past decade. The data presented below summarizes FDI projects approvals and committed capital flows by sector from FY 2071/72 (2015/16) to FY 2080/81 (2023/24), as reported by the Department of Industries (DOI).

**Table 1: FDI Projects in Nepal by Sector (in Numbers of Projects) (FY 2015/16 to FY 2023/24)**

The table below presents the sector-wise distribution of approved FDI projects over the review period. A total of 3,060 FDI projects were registered during this period. The service and tourism sectors account for the highest number of projects, reflecting Nepal’s attractiveness to investment in consumer-facing and hospitality-driven industries. Manufacturing also maintains a strong presence, while ICT and energy-related projects show consistent growth in recent years.

(“-” denotes nil projects)

Description/ FY	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	Total
Agro and Forestry Based	22	21	20	17	4	3	4	1	10	102
Energy Based	4	-	5	-	5	4	1	1	3	23
ICT	-	8	26	24	37	16	7	16	39	173
Infrastructure	1	1	-	-	-	-	8	10	6	26
Manufacturing	50	57	67	62	25	19	51	29	51	411
Mineral	-	2	3	2	-	-	-	1	2	10
Service	145	158	120	108	70	41	98	135	167	1,042
Tourism	126	153	159	131	82	101	126	134	261	1,273
<b>Total</b>	<b>348</b>	<b>400</b>	<b>400</b>	<b>344</b>	<b>223</b>	<b>184</b>	<b>295</b>	<b>327</b>	<b>539</b>	<b>3,060</b>

**Table 2: Sector-wise FDI Commitments (NPR million)**

*(FY 2015/16 to FY 2023/24)*

Over the last nine fiscal years, Nepal attracted a cumulative FDI commitment of NPR 331,711.45 million. Sector-wise analysis reveals a clear concentration of capital in a few strategic industries, underscoring the capital-intensive nature of certain sectors and the evolving priorities of foreign investors.

Description/FY	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Agro and Forestry Based	297.30	256.46	1936	403.29	447.40	529	600	40	475	4984.45
Energy Based	1836.24	-	36241.50	-	4978.78	1546.12	56.2	330.46	13141.73	58,130.03
ICT	-	88.74	537.80	649.48	7081.23	3005.13	520	712	838.71	13432.09
Infrastructure	10	10.2	-	-	-	-	1724.00	595.50	3380	5719.70
Manufacturing	3172.95	3825.79	6845.97	6769.64	3265.43	2689.06	7914.40	2490.48	4433.69	41,407.41
Mineral	-	38.5	3800	13.16	-	-	-	267	85.94	4204.60
Service	7989.51	4998.29	2240.84	7,105.78	11,104.04	5985	23,842.80	15,586.93	31,153.71	110,006.90
Tourism	1,948.33	5988.49	4158.38	10,538.09	10,928.94	18,318.51	19,501.55	10,697.08	16,324.80	98,404.17
<b>Total</b>	<b>15,254.33</b>	<b>15,206.47</b>	<b>55,760.49</b>	<b>25,479.44</b>	<b>37,805.82</b>	<b>32,072.82</b>	<b>54,158.95</b>	<b>30,719.45</b>	<b>69,833.58</b>	<b>331,711.45</b>

# CHAPTER FOUR

## SCOPE AND REGULATORY FRAMEWORK FOR FDI IN NEPAL

Foreign direct investment in Nepal is regulated by a range of laws and policies, with the Foreign Investment and Technology Transfer Act, 2019 (2075) serving as one of the primary legal instruments. This Act provides clear definitions and guidelines that help delineate the scope, nature, and regulatory framework of foreign investment in the country, complementing other legislation governing investment activities.

### 4.1 Definition of Foreign Investment

Foreign investment, as defined under Section 2 of the FITTA, 2019, encompasses various forms of investment made by foreign investors in Nepal. These include:

- a. Share Investment:**  
Investment in foreign currency through equity participation in Nepalese industries or companies.
- b. Re-investment of Dividends:**  
Reinvesting dividends or shares derived from foreign currency into an industry.
- c. Lease Financing:**  
Investment in assets such as aircraft, ships, machinery, construction equipment, or similar items, subject to limits prescribed by the FITTA.
- d. Venture Capital Fund Investment:**  
Contributions to a venture capital fund established under Section 9 of the FITTA.
- e. Securities Market Investment:**  
Investment in listed securities through the secondary securities market, as permitted under Section 10.
- f. Purchase of Shares or Assets:**  
Acquiring shares or assets of a company incorporated in Nepal.
- g. Capital Market Securities:**  
Investment obtained through banking channels after issuing securities in a foreign capital market by a Nepalese industry or company, as per Section 11.

**h. Technology Transfer:**

Investment through agreements involving the transfer of technology, such as patents, trademarks, or technical expertise.

**i. Establishment or Expansion of Industry:**

Investment made by establishing or expanding an industry in Nepal

## 4.2 Regulatory Provisions for Foreign Investment

FITTA, 2019, specifies the procedures, conditions, and restrictions for foreign investment under various sections, as detailed below:

**a. Individual or Joint Investment**

Foreign investors may invest individually, jointly with other foreign investors, or in partnership with a Nepalese industry or citizen.

**b. Investment by purchasing shares and assets of an industry**

Section 5 states that a foreign investor may make foreign investment in Nepal by purchasing the assets or shares of an industry within the prescribed limit.

**c. Lease investment**

Section 6 states that a foreign investor can invest in aircraft, ships, machinery, construction, or similar equipment within the prescribed limit.

**d. Investment through Technology Transfer**

Section 2(f) defines technology transfer as agreements between an industry and a foreign investor involving patents, designs, trademarks, formulas, processes, licenses, know-how, franchises, or technical, management, and marketing expertise. Section 7 states that foreign investment through technology transfer in Nepal is allowed under these conditions:

- It must follow a technology transfer agreement between the industry and the investor.
- Royalty repatriation is capped within the prescribed limit.
- The agreement requires approval from the foreign investment authority.
- Approval terms are based on international practices and the industry's production and sales capacity.

**e. Investment via establishing a branch of a foreign industry**

Pursuant to Section 8 of FITTA, foreign industries may establish or expand branches in Nepal, subject to compliance with prevailing laws and prescribed regulations.

**f. Investment through establishing a Venture Capital Fund**

Institutional foreign investors can establish a venture capital fund in Nepal by forming a

company under local laws and obtaining approval from the Securities Board. The fund must follow investment procedures, submit semi-annual reports to the Department, and adhere to prescribed regulations.

**g. Trading in securities may be made**

Institutional foreign investors with a registered venture capital fund can trade securities in eligible industries through the secondary market. They must register with the Securities Board and comply with prescribed rules on minimum purchases, investment limits, holding periods, and foreign currency reserves.

**h. Capital Market Securities and Loans**

Public limited companies or authorized corporate bodies in Nepal may borrow loans or acquire foreign currency by issuing securities in foreign capital markets, with approval from the Nepal Rastra Bank and the Securities Board. Such funds must be invested in Nepal.

**i. Loans from Foreign Financial Institutions**

Industries with foreign investment may borrow project loans or enter project financing agreements with foreign financial institutions, subject to the recommendation of the Ministry and approval from the Nepal Rastra Bank.

**4.3 Permissibility for Foreign Direct Investment**

Foreign investment is not permitted in all types of businesses. As per the latest amendment to the FITTA dated 2081.09.29 B.S. (January 12, 2025 A.D.), foreign investment is allowed only in those sectors of industry which do not fall under the Negative List of Industries as provided in Annex-1 of FITTA.

**Negative List of Industries provided in Annex- 1 of FITTA:**

Following are the industrial sector where foreign investment is not permissible:

S.N.	Industry Sector
1	Large-scale industries related to livestock, poultry, fisheries, beekeeping, fruits, vegetables, oilseeds, pulses, dairy, and primary agricultural production, which export at least seventy-five percent of their produce, except for agricultural technology and mechanization; and other industries or businesses in these sectors.

2	Cottage and small industries.
3	Personal service business (hair cutting, tailoring, driving etc.)
4	Industries manufacturing arms, ammunition, bullets and shell, gunpowder or explosives, and nuclear, biological and chemical (N.B.C.) weapons; industries producing atomic energy and radio-active materials
5	Real estate business (excluding construction industries), retail business, internal courier service, local catering service, moneychanger, remittance service.
6	Tourism-related services, including travel agencies, tour guides, trekking and mountaineering guides, homestays, and rural tourism.
7	Business of mass communication media (newspaper, radio, television and online news) and motion picture of national language.
8	Management, accounting, engineering, legal consultancy service and language training, music training, computer training.
9	Consultancy services having more than fifty-one percent foreign investment.
10	Ride Sharing having foreign investment of more than Seventy percent foreign investment.
11	In industries providing air transport operations, training, maintenance, and passenger services, foreign investment limits shall not exceed the following: (a) International air services: 80 percent (b) Domestic air services: 49 percent (c) Training institutions: 95 percent (d) Maintenance institutions: 95 percent

Prior to this amendment, two conditions were required to be satisfied for allowing foreign investment:

- First, the concerned sector of industry must not fall under the Negative List of Industries specified in Annex-1 of FITTA; and
- Second, the sector of industry must be classified as an “industry” under the Industrial Enterprises Act, 2020.

#### 4.4 Forms of Business Establishment for Foreign Investors

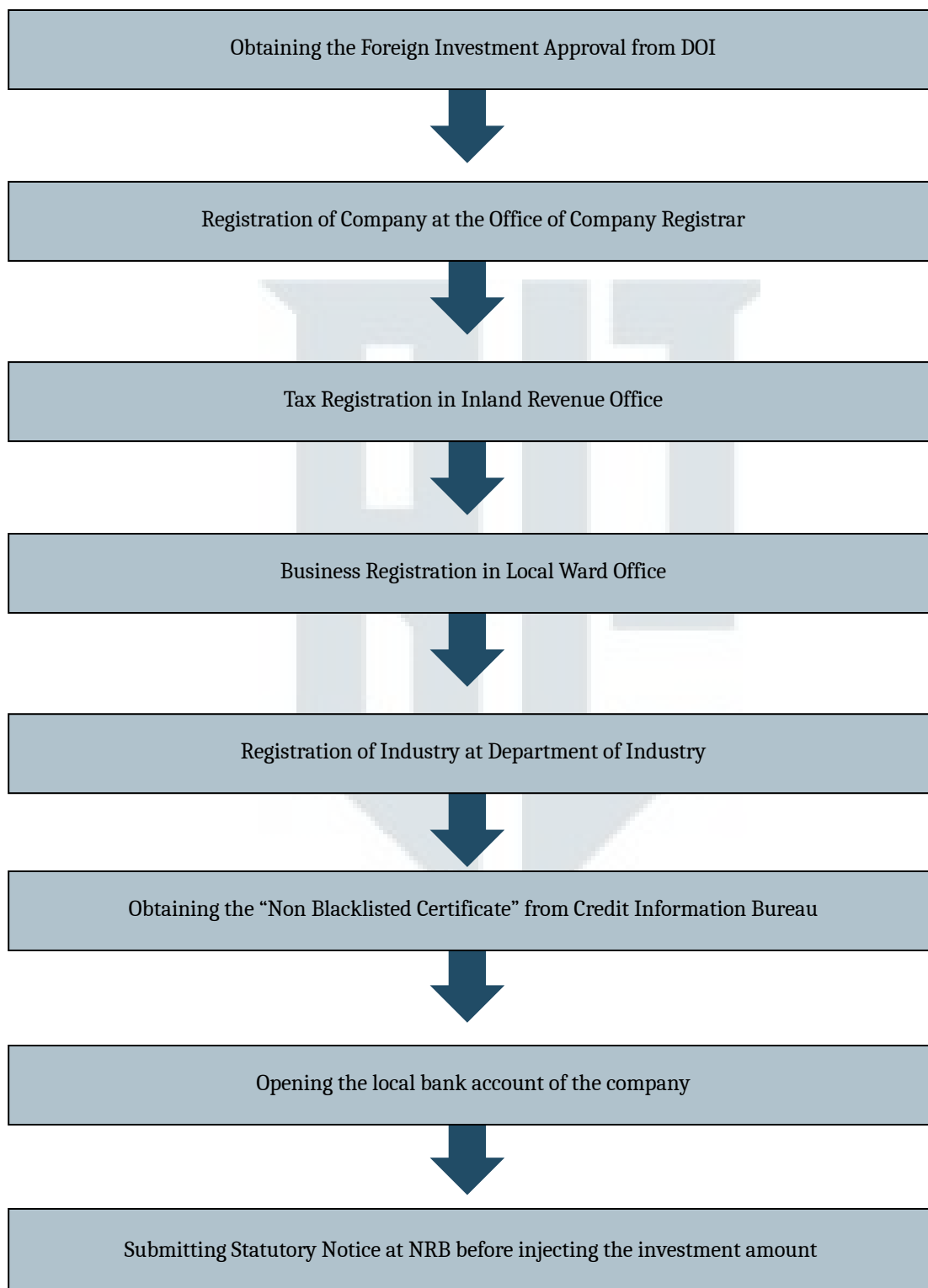
Foreign investors have three main options for carrying out business activities in Nepal:

- a. **Registration of a Limited Liability Company in Nepal:** This is the most common and recommended structure for FDI. It allows full operational freedom, including generating revenue, employing staff, owning assets, and conducting commercial activities. Foreign investors can establish a wholly owned subsidiary or joint venture as a private limited company (or public limited in specific cases) under the Companies Act, 2006. This provides limited liability protection and is fully aligned with FDI requirements.
- b. **Branch Office:** A foreign company can establish a branch in Nepal under Section 8 of FITTA 2019 and the Companies Act, 2006. It enables direct business operations (e.g., contracts, revenue generation) but requires approval from a competent government authority (e.g., DOI or sector-specific ministry) and registration with the Office of Company Registrar (OCR). Branches are suitable for project-specific or ongoing commercial activities but involve higher scrutiny and potential capital requirements.
- c. **Liaison (Contact) Office:** This is a non-commercial setup for market research, coordination, liaison, or promotional activities on behalf of the parent company. It cannot generate income, enter contracts, or conduct business operations. No FDI approval is typically required, but registration with OCR is mandatory, and it serves primarily as a representative point without revenue-generating activities.

Key Note for FDI Companies for investments qualifying as foreign direct investment under FITTA, the foreign investor must establish a limited liability company in Nepal through company registration with the OCR. Branch or liaison offices are not sufficient for full FDI operations involving revenue generation or capital injection in most cases.

#### 4.5 Procedure of Foreign Direct Investment approval in Nepal:

The approval process for foreign direct investment in Nepal typically involves the following key steps, as illustrated in the flowchart below:



#### 4.6 Timeline

The overall time period for the registration of foreign investment in Nepal takes about two to three (2 to 3) months.

#### 4.7 Required Documents for FDI

Following are the documents required for registration of FDI Company in Nepal.

##### (a) Legal Entity as Investor

S.N.	Documents
1	Notarized Copy of Company Registration Certificate, Memorandum of Association, and Article of Association
2	Notarized Copy of Passport of Director and Shareholders of Company
3	Signed Company Profile of the investing company
4	Notarized Copy of passport/citizenship of investor's authorized representative
5	Project report for the operation of a local subsidiary company
6	Financial Credibility Certificate (FCC) of Investor issued by a local bank in the home country
7	Notarized latest audit report of Investor Company
8	Resolution of the Investor for investing in Nepal
9	Signed company profile of the Investor
10	Power of attorney authorizing individuals to complete the approval and registration process
11	Joint Venture Agreement in case of two or more than two investors
12	If the investor company is owned by another company, then the documents of the ultimate beneficiary company are also required

## (b) Individual (natural person) as an investor

S.N.	Documents
1	Notarized Copy of Passport of Individual Investor/s
2	Bio Data
3	Project report
4	Financial Credibility Certificate (FCC) of Investor issued by a local bank in the home country
5	Power of attorney authorizing individuals to complete the approval and registration process
6	Notarized Joint Venture Agreement in case of two or more than two investors

### 4.8 Government fees Applicable for FDI Approval Process:

S.N.	Particulars	Government Fee
1	Guarantee amount to be deposit at DOI	NPR 20,000
2	Government fee for Company Registration at OCR	Depends on the authorized capital of the company.
3	Business Registration at Ward Office	NPR 5,000 to NPR 15,000 per year Note: The business registration fees are specific to each local level
4	House Rent Tax	10% of the house rent amount per month. (Please note house rent rates depend on each local government and are subject to change every fiscal year).

## 4.9 Minimum Investment Amount

In order to facilitate foreign investment, the government has lowered the minimum threshold required for obtaining foreign investment approval from **NPR 50 million to NPR 20 million**.

Note:

The recent amendment in FIITA Act states that for Information Technology based industries that are seeking foreign investment approval through the automated route, the minimum investment limit won't be applicable. Those industries are listed below:

S.N.	Information Technology Based Industry
1	Technology Park
2	IT Park
3	Biotech Park
4	Software Development
5	Data Processing
6	Digital Mapping
7	Business Process Outsourcing (B.P.O), Knowledge Process Outsourcing (K.P.O)
8	Data centre, data mining, cloud computing
9	Web portal, web designing service

## 4.10 Capping of Investment

While foreign investors are permitted to hold 100% ownership in local subsidiary companies, domestic law restricts investment through investment capping in certain sectors as detailed below:

Sector	Investment Percentage Ratio
Telecommunication	80%
Banking and Financial Institution	Minimum 20% and Maximum 85%
Insurance Companies	80%
Consultancy Business	51%
Ride Sharing	70%
In industries providing air transport operations, training, maintenance, and passenger services, foreign investment limits shall not exceed the following: (a) International air services: (b) Domestic air services: (c) Training institutions: (d) Maintenance institutions:	80 % 49 % 95 % 95 %

# CHAPTER FIVE

## POST INCORPORATION COMPLIANCES OF FDI COMPANY IN NEPAL

Foreign Direct Investment companies in Nepal must adhere to a series of mandatory post-incorporation compliance requirements as stipulated by Nepali law.

### 5.1 Post-Compliance Obligations

#### 5.1.1 Three-Month Compliance Requirements

The following tasks must be completed within three months of incorporation to ensure compliance with the Companies Act of Nepal.

**a. Notification of Office Address**

Under Section 184 of the Companies Act, private companies, including FDI entities, are required to register their office address at ward office within three months of incorporation. This submission must include contact details such as telephone, contact number and email. Any subsequent changes to the registered address must be promptly notified to the OCR to maintain accurate records.

**b. Formation of the Board of Directors**

Section 86 of the Companies Act mandates that private companies establish a Board of Directors in accordance with their Articles of Association (AOA) within three months of incorporation. The appointment of directors must be documented in meeting minutes, which should be retained as part of the company's official records.

#### 5.1.2 Additional Compliance

Beyond the initial three-month period, FDI companies must address the following ongoing obligations to ensure sustained compliance.

**a. Appointment of an Auditor**

As per Section 110 of the Companies Act, every private company must appoint an auditor. Section 111 specifies that the auditor is selected based on the Memorandum of Association (MOA), Article of Association (AOA), or a shareholder consensus. In the absence of such an agreement, the auditor is appointed at a general meeting. The OCR must be notified of the auditor's appointment within 15 days, and the initial auditor serves until the company's first Annual General Meeting (AGM).

## b. Annual General Meeting (AGM)

Companies are required to convene their first AGM within one year of incorporation, submitting the following documents to the OCR:

- Details of the AGM, confirming adherence to the Companies Act.
- Audited financial statements and an audit report for the fiscal year.

From the second year onward, AGMs must be held annually, with annual reports submitted to the OCR within six months of the fiscal year-end (typically June or July).

## c. Industry Operation and Extension

FDI companies must commence operations within one year of industry registration with the Department of Industry. Prior to commencing operations, at least 70% of the authorized capital must be injected. The issuance of the first invoice marks the start of operations, and companies must notify the Department of Industry within 30 days of this event. Non-compliance may result in fines.

If operations cannot commence within one year, companies must apply for an extension. And Industry Operation Annual Report has to be submitted every year after the industry commencement fiscal year.

## d. Injection of Foreign Investment Amount

Foreign investment must be remitted to Nepal in convertible foreign currency through authorized banking channels, as outlined in Rule 9 of the Foreign Investment and Technology Transfer Regulation, 2077 (FITTR). Indian investors may remit funds in Indian rupees. The FITTR specifies a three-stage investment injection schedule:

S.N.	Timeline	Percentage of Investment
Stage 1	Within 1 year of investment approval	25% (NPR 20M), 15% (NPR 20M–250M), or 10% (NPR 250M–1B)
Stage 2	Upon commencement of production or commercial transactions	Up to 70% of the investment
Stage 3	Within 2 years of production or transaction commencement	Remaining 30% of the investment

The full authorized capital must be injected within two years from the commencement of production or commercial transactions.

### **Investment Injection Process**

To ensure the investment is recognized, the following procedures must be followed:

- Funds must be transferred from the investor's personal bank account (for individuals) or corporate bank account (for entities) located at foreign countries to the FDI company's local bank account established during incorporation.
- The transfer must be executed via SWIFT payment; other methods are not recognized as valid investments.
- Upon completion of the transfer, the local bank issues an investment inflow certificate and a SWIFT transfer message.

#### **e. Share Registry with OCR**

Following receipt of the investment inflow certificate, companies must obtain a share registry from the OCR. Required documents include:

- Board meeting minutes.
- Investment details.
- Investment inflow certificate and bank statement reflecting the remitted funds.

The OCR verifies these documents and issues an approved share registry, which serves as a record of the investment tied to the company's shares.

#### **f. Investment Recording with Nepal Rastra Bank**

The investment must be recorded with Nepal Rastra Bank (NRB) within six months of the remittance of investment amount, using the investment inflow certificate and approved share registry. This step is critical, as unrecorded investments may complicate future repatriation of capital or profits.

# CHAPTER SIX

## TAXATION FOR FDI COMPANIES

### 6.1 Taxes applicable to foreign investment companies

Foreign investment companies operating in Nepal are primarily subject to taxation under the Income Tax Act, 2002 (2058), Value Added Tax (VAT) Act, 1996 (2052), and the Excise Duty Act, 2002 (2058). Nepal follows a self-assessment tax system, whereby taxpayers are responsible for calculating their own taxable income and paying the applicable taxes accordingly.

The key taxes applicable to foreign investment companies in Nepal include the following:

#### 6.1.1 Income Tax:

Following is the rate of income tax for various industries:

S.N.	Industries	Tax Rate
1	General Corporate Tax	25%
2	Manufacturing and Hydropower sector	20%
3	Agriculture, Forestry and Mining industries	20%
4	Banking, Insurance and Financial institutions	30%
5	Tobacco and Alcohol manufacturing industries	30%
6	Telecom and Internet Services	30%
7	Dividends	5%

#### 6.1.2 Value Added Tax:

The VAT Act prescribes a uniform rate of 13% VAT for all types of transactions involving goods and services that are subject to VAT as prescribed under the VAT Act.

Some of the goods and services as prescribed in Schedule-I of Value Added Tax Act, 1996 (2052) are exempt from the VAT. Likewise, some of the goods and services as prescribed in Schedule-II of Value Added Tax Act, 2052 are subject to zero rate of VAT.

### 6.1.3 Withholding tax/tax deducted at source (TDS):

Certain payments are subject to withholding tax. They are listed below:

S.N.	Payments	Withholding Tax Rate
1	Salary including any monetary allowance paid to an employee	Slab Rate as per Annexure-I Section-1 of Income Tax
2	Payment of royalties under technology transfer	15%
3	Payment for Service Fees <ul style="list-style-type: none"><li>• Service provider is registered in VAT or service provider provides exempt services under VAT</li><li>• Service provider is not registered under VAT</li></ul>	15% 15%
4	Service Fees from the entity registered under VAT or entity supplying exempt services under VAT	1.5%
5	Payment of rent <ul style="list-style-type: none"><li>• Rent payment for vehicle rental service to VAT registered entity</li><li>• Other general lease rental payment</li></ul>	1.5% 10%
6	Payment for goods transport services <ul style="list-style-type: none"><li>• Payment for goods transport services to the entity registered under VAT</li><li>• Payment for goods transport services to the entity not registered under VAT</li></ul>	1.5% 2.5%
7	Payment of windfall gain (lottery, prize on contest, etc.)	25%
8	Payment for the contract to the resident entity if the payment amount made within last 10 days exceeds NPR 50,000.00	1.5%
9	Payment made to non-resident person	5%

**Annexure-I (Section-1) of Income Tax Act  
Income Tax Slab Rates for Resident Natural Persons**

S.N.	Taxable Income Slab (NPR)	Applicable Tax Rate / Tax Amount
1	Up to 500,000	1% of taxable employment income (not applicable to sole proprietors and income related to gratuity, provident fund, or contribution-based social security fund)
2	500,001 – 700,000	NPR 5,000 on first NPR 500,000 + 10% on the amount exceeding NPR 500,000
3	700,001 – 1,000,000	NPR 25,000 on first NPR 700,000 + 20% on the amount exceeding NPR 700,000
4	1,000,001 – 3,000,000	NPR 85,000 on first NPR 1,000,000 + 30% on the amount exceeding NPR 1,000,000
5	3,000,001 – 5,000,000	Tax payable under Slab 4 + 20% additional tax
6	Above 5,000,000	Tax payable under Slab 4 + 30% additional tax on income exceeding NPR 5,000,000

**Note:** The above tax rates are subject to amendment under the Fiscal Act, which is enacted annually. Any changes introduced by the applicable Fiscal Act shall prevail.

## 6.2 Capital Gain Tax:

### A. Capital Gain on Sale of Share:

Capital gain arising from the sale or disposal of shares by a resident person shall be subject to capital gains tax at the rates specified below:

Seller	Tax Rate
Resident Individual	10%
Resident Listed Entity	10%
Resident Non-Listed Entity	15%

### B. Capital Gain on Transfer of Land and Building:

Capital gain arising from the sale or disposal of shares by a resident person shall be subject to capital gains tax at the rates specified below:

Seller	Owned less than Annual tax rate 5 years	Owned 5 Years or More
Resident Individual	7.5%	5%
Resident Entity	1.5%	1.5%

### 6.3 Tax Concessions:

The Income Tax Act, 2058 (2002) (“the ITA”) provides several tax exemptions as listed below

Industries	Concession Rate
<b>Industries in Special Economic Zone</b>	
Industry established in a Special Economic Zone in mountain or hill areas by the Government of Nepal	100% exemption up to 10 years from the date of operation of business and 50% rebate in subsequent years.
Income earned by Foreign Investor from royalty or management fees or technology transfer to the industry established in Special Economic Zone.	50% exemption on such income
<b>Hydropower Projects</b>	
Entity having license to generate, transmit or distribute electricity will be provided concession of the commercial operation of electricity generation, transmission or distribution commences before April 12, 2024 (Applicable for electricity generated from Solar, wind or organic material)	100% exemption up to 10 years and 50% rebate in subsequent 5 years after the commercial operation date.
<b>IT Industries and Special industries which provide direct employment to following Nepalese citizens during the income year</b>	
100 or more Nepali citizens	10% on the income derived
300 or more Nepali citizens	20% on the income derived
500 or more Nepali citizens	25% on the income derived
1000 or more Nepali citizens	30% on the income derived
<b>Income derived by person engaged in</b>	

Operation of tram, trolleybus.	40%
Construction & operation of ropeway, cable car, or overhead bridge.	40%
Construction & operation of road, bridge, tunnel, railway, airport	50%
<b>Other Concessions</b>	
Income from companies listed in the capital markets and relating to: 1.Manufacturing 2.Service Industry 3.Hydropower generation, distribution, transmission industry 4.Entities mentioned in section 11(3)(c) of ITA	15% on Applicable Rate/Normal Rate
Royalty from export of intellectual property by a person	25% on Normal Rate
Income from sale of intellectual property by a person through transfer.	50% on Normal Rate
Income generated from IT industries related to software development, data processing, cybercafé, digital mapping that are established in geological, zoological, biotech related park and information technology park as prescribed by GON through Nepal Gazette.	50% on Normal Rate
Fruit based brewery manufacturing brandy, cider and wine in very underdeveloped area and undeveloped area.	40% and 25% respectively on the income derived for 0-10th years of operation
Income derived by an entity from the following: • Construction, operation, and transfer to GON of public infrastructures. • Construction of powerhouse, generation and transmission of electricity.	20% on the income derived
Export Income Sourced in Nepal. (Note: Income of manufacturing industries earned from exporting manufactured goods is entitled to 35% further concession in addition to this concession.)	20% rebate on applicable taxes

**Note:**

Here

- **Applicable Rate:** Tax rate applicable to the special industry after concession under Section 11(2)(b) of the ITA
- **Normal Rate:** Tax rate applicable to industry other than special industries

## 6.4 Double Taxation Avoidance Agreement

Nepal has signed Double Tax Avoidance Agreement (DTAAs) with 11 countries namely India, Bangladesh, Thailand, Sri Lanka, Austria, Pakistan, China, South Korea, Norway and Qatar. The ITA contains provisions that investors do not face the burden of double taxation which means having to pay taxes in both Nepal and the investors home country as long as Nepal has signed a DTAA with the respective country. The table below highlights some of the common features relating to various income heads and their taxing authorities under Nepal's DTAAs:

Income Heads	Applicable Jurisdiction	Applicable Rate in Nepal
Profits of Enterprise	Only taxed in the country of incorporation of the company or where the Permanent Establishment is located.	25%
Dividends	5%- If the beneficial owner of shares is a company holding at least 25% of shares of company distributing dividend.  10% - If the beneficial owner of shares is a company holding at least 10% of shares of company distributing dividend.	5%-10%
Interest	Both (Nepal and the investor's home country)	10-25%
Royalties	Both	15%

# CHAPTER SEVEN

## REPATRIATION OF FOREIGN INVESTMENT AND RETURNS

Foreign investors may repatriate their investment, dividends, royalties, and other returns after complying with the following:

1. Approval from the Investment Board of Nepal or Department of Industry (if applicable).
2. Foreign currency settlement (repatriation) via a commercial bank authorized by NRB.
3. Payment of all applicable taxes as per prevailing laws.

### 7.1 Permissible repatriation of Investment and Return

Foreign investors are permitted to repatriate the following:

S.N.	Repatriation
1	Amount received from the sale of shares
2	Profit or dividend received from foreign investment
3	Amount remaining after paying all liabilities following the liquidation or winding up
4	Amount of royalty received under the Technology Transfer Agreement (TTA) Note: Royalties for trademark usage in alcohol-related industries (except 100% alcohol export industries).
5	Amount of lease rent under the lease investment
6	Damages or compensation, received from the final settlement of a law suit, arbitration or any other legal process in Nepal
7	Amount that can be repatriated in accordance with the prevailing laws
8	Amount from the sale of units or profit from Specialized Investment Funds, as determined by NRB

### Kindly Note:

Repatriation can occur in the same foreign currency originally invested or in a different foreign currency, provided prior NRB approval.

The repatriated amount will generally be credited to the foreign investor's account in the same country from which the investment originated. For transfer to a different country, NRB approval is required (as per Schedule 9 of NRB regulations).

## 7.2 Procedure of repatriation in Nepal

Following steps are followed to repatriate the foreign investment and returns in Nepal.

Step	Action	Details / Legal Basis
Step 1: Submission of Application	Submit application for repatriation	Foreign investor or company with foreign investment submits repatriation application along with all required documents as per Schedule 9 of NRB Regulation, 2078 to an authorized commercial bank.
Step 2: Bank Review	Verification of documents	The authorized commercial bank checks completeness and correctness of documents.
Step 3: Check for IBN/DOI Approval	Determine if prior approval exists	<ul style="list-style-type: none"><li>• If approval from IBN/DOI exists: Bank processes repatriation under NRB rules.</li><li>• If approval is missing: Bank forwards application to NRB for approval.</li></ul>
Step 4: Bank Decision & NRB Compliance	Communicate decision	Upon receiving a complete application, the bank must communicate the decision within 15 working days.
Step 5: Fund Transfer	Credit foreign currency	<ul style="list-style-type: none"><li>• Approved repatriation amount is credited to investor's account in the original investment country.</li><li>• For repatriation to a different country, prior NRB approval is required.</li></ul>

## 7.3. Tentative Timeline for Repatriation

It shall take tentative 1 to 2 months' time to repatriate the amount from Nepal to foreign jurisdiction.

#### 7.4. Documents required for repatriation of FDI

Documents required to obtain the approval from authorities are as follows:

S.N.	Documents Details
1	Application in the prescribed format
2	Copy of Industry Registration Certificate
3	Copy of Foreign Investment Approval Certificate
4	Copy of resolution of the Board of Directors
5	Decision of Annual General Meeting ("AGM") on paying dividend (if repatriating dividend)
6	Copy of current Audit Report, Tax Clearance Certificate and notarized copy of letter being not-blacklisted
7	Letter of FDI recording in NRB
8	Approved Share Purchase Agreement or Share Subscription Agreement (if any)
9	Document showing the amount received from the sale of shares (in case of sale of shares)
10	Copy of principal or interest payment documents on foreign investment
11	Copy of approved Technology Transfer Agreement or Lease Investment Agreement Royalty calculation certified by a Chartered Accountant
12	Royalty calculation certified by a Chartered Accountant
13	Copy of the list of the promoters and shareholders verified by the OCR

Documents required to obtain the approval from the NRB are as follows:

S.N.	Documents Details
1	Repatriation approval from DOI/IBN (if available)
2	Copy of Board and AGM Decisions regarding repatriation
3	Copy of Foreign investment recording letter issued by NRB
4	Copy of latest audited financial statements and audit report
5	Copy of latest tax clearance certificate
6	Copy of the non-blacklist certificate issued by CIB
7	Self-declaration by the foreign investor certifying that <ul style="list-style-type: none"> <li>• They do not have matured credit in Nepalese BFIs,</li> <li>• Shall not misuse foreign currency,</li> <li>• Do not have outstanding tax liability</li> <li>• Shall comply with prevailing laws and domestic/international AML and Anti-Terrorism Provisions</li> </ul>
8	In case of royalty, invoice raised by the foreign investor and royalty amount verified by certified auditor
9	In case of share sale, due diligence audit report stating the rate of share price
10	Copy of evidence of taxes paid on the repatriation amount

## Payment of Tax

Foreign investors allowed to return the amount of their investment upon paying the following applicable taxes.

Applicable Tax	
Category	Tax rate
Aircraft Lease	10%
Dividends	5%
Share Sales Proceeds	5%
Service Fee	15%

## In regards to Royalty Repatriation

The FITTR established specific repatriation limits for royalties under two categories:

- (a) Technology transfer agreement that does not involve the use of a trademark,
- (b) Technology transfer agreements entered for usage of trademarks.

### (i) Technology transfer agreement that does not involve the use of a trademark.

Loyalty	Local Sales	For Export
Lump sum or gross sales revenue	Up to 5% of gross sales revenue excluding taxes	Up to 10% of gross sales revenue excluding taxes
Net profit	Up to 15% of net profit	Up to 20% of net profit

### (ii) Technology transfer agreements entered for usage of trademarks.

Industry	Local Sales	For Export
Alcohol and tobacco industries	Up to 2% of gross sales revenue excluding taxes	Up to 5% of gross sales revenue excluding taxes
Other industries	Up to 3% of gross sales revenue excluding taxes	Up to 6% of gross sales revenue excluding taxes

## Restriction on repatriation

Foreign investors are not allowed to repatriate their investment amount during the 1st year of investment. NRB sets out the condition of granting its approval.

# CHAPTER EIGHT

## FACILITIES AND PROTECTION PROVIDED FOR FOREIGN INVESTOR

Nepal has established a supportive legal framework that not only facilitates investment operations but also safeguards investor rights. These measures aim to ensure transparency, stability, and security for investors while balancing national priorities.

### 8.1. Facilities Available for Foreign Investors

Foreign investors in Nepal are entitled to a range of facilities designed to provide operational ease and confidence in maintaining their investment.

#### a) **Ownership of Private Land**

Companies with foreign investment are considered local companies and can own private land in Nepal.

#### b) **Business Visa for Individual Investors**

Individual foreign investors are allowed to obtain a business visa until their investment is retained in Nepal.

#### c) **Business Visa for Company Representatives and Families**

Representatives of foreign investment companies can obtain a business visa until the investment is retained in Nepal. Their family members are also eligible for a business visa during this period.

#### d) **Residential Visa for Large Investments**

Foreign investors and their family members who invest an amount equal to or more than one million United States dollars at once are eligible for a residential visa, valid as long as the investment is retained in Nepal.

#### e) **Foreign Currency Accounts and Transactions**

Foreign investment companies and investors can open foreign currency accounts and conduct transactions in foreign currency.

#### f) **Employment of Foreign Experts**

Foreign investment companies can hire foreign nationals for highly technical or managerial positions if suitable Nepali citizens are unavailable.

### g) Repatriation of Investments and Returns

Foreign investors have the right to repatriate their investment and returns in convertible foreign currency.

## 8.2. Bilateral Investment Treaties

Nepal has signed six bilateral investment treaties (BIT) with India, Finland, Mauritius, United Kingdom, France and Germany. Out of these six, only four are in force as the two BITs with India and Mauritius haven't been implemented yet. Below are the principles that BITS has incorporated:

S.N.	Safeguards	Provisions
1	National Treatment	The treatment of foreign investors or investments shall not be less favourable than that of their local counterparts.
2	Most Favoured National Treatment	The treatment of foreign investors or investments shall not be less favourable than the treatment given to foreign investors or investments of any third country.
3	Fair and Equitable Treatment of Investments and Returns of Investors	Protection against: 1. Denial of justice in judicial or administrative proceedings 2. Fundamental breach of due process of law 3. Discrimination based on gender, race, religion, or other grounds and 4. Other abusive treatment, coercion, duress, or harassment. Protection against expropriation (direct and indirect) being an act of the state of disentiuling the investors of their investment property for public use or benefit.
4	Compensation for Losses of investment	Losses in investment caused due to war, armed conflict, national emergency, insurrection, riots and others will be compensated for
5	Repatriation of Investment and Returns	Foreign investors can repatriate Capital used to maintain and increase investments, net profits including dividends and interest, repayment of any loan, payment of royalties and service fees, proceeds from sale of shares, and others

6	Subrogation	Where one contracting party makes payment under indemnity against non-commercial risks (risks such as political or foreign exchange, etc.) with respect to losses of investment caused in the territory of another State, and the said contracting party assumes the right or claim payment from the other contracting party.
7	Dispute Settlement Mechanisms of Investors	Provides mechanisms for State disputes and also disputes between contracting parties. Entry and sojourn of personnel - allows natural person or personnel employed by foreign companies and/or of foreign state to enter and remain in its territory for investment activities.

### 8.3 Protection to Investor under FITTA 2019

S.N.	Type of Protection	Provisions
1	National Treatment	FITTA 2019 ensures foreign investments in Nepal are treated equally to domestic investments. Protections under national treatment include: <ul style="list-style-type: none"> <li>• Freedom to set prices, subject to laws.</li> <li>• No restrictions on trading within their industry.</li> <li>• Rights to repatriate profits, withdraw investments, pay interest, and repay loans.</li> </ul>
2	Visa	<ol style="list-style-type: none"> <li>1. Foreign citizens studying or researching foreign investments in Nepal can get a six-month non-tourist visa.</li> <li>2. Foreign investors, representatives, and family members can obtain business visas to reside in Nepal.</li> <li>3. Business visas are available for two representatives (and their families) of investors with 25% of USD 1 million invested.</li> <li>4. Foreign experts, technicians, or managerial staff in investment companies can get a non-tourist visa and work permit.</li> </ol>
3	Change in Law	Investments approved under previous foreign investment laws will continue to be governed by those laws, and no changes that reduce their benefits will be made without the investors' consent.

S.N.	Type of Protection	Provisions
4	Nationalization	FITTA 2019 protects foreign investors from nationalization and direct or indirect expropriation of their companies, except for public purposes.
5	Obtaining Land	If foreign investors cannot acquire land, DOI or IBN will assist with recommendations, coordination, and facilitation with local authorities to arrange it for business operations.
6	Authorization	A foreign investor may delegate authority to any person to act on their behalf.
7	Repatriation	Foreign investors are allowed to repatriate investments and returns in convertible currency.

# CHAPTER NINE

## DISPUTE RESOLUTION MECHANISM

Disputes between Nepali and foreign investors may arise in the course of joint ventures, partnerships, or other foreign investment arrangements. The Foreign Investment and Technology Transfer Act and related regulations provide a clear framework for resolving such disputes, emphasizing mutual resolution, arbitration, and adherence to Nepalese law.

### 9.1 Settlement of Disputes

#### 9.1.1 Mutual Discussions and Negotiations

If a dispute arises between a Nepali investor and a foreign investor in relation to foreign investment or any kind of foreign investment structure, the Department of Industry (DOI) may facilitate discussions to help the parties resolve the dispute through mutual negotiations. The parties are expected to attempt resolution within forty-five (45) days from the date the dispute arises.

#### 9.1.2 Resolution Under Existing Agreements

If the dispute cannot be resolved through mutual discussions within forty-five days, and the parties have a joint investment or dispute settlement agreement, the dispute shall be settled according to the provisions of that agreement.

#### 9.1.3 Notification of Settlement

The parties must notify the foreign investment approving authority of the settlement within fifteen (15) days of resolution. However, the parties are not required to disclose the terms or conditions of the settlement

#### 9.1.4 Arbitration if Agreement is Silent

If the existing agreement has no provision regarding dispute settlement, the dispute shall be resolved through arbitration in accordance with Nepalese arbitration law.

### **9.1.5 Arbitration under UNCITRAL Rules**

Any dispute arising in connection with foreign investment shall be settled by arbitration according to the UNCITRAL Rules, unless otherwise agreed by the parties.

### **9.1.6 Venue and Governing Law**

All arbitration proceedings under this framework shall be conducted in Nepal, applying the substantive law of Nepal. For disputes covered by an existing agreement, the provisions of that agreement will continue to apply.

### **9.1.7 Post-Dispute Agreements**

If no prior agreement on dispute settlement exists, or if the existing agreement is deemed inadequate, the parties may enter into a dispute settlement agreement even after a dispute has arisen. Such agreements must be reported to the authority registering the industry.

### **9.1.8 Disputes Under Post-Dispute Agreements**

Any dispute arising under an agreement concluded after a dispute has arisen shall also be resolved in accordance with the procedures outlined in this FITTA.

## **9.2 Enforcement of Domestic Arbitral Award**

Domestic arbitral awards in Nepal must be enforced in compliance with the following process:

- Parties must enforce an arbitral award within 45 days of receiving it.
- If the award isn't enforced, the other party can apply to the District Court for enforcement within 30 days after the 45-day period expires.
- The award can be challenged in the High Court within 35 days of receiving it.

The High Court can either annul the award or send it back to the arbitration tribunal for re-arbitration. If the award violates fundamental rights enshrined in the Nepalese Constitution, its decision can be appealed to the Supreme Court.

## Grounds of Challenging an Arbitration Award

Following are the grounds of challenging an arbitration award:

S.N.	Grounds of Challenge
1	The party lacks the capacity to agree to dispute settlement.
2	The agreement is invalid under the governing law or Nepalese law if no governing law is specified.
3	The challenger was not properly notified to appoint an arbitrator or about the arbitration proceedings.
4	The award addresses issues not raised in the arbitration.
5	The arbitrator exceeded their authority.
6	The appointment of arbitrators or the arbitration process violates the agreement or Arbitration Act (if no agreement exists).

## 9.3 Enforcement of Foreign Arbitral Award in Nepal

### 9.3.1 Conditions for Enforcement

The following conditions have to be satisfied for the enforcement of Foreign Arbitral Award in Nepal:

S.N.	Grounds of Enforcement
1	The appointment of the arbitrator and award must comply with the processes agreed in the parties' agreement.
2	Both parties must be properly notified of the arbitration proceedings.
3	The award should only address matters entrusted to the arbitrator, following the agreement.

4	The award must be final and binding under the laws of the jurisdiction where it was made.
5	The laws of the applicant's country or the award's jurisdiction should not prevent enforcement in Nepal.
6	The enforcement application must be filed in Nepal within 90 days of the award.

### 9.3.2 Process of enforcing foreign arbitral award in Nepal

Any party willing to implement an award made in foreign country in Nepal can submit an application to the High Court to do so. Along with the application, they must submit the following documents:

1. Original copy of the arbitrator's award
2. The original or certified copy of the agreement and
3. If the award is in any other language than Nepali language, official translation in Nepali language is required.

If all requirements are fulfilled, the High court shall forward the award to the district court for enforcement within 90 days from the date of submission of the application.

### 9.3.3 Grounds of unenforceability of Foreign Arbitral Awards

A foreign arbitral award cannot be enforced in Nepal in the following two cases:

1. The arbitral award is in contrary to the public policy.
2. The award settles disputed that cannot be settled through arbitration under the laws of Nepal.

# CHAPTER TEN

## FREQUENTLY ASKED QUESTIONS IN REGARD TO FDI IN NEPAL

### 1) What is the minimum threshold of investment while establishing FDI business in Nepal?

The minimum investment threshold for FDI Company is 2,00,00,000/- (approximately USD 153,000). However, pursuant to the Nepal Gazette notification dated October 2, 2023, the minimum investment threshold has been waived for companies operating in Information Technology (IT) Sector.

### 2) What are the areas restricted for foreign investment in Nepal?

The restricted industries for foreign investment are as follows:

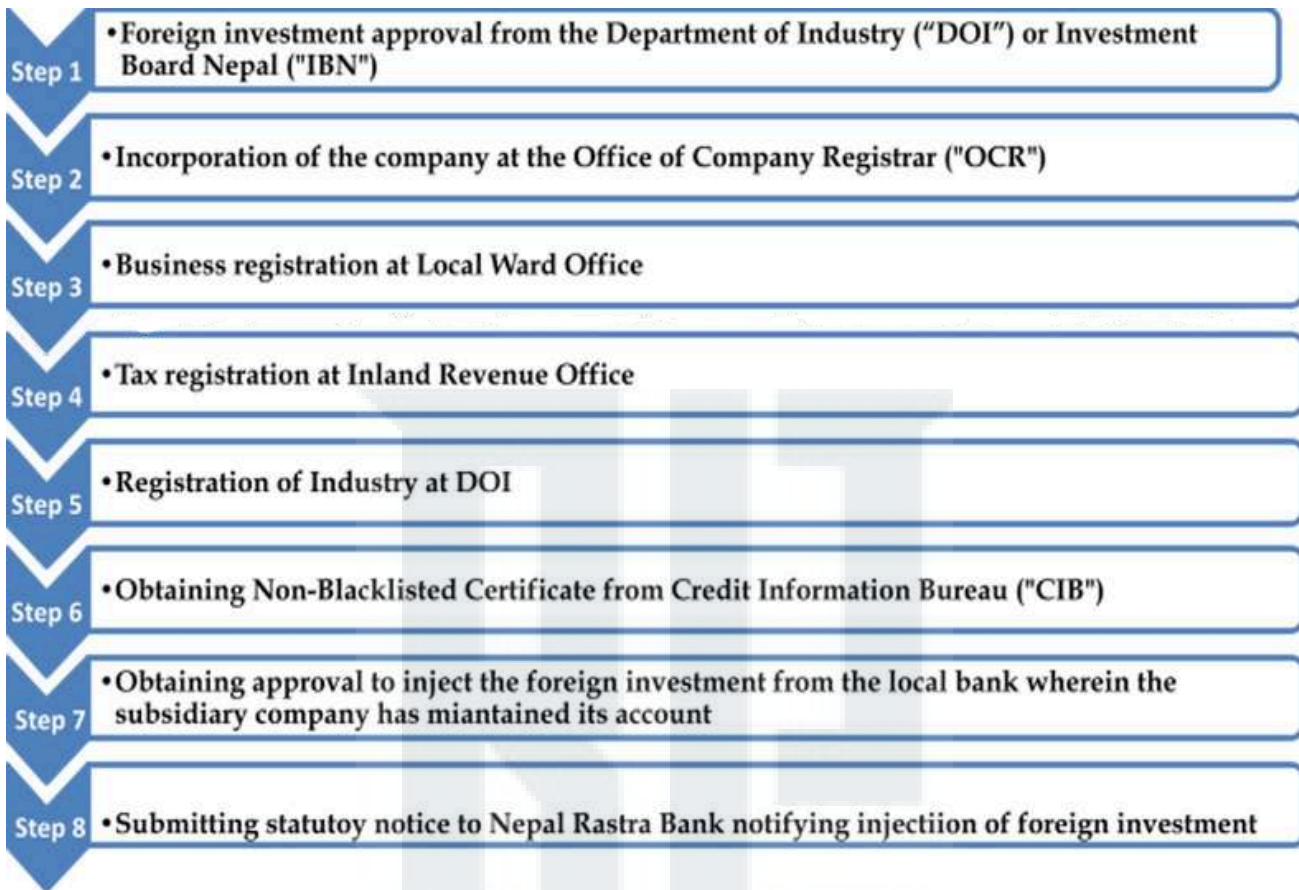
- Poultry farming, fisheries, bee-keeping, fruits, vegetables, oil seeds, pulse seeds, milk industry and other sectors of primary agro-production,
- Cottage and small industries,
- Personal service business (hair cutting, tailoring, driving etc.),
- Industries manufacturing arms, ammunition, bullets and shell, gunpowder or explosives, and nuclear, biological and chemical (N.B.C.) weapons; industries producing atomic energy and radio-active materials,
- Real estate business (excluding construction industries), retail business, internal courier service, local catering service, moneychanger, remittance service,
- Travel agency, guide involved in tourism, trekking and mountaineering guide, rural tourism including homestay,
- Business of mass communication media (newspaper, radio, television and online news) and motion picture of national language,
- Management, account, engineering, legal consultancy service and language training, music training, computer training, and
- Consultancy services having foreign investment of more than fifty-one percent.
- Ride sharing having foreign investment of more than Seventy percent.

In case of aircraft operation, training, maintenance and passenger service facility provider industries, foreign investment shall not exceed the following limits:

- (a) International air services: 80%
- (b) Domestic air services: 49%
- (c) Training institution (aviation-related): 95%
- (d) Maintenance institutions: 95%

### 3) What is the process for the establishment of FDI Company in Nepal?

The process for establishing an FDI company in Nepal involves the following steps:



### 4) What is the list of documents required for establishing FDI company in Nepal?

Following documents and information are required depending on whether the investor is a legal entity or an individual:

#### a) Legal Entity as an Investor

- Notarized Copy of Company Registration Certificate, Memorandum of Association, and Article of Association
- Notarized Copy of Passport of Director and Shareholders of Company
- Signed Company Profile of the investing company
- Notarized Copy of passport/citizenship of investor's authorized representative
- Proposed Name of company and address of company in Nepal
- Proposed Investment Amount
- Project Report for the operation of a local subsidiary company
- Financial Credibility Certificate (FCC) of Investor issued by a local bank in the home country
- Notarized latest audit report of Investor Company

- Resolution of the Investor for investing in Nepal
- Power of attorney authorizing individuals to complete the approval and registration process on behalf of the Investor
- Notarized Joint Venture Agreement in case of two or more than two investor
- Additionally, if the investor company is owned by another company, then the documents of the ultimate beneficiary company are also required

#### **b) For Individual as an Investor**

- Notarized Copy of Passport of Individual Investor/s
- Bio Data in case of an Individual Investor/s
- Proposed Name of Company and address of company in Nepal
- Proposed Investment Amount
- Project Report for the operation of a local subsidiary company
- Financial Credibility Certificate (FCC) of Investor issued by a local bank in the home country
- Power of attorney authorizing individuals to complete the approval and registration process on behalf of the Investor
- Notarized Joint Venture Agreement in case of two or more than two investor

Based on the provided documents, the project report and other necessary filings are drafted and shared with the client by email for execution. The client is required to print, execute, and notarize the necessary documents and courier the originals to Nepal.

Upon receipt of the executed documents, the FDI application is filed with the Department of Industry (DOI). For certain industries, approval is granted through the Automatic Route, which allows for expedited processing once the application and required documents are filed online.

#### **5) Which is the authority granting the approval for foreign investment in Nepal?**

Department of Industry is the primary authority responsible for granting approval for foreign investment in Nepal.

#### **6) How long does it take to get approval for foreign investment in Nepal?**

The timeline for getting approval depends upon sector of investment. Certain sectors fall under the automatic approval route where investors receive the FDI approval certificate immediately upon submitting the application through the online system operated by DOI. For sectors not under the automatic approval route, approval generally takes 2 to 4 weeks or longer, depending on the nature of the investment and the review requirements of the concerned authorities.

7) **What sectors of foreign investment are allowed through the automatic route?**

The following sectors and subsectors are eligible for foreign investment under the automatic route:

S.N.	Sector	Sub-Sectors
1	Energy Based Industries	<ul style="list-style-type: none"> <li>• Energy production from wind</li> <li>• Energy production from solar power</li> <li>• Energy production from biomass</li> <li>• Energy Production from other Resources</li> <li>• Manufacturing of machine/equipment used for wind energy plant</li> <li>• Manufacturing of machine/equipment used for solar energy plant</li> <li>• Manufacturing of machine/equipment used for biomass energy plant</li> <li>• Energy production from bio-gas</li> <li>• Energy production from cogeneration in sugar industries</li> <li>• Feasibility study of energy</li> </ul>
2	Agriculture and Forest Products Based Industries	<ul style="list-style-type: none"> <li>• Fruits processing</li> <li>• Vegetables processing</li> <li>• Establishment and operation of green house</li> <li>• Silk processing</li> <li>• Tea processing</li> <li>• Coffee processing</li> <li>• Herbs processing</li> <li>• Rubber processing</li> <li>• Cold Store (For Storing Local Fruits and Vegetables)</li> <li>• Natural fibers products processing</li> <li>• Paper, resins and other non-timber based industries</li> <li>• Producing plants through new technology (Tissue Culture &amp; others)</li> <li>• Cotton processing</li> <li>• Furniture and other wood-based industry</li> <li>• Parquet flooring, seasoning, treatment plants, plywood, and other wood-related industries</li> </ul>
3	Infrastructure Industries	<ul style="list-style-type: none"> <li>• Vehicles parking station/house</li> <li>• Export processing zone</li> <li>• Water purification (waste water treatment plant)</li> <li>• Film city Construction</li> <li>• Film studio Construction</li> <li>• Private Warehouse</li> <li>• Convention/Conference Centre</li> <li>• Cargo Complex</li> <li>• Commercial Complex</li> </ul>
4	Tourism Industries	<ul style="list-style-type: none"> <li>• Motel, Hotel, Resort, Bar and Restaurant</li> <li>• Fun Park</li> <li>• Water park</li> <li>• Convention and Sports Tourism</li> <li>• Healing Centre</li> </ul>

5	ICT Industries	<ul style="list-style-type: none"> <li>• Technology park</li> <li>• IT park</li> <li>• Biotech park</li> <li>• Software development</li> <li>• Data processing</li> <li>• Digital mapping</li> <li>• Business process outsourcing (BPO)</li> <li>• Knowledge process outsourcing (KPO)</li> <li>• Data centre</li> <li>• Data mining</li> <li>• Cloud computing</li> <li>• Web portal</li> <li>• Web designing service</li> <li>• Web Hosting</li> </ul>
6	Service Industries	<ul style="list-style-type: none"> <li>• Mechanical workshop</li> <li>• Construction business</li> <li>• Hospitals</li> <li>• Nursing homes</li> <li>• Polyclinics</li> <li>• Operation of Rehabilitation Centre</li> <li>• Physiotherapy</li> <li>• Ayurveda and other alternative hospitals</li> <li>• Sports services</li> <li>• Swimming pool</li> <li>• Solid waste collection and sanitation</li> <li>• Recycling of waste</li> <li>• Veterinary services</li> <li>• Health checkup (X-Ray, CT Scan, MRI, Ultrasound, or similar services)</li> <li>• Health checkup laboratories</li> <li>• International Courier services</li> <li>• Photography</li> <li>• Printing Press and Printing Related Services</li> <li>• Physical Exercise, Yoga-Meditation &amp; Practice Center Operation</li> <li>• Operation of cold storage</li> <li>• Rental , Maintenance and Operation of Heavy Equipment</li> <li>• Business of Operating Already Constructed Infrastructures (e.g., Convention Halls, Fuel and Fuel-gas Supply Pipelines, Warehouses &amp; Storage, Airports, Stadiums, Sports Complexes, Roads, Power Plants, Railway Services, Cargo Complex Services)</li> </ul>

	Service Industries	<ul style="list-style-type: none"> <li>• Dry Cleaning Business</li> <li>• Advertising Service</li> <li>• Advertising Material Preparation Service</li> <li>• Soil Testing Service</li> <li>• Health Club</li> <li>• Electrical Survey</li> <li>• Mineral Study &amp; Research Service</li> </ul>
7	Manufacturing Industries	<ul style="list-style-type: none"> <li>• Manufacturing of Fodder For Livestock and Fish</li> <li>• Meat Processing and Packaging of Livestock and Fish</li> <li>• Manufacturing of Oil or Fat from Basic Raw Materials</li> <li>• Manufacturing of Starch or Glucose</li> <li>• Manufacturing of Bakery Products</li> <li>• Manufacturing of Confectionary and Biscuit</li> <li>• Manufacturing of Sugar</li> <li>• Manufacturing of Beverages (Non-Alcoholic)</li> <li>• Manufacturing of Textile, Garment And Apparel (Using new and Re-used materials)</li> <li>• Manufacturing of Electronic Home Appliances</li> <li>• Manufacturing of Goods Using Plastic Or Rubber</li> <li>• Manufacturing of Bag, Sack, Suitcase, Trolley Bag or Other Similar Bag for Carrying Things</li> <li>• Manufacturing of Wooden Goods Other than Traditional and Cultural Art Based</li> <li>• Manufacturing of Toiletries Products like Toothpaste, Soap or Shampoo</li> <li>• Manufacturing of Products Based on Glass</li> <li>• Manufacturing of Cycle, Scooter, Motorcycle and Four-Wheeler and accessories used in such vehicle</li> <li>• Manufacturing of Electric Lamps, Switch, Meter, Fuse, Wiring Cable, Compressor, and Similar Products</li> <li>• Manufacturing of Goods used in Medical, Surgical, Orthopaedic Works</li> <li>• Manufacturing of Electrical Wire</li> <li>• Cement Production</li> <li>• Floor Tile Production</li> <li>• Iron Rod Production</li> <li>• Battery Production</li> <li>• Chemical Fertilizer and Organic Fertilizer Production</li> <li>• Lubricant Production</li> <li>• Sugar Production</li> <li>• Industries such as Rice Mill, Oil Mill, Flour Mill, Lentil Mill</li> <li>• Matchstick, Candle. Incense stick Production</li> <li>• Fabrication Products Production</li> <li>• Iron Goods Production</li> </ul>

	<p>Manufacturing Industries</p>	<ul style="list-style-type: none"> <li>• Galvanized Sheet Production</li> <li>• Other Food Processing: Production of items like Noodles, Tea, Cheese Balls, etc.</li> <li>• Electronic &amp; Electrical Equipment Production</li> <li>• Electric Cable Production</li> <li>• Paint &amp; Varnish Production</li> <li>• Paper and Pulp Production</li> <li>• Stationery Products Production</li> <li>• Water Treatment</li> <li>• Bitumen &amp; Bitumen Emulsion Production</li> <li>• Production of Furniture, Plywood</li> <li>• Production of Tire, Tube</li> </ul>
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## 8) What are the documents required for getting FDI approval?

The following documents are required to obtain FDI approval:

- Online Application
- Color scanned copy of project proposal/report.
- Color scanned copy of Joint Venture Agreement (in case of more than 1 investor)
- Scanned copy of Power of Attorney
- Investor's Documents

### a) For individual

- Notarized copy of citizenship (Nepali)/Passport (Foreigner)
- Bio-data
- Notarized copy of Financial Credibility Certificate (FCC) of the foreign investor issued by the bank of home country

### b) For Company

- Notarized copy of Certificate of Incorporation including memorandum of association and article of association
- Board decision to invest in Nepal
- Shareholders details showing the ultimate beneficiaries
- Company profile

Note: Physical copies of the above documents must also be submitted to the concerned authority.

**9) What is Financial Credibility Certificate (FCC)?**

A Financial Credibility Certificate (FCC) is an official document issued by a recognized foreign bank or financial institution confirming that the investor possesses adequate financial resources and credibility to invest in Nepal. It serves as proof of the investor’s financial soundness and reliability and is required when seeking approval for foreign investment in Nepal.

In the case of a foreign investor that is a legal entity (company or organization), the FCC must be issued from the country where the entity is incorporated and from where the investment is intended to be made. In the case of a natural person (individual investor), the FCC must be obtained from the country of his or her original nationality.

**10) What is the tentative timeline for completing registration of FDI Company?**

Once the FDI approval is secured, it generally takes around 3 months for the complete registration of FDI Company.

**11) What is the timeline for injecting the committed investment amount?**

The Foreign Exchange Regulation Act (FERA) specifies 3 stages for the injection of foreign investment amount:

Stages	Details	Percentage of injection of Investment
Stage 1	<ul style="list-style-type: none"><li>• Within 1 year of receiving the investment approval:</li><li>• Minimum investment amount i.e. NPR 20 Million</li><li>• 20 to 250 million NPR</li><li>• 250 million NPR to 1000 million</li></ul>	<ul style="list-style-type: none"><li>• Depends on the amount of investment</li><li>• 25%</li><li>• 15%</li><li>• 10%</li></ul>
Stage 2	When the company starts production or does start the commercial transaction	Up to 70% of the investment amount
Stage 3	After 2 years of production or commencement of transaction	Remaining 30% of the investment amount

**12) Do investor/shareholders of the company need to visit Nepal in person during any part of the process?**

Yes. At least one investor must be physically present in Nepal after the company registration to:

- Complete biometric verification to obtain a PAN or VAT certificate of the Company from the tax office.

Once the business tax certificate is obtained, the company becomes eligible to open a bank account in Nepal. To do so, the representative director must be physically present at the bank to complete KYC procedures and other required formalities.

### **13) What are the other post registration requirement for FDI Company?**

#### **a) Initial Compliance at OCR**

After the company is incorporated by the Office of the Company Registrar (OCR), the company within the first three month of incorporation shall provide the information of address, appointment of the auditors and the formation of the Board of Directors in accordance with section 92 and section 184 of the Company Act, 2063 (2006).

#### **b) Inflow Certificate from the Bank**

Once the company submits the statutory notice to the Nepal Rastra Bank (NRB) the investors can inject the investment amount to the local bank in company's bank account. After the Investment amount is injected in the company's bank account, the bank request for the required documents for the issuance of the Inflow Certificate.

#### **c) Share distribution and Shareholder's Registry**

After the bank provides the inflow certificate, we can distribute the company share to the shareholders and submit the documents to the Office of the Company Registrar (OCR). Share Registry is provided by the OCR as certification to the shares owned by the shareholders.

#### **d) Recording of the Foreign Investment at the NRB**

Additionally, after the above compliance are fulfilled is completed, recording must be done of the Foreign Investment amount along with submission of the required documents like Inflow Certificate, Share Registry and other company details. Nepal's Foreign Investment and Technology Transfer Act requires foreign investments to be registered with the NRB to ensure they adhere to legal and regulatory frameworks. This helps maintain transparency and accountability.

#### **e) Annual Compliance**

Companies are required to convene their first AGM within one year of incorporation, submitting the following documents to the OCR:

- Details of the AGM, confirming adherence to the Companies Act.
- Audited financial statements and an audit report for the fiscal year.

From the second year onward, AGMs must be held annually, with annual reports submitted to the OCR within six months of the fiscal year-end (typically June or July).

**f) Labour Law Compliance**

Compliance with Nepal's labor laws requires the preparation of a company handbook and the execution of employment agreements with staff to ensure adherence to employment regulations. The Company further need to be enrolled in Social Security Fund which is contribution based social security scheme.

**g) Industry Operation and Extension**

FDI companies must commence operations within one year of industry registration with the Department of Industry. Prior to commencing operations, at least 70% of the authorized capital must be injected. The issuance of the first invoice marks the start of operations, and companies must notify the Department of Industry within 30 days of this event. Non-compliance may result in fines.

Replace with " If operations of industry cannot commence within one year, then industry must apply for an extension.

And after the commencement of Industry Operation, Annual Report of Industry Operation (for every fiscal year) has to be submitted before Department of Industry

**14) What should be considered when injecting to the investment amount into the company's bank account?**

Key Requirements include:

Funds must be transferred via SWIFT from the investor's personal bank account maintained outside Nepal

The SWIFT transfer message (remark) must clearly state: "Foreign Investment"

**15) Is a local Director necessary?**

No. A local director is not mandatory under Nepali law.

**16) Is a physical address required for registration, or will a virtual address suffice?**

For company registration in Nepal, a physical address is mandatory. The Office of the Company Registrar (OCR) requires the company to provide a verifiable physical location as its registered office address.

**17) Can a company bank account be managed from overseas?**

While some banks provide e-banking facilities for viewing balances and limited transactions, practical operation of the account (e.g., signing cheques, withdrawing, or authorizing payments) requires a local authorized signatory. Hence, appointing a trusted Nepali representative with Board authorization is recommended for efficient operation.

**18) Can the investment be transferred from another person's or family member's or relative's account?**

No. The investment amount must be transferred directly from the investor's personal bank account located outside Nepal.

**19) In case of joint investor, can one investor inject the entire investment amount?**

No. Each party in Joint Venture (JV) must inject their respective proportion of investment as committed in the JV agreement.

**20) When and for how long can we apply for the business visa?**

After the incorporation of a company in Nepal, a foreign investor or their representative of the investing corporate entity becomes eligible to apply for a Business Visa. The investor initially enters Nepal on a tourist visa, which is later converted into a Business Visa. For the first time, a Business Visa is generally granted for a period of up to three months. This initial period comes with certain conditions, such as the registration of the industry and demonstration of progress in establishing business operations. Within these three months, the investor is expected to complete necessary registrations and show tangible steps toward setting up the enterprise.

Once the investor injects the committed investment capital into the company, the Business Visa can be extended beyond the initial period. Normally, such extensions are granted for one year at a time, provided that the investment has been made and properly recorded. For the first application, the investor must personally visit the Department of Immigration to obtain the visa.

**21) When is the financial year end for the companies in Nepal?**

In Nepal, the financial year starts on Shrawan 1 and ends on Ashad 31 of the following year according to the Nepali (Bikram Sambat) calendar. This roughly corresponds to mid-July to mid-July in the English calendar

**22) What is the corporate tax rate and dividend reduction rate?**

The current corporate tax rate is 25% of the net profit. The dividend is 5% applicable after the deduction of corporate tax.

**23) Does the person registered with the company have to be a director, or can they be a shareholder only?**

Shareholders may remain passive and are not required to act as directors. Directors are appointed by the shareholders to manage daily affairs. It is legally permissible for a person to be a shareholder only, without being appointed as a director.

**24) Can day-to-day operations be managed by an authorized representative instead?**

Yes. The company may appoint a Nepali authorized representative by Board resolution or power of attorney. Such a representative may act as the operational head, handle banking, licensing compliance, and government relations on behalf of the company.

**25) When can we repatriate the profit?**

Once the company has fulfilled all financial and tax obligations, profits and capital may be repatriated in the same currency as the initial investment or any other convertible currency approved by the NRB. However, repatriation is strictly prohibited within the first year of investment.

**26) After registration when shall begin the operation of the company? Can we apply for extension?**

FDI companies must commence operations within one year of industry registration with the Department of Industry. Prior to commencing operations, at least 70% of the authorized capital must be injected. The issuance of the first invoice marks the start of operations, and companies must notify the Department of Industry within 30 days of this event. Non-compliance may result in fines.

If operations of industry cannot commence within one year, then industry must apply for an extension.

And after the commencement of Industry Operation, Annual Report of Industry Operation (for every fiscal year) has to be submitted before Department of Industry

## **Disclaimer**

*This document is for general information purposes only and does not constitute legal advice. Laws and procedures in Nepal are subject to change, and individual circumstances may vary. For professional advice on foreign investment, company registration, compliance or any other legal matters in Nepal, please contact Bhandari Law and Partners.*



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