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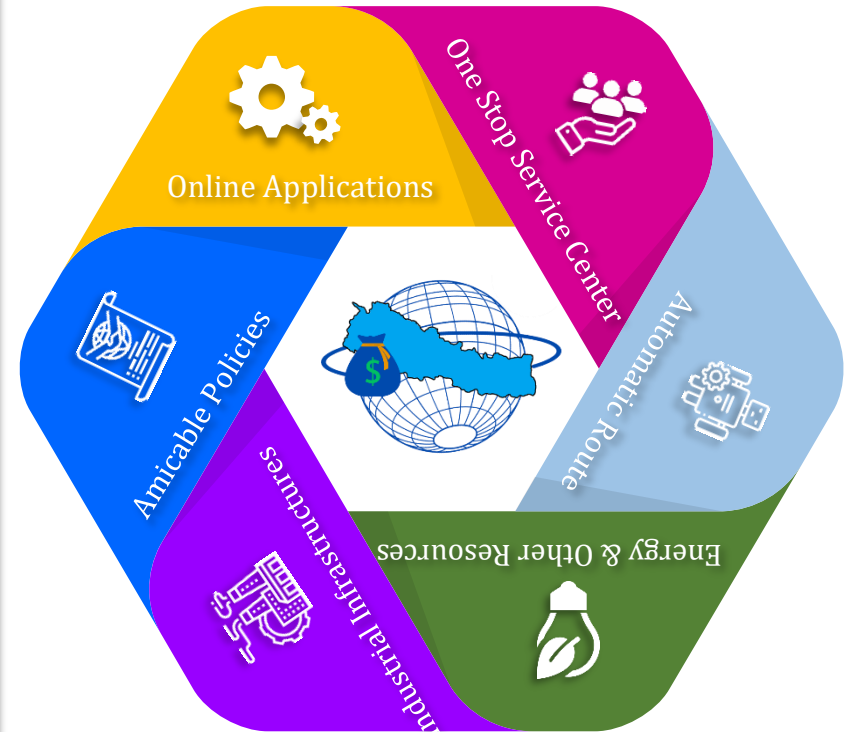
Government of Nepal  
Ministry of Industry, Commerce and Supplies  
**Department of Industry**  
Tripureshwor, Kathmandu

# Annual Report 2024

## Foreign Investment in Nepal 2024

(Policies, Procedures, Promotions & Investment Trends)

A complete guide for investors \_\_\_\_\_



**Foreign Investment & Technology Transfer Section**  
**(One Stop Service Centre)**

# FOREIGN INVESTMENT IN NEPAL 2024

## *A Synopsis*



Government of Nepal  
Ministry of Industry, Commerce and Supplies  
**Department of Industry**  
Tripureshwor, Kathmandu

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**Yagya Raj Koirala**  
Director General  
Department of Industry

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## Message

I am immensely pleased that the Department of Industry has published a report entitled "Foreign Investment Synopsis 2024".

The "Foreign Investment Synopsis 2024" provides an in-depth analysis of recent trends, regulatory frameworks, and investment opportunities across various sectors in Nepal. It is designed to serve as an essential resource for investors, policy-makers, and stakeholders who are interested in understanding the dynamics of foreign investment in our country.

This synopsis is the result of collaborative efforts by a dedicated team of Foreign Investment and Technology Transfer Section. Their extensive knowledge and insights have been instrumental in creating a publication that is both informative and practical. We have strived to present a balanced view of the opportunities and challenges that foreign investors may encounter, along with actionable recommendations to enhance the investment climate in Nepal.

At the Department of Industry, we remain committed to fostering a conducive environment for foreign investment and to supporting initiatives that drive economic progress. We hope that the "Foreign Investment Synopsis 2024" will inspire informed decision-making and contribute to the continued growth and prosperity of Nepal.

Finally, I would like to thank the entire editorial team members for their appreciable contribution in spite of the short duration, in bringing out this publication as a yearly review of the Foreign Investment and Technology Transfer Section of the Department.

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## 1 Background

Foreign Direct Investment (FDI) is considered as a major source of non-debt financial resource for economic development. FDI is not just the inflow of money, but also the inflow of technology, knowledge, skills and expertise/know-how. Nepal offers tremendous opportunities for the investors. It is still a virgin land for investment in every sector. Almost all the sectors including hydropower, manufacturing, IT, services, tourism, mining, herbal medicines, and agro-based industries are open for foreign investment.

The Department of Industry (DOI) under the Ministry of Industry, Commerce and Supplies is the main agency promoting and administrating the foreign investment in Nepal. The DOI in Nepal plays a crucial role in promoting foreign investment by creating an enabling environment that attracts and facilitates investment from abroad.

With the introduction of Foreign Investment and Technology Transfer Act (FITTA) in 2049 BS and replacing it by new law in 2075 BS (2019), The Government has trying to provide a FDI friendly environment to attract the foreign investment in multiple sectors in Nepal. Almost all sectors are open for foreign investment except for few. Generally foreign investment refers to the trans-border flow of private capital of wan individual or company in the form of investment. According to the FITTA, 2019 (2075) “Foreign investor” means any foreign individual, firm, company, Non-resident Nepali or foreign government or international agency or other corporate body of similar nature that makes foreign investment, and also includes, in the case of a foreign investor that is an institutional foreign investor, the ultimate beneficiary of such an institution. There is a national treatment provision for foreign investors in Nepal. One stop service is the most attractive feature in FITTA where foreign investors get almost all services in one place including visa and repatriation.

Government of Nepal introduced economic liberalization three decades ago and is highly committed to create a favorable environment for investment. The prevailing constitution and 15th Plan of Nepal also realizes the foreign investment as a catalyst to promote investment environment in Nepal. Recently, Nepal has successfully concluded the Third Nepal Investment Summit (NIS 2024). Just before the starting of the NIS 2024, Government of Nepal has amended the Investment Related Acts. These amendment has been already published in Nepal Gazette. The system for the operation of FDI through Automatic Route has been implemented. After the implementation of Automatic Route, there is no minimum threshold for the investors who want to invest in IT sectors through Automatic Route. Pursuant to the notice of the Ministry of Industry, Commerce and Supplies dated 14th November, 2022, a foreign investor is required to invest at least NPR 20 million (approx. USD 150,000).



As per FITTA, 2075, any foreign company or individual can invest in Nepal in all sectors except some small sectors as indicated in annex I of the Act. Investment can be brought in many forms namely New Industry, Share purchase, Reinvestment, Machine, tools or Equipment, Lease, Technology Transfer or Trade Marks and Patents. Investment can be financed from equity, loan or mix of all. Foreign investors can repatriate their investment in form of dividend or from sale of assets from Nepal without any hassle.

An Industry or company established and operating in Nepal can provide Technology Transfer to the industry, firm, or company located abroad. For this provision, Nepalese companies can establish the Branch office in the respective country by taking permission from the Department of Industry.

Government of Nepal has given priority to enable the Investment Friendly Environment. GON is focusing foreign investment in large infrastructure projects and technological sectors to achieve and maintain a stable graduation from least developed country in the given time frame and also realize SDGs and government's aspiration of 'Prosperous Nepal, Happy Nepali' by 2030.

## 2 Nepal as an Emerging Destination for Foreign Investment

In recent years, Nepal has gained recognition as a rising hub for foreign investment. The country's strategic geographical location and convenient access to neighboring markets offer extensive investment opportunities. Nepal's welcoming policy framework, substantial investments in industrial infrastructure across federal, provincial, and local levels of government, a favorable business environment, ample green energy sources, and abundant natural resources constitute the primary factors attracting FDI to Nepal. Below are some additional advantages worth noting:



### Strategic Location

- Strategic location between two most populous countries, India and China
- Easy market access to adjoining borders
- Duty free and open border to India
- Duty free and Quota free access to EU.



### Labor Availability

- 57% active population (15-59 years)
- Low cost of labour
- Availability of cheap labor force compared to other peer countries
- Provision of social securities for labor
- Working visa, work permit & labor permit for foreign worker



### Amicable Policy Infrastructures

- Threshold of investment for FDI is reduced to 20 million and no threshold for investment in ICT based industries through Automatic Route.
- Most of the sectors are open for foreign investment up to 100% ownership
- Guarantee against expropriation: no nationalization of an industry with foreign investment
- Competitive Corporate income tax: General – 25% & Priority Sector (energy, transport infrastructure and manufacturing) -20%
- Amicable visa policy for foreign investors, representatives and their dependents
- Cash incentives on exports
- R
- Land ownership
- Tax holiday for some sectors/locations



### International and Regional Agreements & Treaties related to trade

- Member country of SAARC, MIGA, BIMSTEC, WTO, UNCTAD, BRI, UNESCAP
- BIPPA signed with France, Germany, UK, Mauritius and Finland
- DTTA signed with Austria, Bangladesh, China, India, Republic of Korea, Mauritius, Norway, Pakistan, Qatar, Sri Lanka & Thailand
- Bilateral agreement under Belt and Road Initiative Framework
- Treaty of trade and treaty of transit with India
- Transit and transport agreement with China



## Status in Index and Reports

- 3rd Most Favorable Business Climate in South Asia, Ease of Doing Business 2020
- 4th Most Competitive Economy in South Asia, Global Competitiveness Index 2019
- 5th Most Competitive Trade Logistics Performer in South Asia, Logistics Performance Indicator 2022



## Miscellaneous

- Richly endowed with renewable energy resources (Hydropower, wind, solar, biogas etc.)
- Abundance of industrial minerals (limestone, coal, red clay, granite etc.)
- No upper limit of investment
- Operation of One Stop Service Center (OSSC) at Department of Industry,
- Online application and automation
- Automatic route for FDI approval
- Graduating from LDCs

## 3 Sectors of Foreign Investment in Nepal

### 3.1 Potential Sectors

The strategic location of Nepal, ease of market access to neighboring countries, amicable investment policies, priority by government, abundant natural resources and mines ores, availability of cheap labor, and other comparative benefits enhances the potentialities of different sectors for investment. Here are some sectors which are the most feasible and potential areas for foreign investment in Nepal:

- a. Agriculture and agro-based industry
- b. Tourism industry
- c. Energy based industry
- d. Manufacturing industry
- e. Infrastructure industry
- f. Service industry
- g. Mines & Mineral based industry
- h. Transportation Scoter
- i. Information & Communication Technology

## 3.2 Categories and Sub-categories for Investment

The categories and sub-categories for Investment are enlisted as follows in accordance with the Industrial Enterprises Act, 2020, specifically in section 17(2) and schedules 3 to 5. The categories and subcategories of the investment should align with these areas of investment. It's important to note that all the sectors listed are accessible for foreign investment, with the exception of the specific areas indicated in section 3.3 of this guide.

### 3.2.1 Energy-Based Industries

1. Industries generating energy from water resources, wind, solar power, coal, natural oil and fuel or gas, biomass or other sources, industries manufacturing machines/equipment to be used for the generation of such energy;
2. Electricity transmission lines;
3. Electricity distribution system;
4. Energy based on bio-gas;
5. Electric energy to be produced as a co-production of the sugar industry;
6. Energy potentiality study.

### 3.2.2 Industries Based on Agriculture and Forest Products

1. Fruits farming or fruits processing;
2. Production, processing and storage of food products;
3. Animal husbandry, birds farming (including ostrich), animal breeding, challa kadne business, and production and processing of meat;
4. Industries producing milk and processing of dairy products;
5. Fishery, production, processing and packaging of fry;
6. Industries producing animal feed from Argo-products as the primary raw materials;
7. Silk farming and processing;
8. Tea garden, tea processing;
9. Coffee farming and coffee processing;
10. Herbs farming, herbs processing;
11. Production of vegetable seeds;
12. Vegetable farming, vegetable processing;
13. Establishment and operation of green-houses;
14. Bee keeping (bee breeding, honey production and processing);
15. Floriculture, flower processing (making of garland, decoration, making bouquet, including production of seeds);
16. Nursery business, establishment, protection and management of botanical gardens, inclusive of tissue culture;
17. Rubber farming, preliminary processing and operation of rubber;
18. Operation and management of cold stores, agriculture markets;
19. Establishment and management of a community, leasehold, partnership, private forest and agriculture forest, and other non-timber forest products;
20. Commercial farming and processing of cash crops (such as sugarcane, cotton (kapas), sanpat, sajiwan, sweet sargam, stevia, tobacco, jute, alaichi, keshar, oil seed. Mashala cultivation, dalahan, etc. and production of their seeds);
21. Bet, bamboo farming, bet, bamboo and other natural fiber products;
22. Processing of seeds;
23. Wood industries including Shaw-mills and furniture;
24. Wood industries such as parqueting, seasoning, treatment plant, ply wood, composite, board;
25. Industries based on other non-timber forest products including paper and resin;
26. Industries producing mushroom, tissue culture (producing plants through new technology), Argo Forest;
27. Cotton farming, production and processing of cotton and cotton seeds.

### **3.2.3 Infrastructure Industries**

1. Road, bridge, tunnel;
2. Ropeway, railway, tram, trolley bus, monorail and sliding car;
3. Runway/airport;
4. Industrial structure and infrastructure complex;
5. Assembly conference center;
6. Water supply and distribution;
7. Irrigation infrastructure;
8. Sports complex, stadium;
9. Motor vehicle parking, parking house;
10. Export processing zone;
11. Special economic zone;
12. Cargo complex;
13. Polluted water purification industries (waste water treatment plant);
14. Telephone tower, optical fiber network, satellite, satellite broadcasting center;
15. Housing and residential building;
16. Building film city, building film studio;
17. Business complex;
18. Private warehouse;
19. Construction, management and operation infrastructure for installation of pipelines for fuel and gas supply;
20. Construction, management and operation infrastructure for energy house and energy transmission line
21. Construction, management and operation infrastructure for installation of pipelines for fuel and gas supply;
22. Construction, management and operation infrastructure for energy house and energy transmission line

### **3.2.4 Tourism Industries**

1. Tourist housing, motel, hotel, resort, bar and restaurant;
2. Travel agency, tour operator, healing center, casino, massage, spa;
3. Adventurous tourism, trekking, skiing, paragliding, water rafting, hot air ballooning, canyoning, parasailing, horse riding, elephant riding, bungee jumping, expedition, zip flyer, ultra-light, sky walking, sky diving, and
4. similar other adventurous games;
5. Cable car construction and operation industries;
6. Golf course, polo, pony trekking, trekking, cycling;
7. Rural tourism, home stay and ecological tourism, agricultural tourism;
8. Cultural, religious, assembly, conference and sports tourism;
9. Fun Park, water park;
10. Wildlife reserve;
11. Museum.

### **3.2.5 Industries Based on Information Technology, Communication Technology and Information Dissemination Technology**

#### **Part I: Informational Technology Industries:**

1. Technology Park;
2. IT park;
3. Biotech Park;
4. Software development;
5. Computer and related services;

6. Data processing;
7. Cybercafé;
8. Digital mapping;
9. Business process outsourcing (B.P.O), knowledge process outsourcing (K.P.O);
10. Data center, data mining, cloud computing;
11. Digital signature certifying agency;
12. Web portal, web designing service, web hosting, online classified advertising service.

### **Part II: Informational Technology- Based Industries:**

1. Internet service provider (ISP);
2. Telephone, mobile phone, mobile satellite phone operator service;
3. Teleport service;
4. Establishment and operation of satellite, establishment of satellite broadcasting center, VSAT service;
5. Broadband infrastructure, telecom tower, optical network, satellite network;
6. Social networking, online message, video call, conference.

### **Part III: Dissemination Technology-Based Industries:**

1. FM radio, digital radio service;
2. Digital land surface television, satellite television, cable television;
3. IP television, online service;
4. Digital cable television, network, direct to home (DTH) satellite service, MMDS network, digital television (DTTV) network;
5. Recording studio, broadcasting studio;
6. Print media industries, audio-visual material production industries, advertisement production industries;
7. Production of motion pictures or documentaries.

### **3.2.6 Service Industries**

1. Mechanical Workshop;
2. Printing and printing related services;
3. Professional research and development, management, engineering and design, legal, accounting, audit, teaching training, educational and technical consultancy services;
4. Joining and welding business;
5. Exhibition services;
6. Cultural and recreational business;
7. Construction business;
8. Public transport business;
9. Photography;
10. Hospitals;
11. Establishment of nursing homes, clinics, polyclinics, rehabilitation homes, physiotherapy clinics, Aayurvedic and other alternative hospitals;
12. Operation of physical training, mediation (Yog-Dhyan) and exercise centers;
13. Teaching and training centers;
14. Library, archive and museum services;
15. Labs;
16. Air transportation services;
17. Sports services, swimming pools;
18. Operation of cold storage;
19. House wiring, electrical fitting and maintenance;
20. Solid wastes collection and sanitation, recycling of solid wastes;
21. Business on purchase and sale of houses and land, upon land development;
22. Hiring, maintenance and operation of construction related heavy equipment;
23. Veterinary services;

24. Battery recharging;
25. Health check-up services (such as X-ray, CT scan, MRI and ultra sound)
26. and health check-up laboratory;
27. Already built infrastructures operation businesses (such as, businesses operating services like conference buildings, water supply, pipelines related to supply of fuel gas, warehouse and storage, airports, bus parks, stadiums, sports complexes, ropeways, roads, irrigations, electricity transmission, power houses, railway services, cargo complexes, Inland Container depots (ICD));
28. Beating, grinding and crushing and packaging of foods;
29. Clothing and yarn dyeing, sizing and printing on clothes (except when it is done by a weaving industry for its own purpose);
30. Transport and cargo business or service;
31. Customs agent service;
32. Packaging and refiling services (inclusive of LPG gas refiling and vehicle gas refiling stations);
33. Courier services;
34. Dry cleaning business;
35. Beauty parlor;
36. Interior decoration;
37. Security service providing business;
38. Publication service;
39. Advertising service;
40. Advertisement development service;
41. Mass communication service;
42. Production and broadcasting of programs and documentary telefilms made for television broadcasting;
43. Soil testing service;
44. Water purification, transport and distribution service;
45. Health clubs;
46. Operation of zoological, geological, biotech parks;
47. Business incubation service;
48. Trading business complex operation;
49. Foreign employment service;
50. Cinema halls (inclusive of multiplex);
51. Theatres (inclusive of multiplex);
52. Sewing, knitting (inclusive of boutiques);
53. Electricity survey;
54. Mining study and research;
55. Research and development service;
56. Sanitation service;
57. Wholesale and retail business service;
58. E-commerce, industry, business providing services to the public by using electronic medium (online or software or apps or other similar kind of medium);
59. Leasing machinery, equipment;
60. Service businesses, such as, purification or processing cut to length sheet, photo film slitting, photo, paper slitting, tissue paper slitting, ball bearing assembly and repacking finished goods after importing such goods in bulk, involving nominal processing or procedure;
61. Clothes and yarn dyeing, yarn sizing, and printing on clothes (except when it is done by a weaving industry for its own purpose);
62. Commercial veterinary services;
63. Service apartment;
64. Food court, catering, mobile food stalls;
65. Equipment repair and installation, ready mix concrete, export house, technology and innovation center and office space with facilities services.
66. Investment Company

### 3.3 Categories and Sub-categories for Foreign Investment through Automatic Route

Automatic Route means the FDI approval route through which investment by foreign investors do not require the prior approval of the Department of Industry (DOI). The investors will automatically get the FDI approval certificate just after submitting the application through the online system imis.doing.gov.np operated by the DOI. The sector and subsector list that are allowed for Foreign Investment through Automatic Route are as mentioned below. For each projects, investors are allowed to select a single sector and can select multiple sub-sectors within the sector

S.N.	Sector	Sub-Sectors
01.	Energy Based Industries	<ol style="list-style-type: none"> <li>1. Energy production from wind</li> <li>2. Energy production from solar power</li> <li>3. Energy production from biomass</li> <li>4. Energy Production from other Resources</li> <li>5. Manufacturing of machine/equipment used for wind energy plant</li> <li>6. Manufacturing of machine/equipment used for solarenergy plant</li> <li>7. Manufacturing of machine/equipment used for biomass energy plant</li> <li>8. Energy production from bio-gas</li> <li>9. Energy production from cogeneration in sugar industries</li> <li>10. Feasibility study of energy</li> </ol>
02.	Agricultur eand Forest Products Based Industries	<ol style="list-style-type: none"> <li>1. Fruits processing</li> <li>2. Vegetables processing</li> <li>3. Establishment and operation of green house</li> <li>4. Silk processing</li> <li>5. Tea processing</li> <li>6. Coffee processing</li> <li>7. Herbs processing</li> <li>8. Rubber processing</li> <li>9. Cold Store (For Storing Local Fruits and Vegetables)</li> <li>10. Natural fibers products processing</li> <li>11. Paper, resins and other non-timber based industries</li> <li>12. Producing plants through new technology (Tissue Culture &amp; others)</li> <li>13. Cotton processing</li> </ol>
03.	Infrastructure Industries	<ol style="list-style-type: none"> <li>1. Vehicles parking station/house</li> <li>2. Export processing zone</li> <li>3. Water purification (waste water treatment plant)</li> <li>4. Film city Construction</li> <li>5. Film studio Construction</li> <li>6. Construction and Operation of Warehouses</li> </ol>



04.	Tourism Industries	<ol style="list-style-type: none"> <li>1. Motel</li> <li>2. Hotel</li> <li>3. Resort</li> <li>4. Bar and Restaurant</li> <li>5. Fun park</li> <li>6. Water park</li> <li>7. Convention and Sports Tourism</li> </ol>
05.	ICT Industries	<ol style="list-style-type: none"> <li>1. Technology park</li> <li>2. IT park</li> <li>3. Biotech park</li> <li>4. Software development</li> <li>5. Data processing</li> <li>6. Digital mapping</li> <li>7. Business process outsourcing (BPO)</li> <li>8. Knowledge process outsourcing (KPO)</li> <li>9. Data center</li> <li>10. Data mining</li> <li>11. Cloud computing</li> <li>12. Web portal</li> <li>13. Web designing service</li> </ol>
06.	Service Industries	<ol style="list-style-type: none"> <li>1. Mechanical workshop</li> <li>2. Construction business</li> <li>3. Hospitals</li> <li>4. Nursing homes</li> <li>5. Polyclinics</li> <li>6. Operation of Rehabilitation Centre</li> <li>7. Physiotherapy clinics</li> <li>8. Ayurveda and other alternative hospitals</li> <li>9. Sports services</li> <li>10. Swimming pool</li> <li>11. Solid waste collection and sanitation</li> <li>12. Recycling of waste</li> <li>13. Veterinary services</li> <li>14. Health checkup (X-Ray, CT Scan, MRI, Ultrasound, or similar services)</li> <li>15. Health checkup laboratories</li> <li>16. International Courier services</li> </ol>
07.	Manufacturing Industries	<ol style="list-style-type: none"> <li>1. Manufacturing of Fodder For Livestock and Fish</li> <li>2. Meat Processing and Packaging of Livestock and Fish</li> <li>3. Manufacturing of Oil or Fat from Basic Raw Materials</li> <li>4. Manufacturing of Starch or Glucose</li> <li>5. Manufacturing of Bakery Products</li> <li>6. Manufacturing of Confectionary and Biscuit</li> <li>7. Manufacturing of Sugar</li> <li>8. Manufacturing of Beverages (Non-Alcoholic)</li> <li>9. Manufacturing of Textile, Garment And Apparel (Using new</li> </ol>

		<p>and Re-used materials)</p> <ol style="list-style-type: none"> <li>10. Manufacturing of Electronic Home Appliances</li> <li>11. Manufacturing of Goods Using Plastic Or Rubber</li> <li>12. Manufacturing of Bag, Sack, Suitcase, Trolley Bag or Other Similar Bag for Carrying Things</li> <li>13. Manufacturing of Wooden Goods Other than Traditional and Cultural Art Based</li> <li>14. Manufacturing of Toiletries Products like Toothpaste, Soap or Shampoo</li> <li>15. Manufacturing of Products Based on Glass</li> <li>16. Manufacturing of Cycle, Scooter, Motorcycle and Four Wheeler and accessories used in such vehicle</li> <li>17. Manufacturing of Electric Lamps, Switch, Meter, Fuse, Wiring Cable, Compressor, and Similar Products</li> <li>18. Manufacturing of Goods used in Medical, Surgical, Orthopedic Works</li> <li>19. Manufacturing of Electrical Wire</li> </ol>
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### 3.4 Industries or Businesses Restricted for Foreign Investment

1. Industries, except the large Industries exporting at least seventy five percent of their own products, in the sectors of animal husbandry, fisheries, bee-keeping, fruits, vegetables, oilseeds, pulses, dairy business and other industries or business related to primary products of agriculture.
2. Cottage and micro 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. **Travel agency**, guide involved in tourism, trekking and mountaineering guide, rural tourism including home stay,
7. Business of mass communication **media** (newspaper, radio, television and online news) and motion picture of national language,
8. Management, account, engineering, legal consultancy service and language **training**, music training, computer training, and
9. **Consultancy services** having foreign investment of **more than fifty-one percent**.
10. **Ride Sharing** having foreign investment of **more than Seventy percent\***.

**Note:** \*Amended Through the Act related to Investment Facilitation (Nepal Gazette 2081/03/24)

### Micro-industry

- with the fixed capital not exceeding two million rupees, excluding house and land;
- the entrepreneur himself or herself is involved in the operation and management of the industry;
- with a maximum of nine workers including the entrepreneur;
- with annual transaction of less than ten million rupees;
- with the capacity of electric energy, fuel or other oil engine to be consumed by the engine, equipment or machine, if any, used being twenty KW or less.

### Cottage industry

- based on traditional skills and technology;
- labour-oriented and based on specific skills or local raw materials and local technology, arts and culture;
- with the capacity of electric energy to be consumed by the engine, equipment or machine, if any, used being up to fifty KW;
- any industry mentioned in Schedule-2.

## 4 Legal Framework

The Government of Nepal initiated economic liberalization three decades ago and remains strongly dedicated to fostering an investment-friendly environment while continually streamlining the legal framework. Here are some key acts and regulations pertaining to Foreign Direct Investment (FDI):

### 4.1 Acts

- a. The Foreign Investment and Technology Transfer Act, 2019
- b. The Industrial Enterprises Act, 2076 (2020)
- c. Industrial Enterprises Development Institute Act, 2053 (1996)
- d. The Companies Act, 2063 (2006)
- e. Special Economic Zone Act, 2073
- f. Public Private Partnership and Investment Act, 2019
- g. The Environment Protection Act, 2019 (2076)
- h. Private Firm Registration Act, 2014 (1958)
- i. Bonus Act, 2030 (1974)
- j. Partnership Act, 2020 (1964)
- k. The Patent, Design and Trade Mark Act, 2022 (1965)
- l. Nepal Standards (Certification Mark) Act, 2037 (1980)
- m. Nepal Petroleum Act, 2040 (1983)
- n. Mines & Minerals Act, 2042 (1985)
- o. Standard Measurement and Weight Act, 2025 (1968)
- p. Accreditation Act, 2079



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## 4.2 Regulations

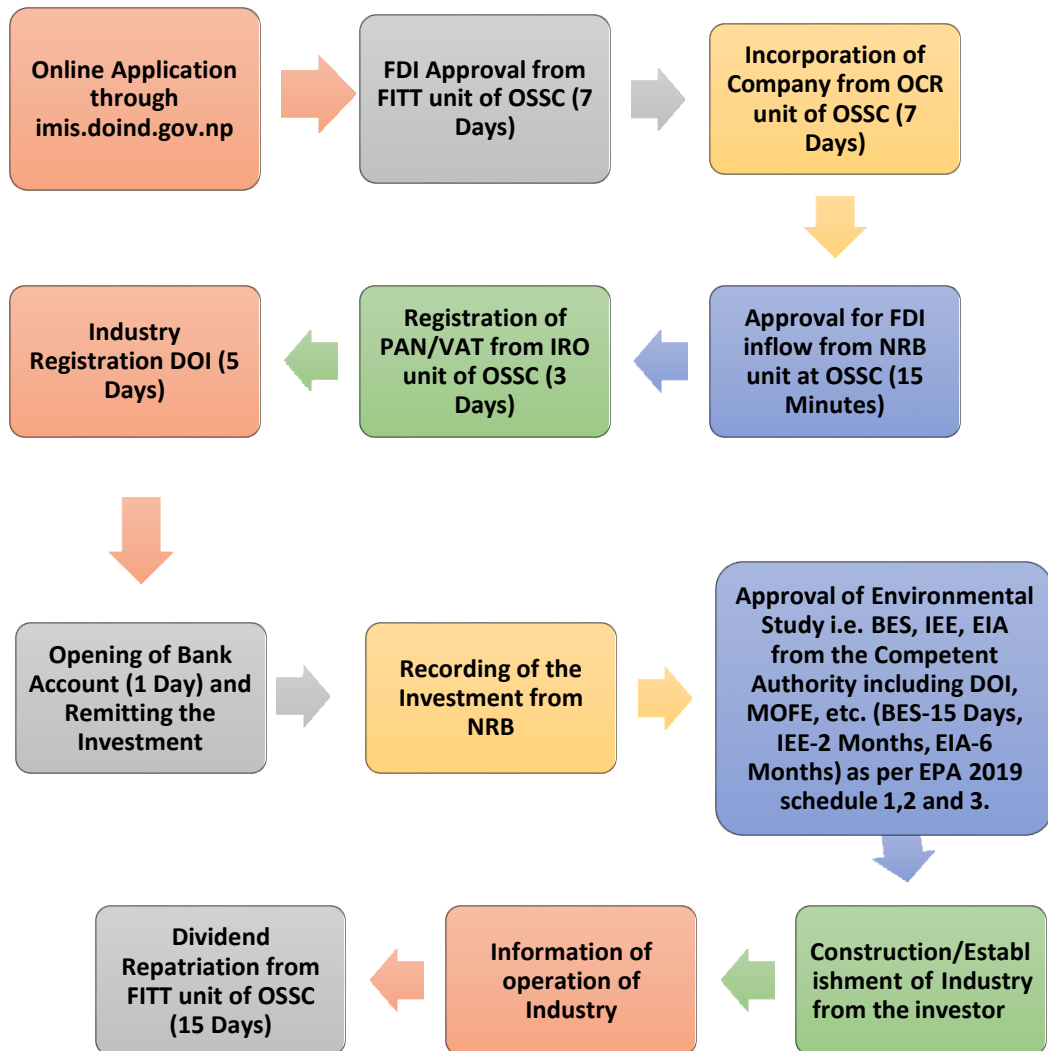
- a. Foreign Investment and Technology Transfer Rule 2021 (2077)
- b. Industrial Enterprises Rule 2022 (2078)
- c. Special Economic Zone. Regulations, 2074
- d. Environmental Protection Rule, 2020
- e. Private Firms Registration Rules, 2034
- f. Bonus Rules, 2039
- g. Nepal Standards (Certification-Mark) Rules, 2040
- h. Minerals Survey (Allowance and Privilege) Rules, 2024(1967)
- i. Standard Measurement and Weight Act, 2025 (1968)
- j. Petroleum Rules, 2041 (1985)
- k. Mines And Minerals Rules, 2056 (1999)
- l. Industrial Reformation Fund (Operation Procedure) Rules, 2064 (2007)
- m. Standard Measurements and Weights (Sealed Package Rules), 2076



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### 4.3 Procedures

### 4.4 FDI Registration/Business Process



## 5 Organizational Arrangements

### 5.1 Ministry of Industry, Commerce and Supplies

The primary responsibilities of the ministry include establishing a favorable environment for industrial growth and encouraging investment involving in regulating and facilitating domestic, bilateral, and regional trade, as well as safeguarding and developing industrial infrastructure and intellectual property rights, among other tasks. The ministry actively participates in policy and program development related to industry, commerce, and supplies, collaborating closely with various government ministries, private sectors, and international donor organizations.

According to the Government of Nepal, the workforce of the Ministry has been listed as follows in accordance with the workforce rules 2074:

- Industrial Policy, Law, Criteria, and Regulation;
- Industrial corridor, industrial park or village, and export processing center;
- Policy, Law, Criteria, Planning Implementation and Regulation regarding Foreign Investment and Technology Transfer Industry, Industrial Business, and Company;
- An agreement, partnership, and agency related policy, law, criteria, and regulation;
- Patents, Design, Trademark, Geographical Indications, Contact and coordinate with the International Union Organization, Policy, Law, Criteria Implementation and Promotion of industrial intellectual property;
- Conversation and coordination with the international body related to the quality and policy of policy, law, criteria, implementation, and regulation;
- Geographic studies and research and maps;
- Bilateral, regional, sub-regional and multilateral talks, agreement, implementation and regulation of bilateral and international trade and bilateral relations;
- Contact, coordinate, negotiate, compromise, monitor and monitor the organization with regional and sub-regional trade and independent business sector, including SETTA, BIMSTEC;
- Dry Ports, International Container Rate Station, Clearing / Undertaking Service, Cargo Warehouse Policy and Operations;
- Consumer Rights, Law, Criteria and Regulation of Consumer Rights and Promotion;
- Public Institute, Authority, Committee, Establishment, Company Operation and Regulation of Ministry related to Ministry;

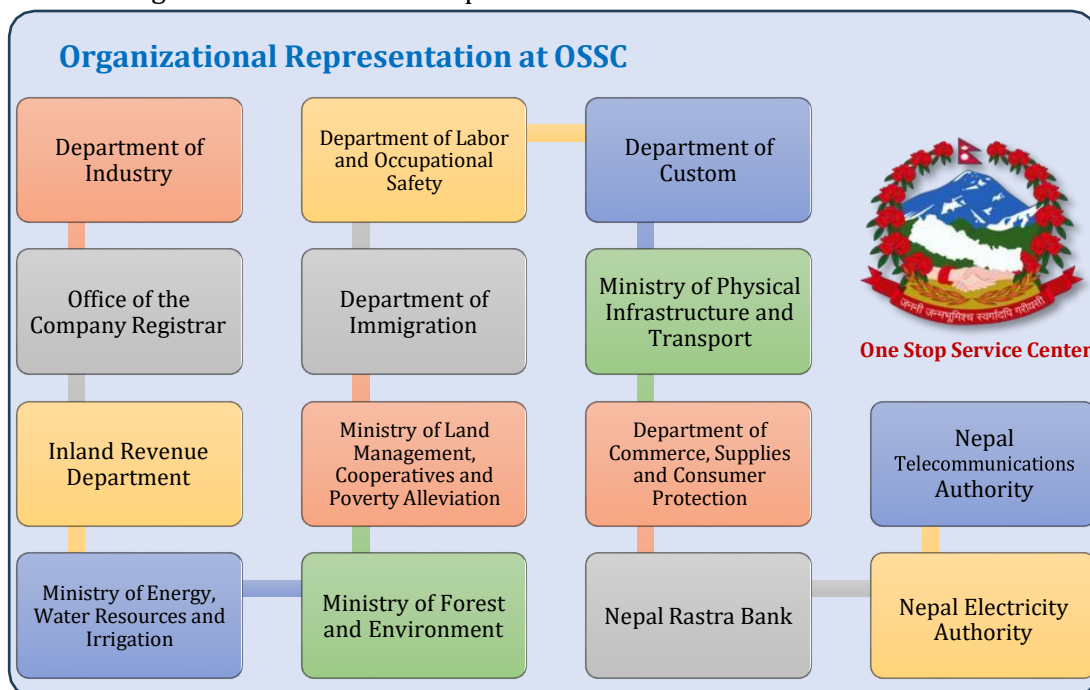
- Operating related services, groups and sub-group operations with the subject of ministry.

## 5.2 Investment Board Nepal

The Investment Board Nepal (IBN) is a prominent governmental institution, presided over by the Prime Minister, established in accordance with the Investment Board Act of 2011. IBN serves as a pivotal, expedited government agency dedicated to fostering economic growth in Nepal by cultivating an inviting atmosphere for both domestic and foreign investments. Its primary role includes approval of FDI projects exceeding NRs. 6 billion and managing the endorsement and execution of energy projects with a capacity of 200 megawatts or more.

## 5.3 The One Stop Service Centre (OSSC)

One Stop Service Center (OSSC) was established in the premises of Department of Industry on 15th May 2019, publishing a directive in the Nepal Gazette on 29th April 2019 to facilitate the foreign & domestic investors. The OSSC provides the services related to the approval of foreign investment, recommendation of Visa to the foreign investors, their authorized representatives and foreign experts, Initial Environmental Examination (IEE), Environment Impact Assessment (EIA), foreign currency exchange facilities and other related services. The center includes the representation of 14 different organizations and 9 facilitation units under a single roof which are enlisted below along with their roles and responsibilities.



## Facilitation Units at OSSC

### 5.3.1 Department of Industry

Department of Industry is one of the major agencies which is responsible for implementation of policy, act, rules and regulations related to the industrial development, through which Government of Nepal plans to strengthen Nepalese economy. The department, as per the revised Industry Enterprise Act (IEA), 2020, administers and facilitates the Middle and Large scale industries which have fixed assets of more than 100 million Nepalese rupees. Furthermore, its scope of function also includes foreign investment and technology transfer in the industry as well as protection of industrial property.

#### **The major functions of the Department of Industry are as follows:**

- Promote local and foreign investment for industrial development;
- Support in formulation of acts and laws related to industrial as well as foreign investment;
- Approve industry registration and provide a license to the industry which requires permission;
- Register medium and large scale industry which has fixed assets of more than 100 million Nepalese rupees;
- Provide permission for foreign investment, technological transfer and foreign loan; register foreign investment based industries
- Recommend for visa to foreign investors;
- Recommend for facilities and concessions accorded to industries;
- Perform administrative works related to industrial property;
- Approve Initial Environment Examination (IEE) report of the industry;
- Prepare raw material consumption norms for the industry;
- Monitor, as and when required, environmental compliance of the industry;
- Recommend Certificate of Origin for the products for preferential entry into India as per Nepal-India Trade Treaty;
- Act as the secretariat to Industry and Investment Promotion Board and One Stop Service for administration of various facilities as provided by IEA.

### 5.3.2 Visa Facilitation Unit (Department of Immigration)

Visa facilitation unit in the premises of department acts as the representative of the Department of Immigration and facilitates visa related services to the investors, their representatives and their



dependents. Some of the major visa services provided by this unit are enlisted below:

- Issuance and renewal of business visa for the investors, business representatives and their dependents with the recommendation of the foreign investment and technology transfer unit.
- Issuance and renewal of Non-Tourist (working) visa to the foreigners working in the industry/company with FDI or domestic investment in Nepal. Recommendation letter from the foreign investment and technology transfer unit along with the labor permit from labor department and work permit from ministry of Home Affairs are mandatory for such visa.
- Transfer of aforementioned visa to new passport.
- Conversion of visa to business or Non-tourist (working) visa.
- Coordinate with Department of Immigration for all kinds of visa related issues of the investors, business representatives and their relatives.

### **5.3.3 Custom & Revenue Unit**

Currently the custom and revenue facilitation unit renders the following service on behalf of the revenue department:

- Issue excise license as per the Excise Duty Act, 2002.
- Issue permanent account number (PAN) certificate as per Income Tax Act, 2002.
- Issue value added tax registration certificate as per the Value Added Tax Act, 1996.
- Enroll biometric details of the taxpayer for the aforementioned services.
- Provide the necessary information about custom and revenue related queries of the investors.

### **5.3.4 Foreign Exchange Facilitation Unit (Nepal Rastra Bank)**

Mostly the major roles and responsibilities of the Foreign Exchange Facilitation Unit at One Stop Service Center are as follows:

- Provide approval to remit foreign currency into Nepal as foreign investment
- Receive and verify pre-notification requests to remit foreign currency into Nepal for foreign investment (for reduction in share ownership of Nepalese share holders)
- Recording of FDI
- Provide approval to remit foreign currency into Nepal as foreign loan
- Recording of foreign loan

- Provide foreign currency exchange facility approval to repatriate various earnings of Nepali industries with foreign investment (including repatriation of technology transfer royalty)
- Provide foreign currency exchange facility approval to repatriate principal and interest repayment concerning foreign loans (can be processed directly by commercial banks if NRB has already approved repayment schedule)
- Provide information and guidance regarding FDI and foreign loan to industries and current or potential foreign investors

**Authority delegated to Foreign Exchange Facilitation Unit:**

S.N.	Particulars	Remarks (In USD)
1	Recording of FDI	up to 2 million
2	Approval of foreign currency exchange facility to repatriate earnings from FDI (If the FDI approving agency has provided approval for repatriation)	up to 500,000
3	Recording of foreign loans	up to 2 million
4	Approval of foreign currency exchange facility for repayment of approved foreign loan (normally directly available from BFIs, if repayment schedule has already been approved by NRB )	up to 500,000

**5.3.5 Visa Facilitation Unit**

Visa facilitation unit in the premises of DOI acts as the representative of the Department of Immigration and facilitates visa related services to the investors & foreign workers, their representatives and dependents. Some of the major visa services provided by this unit are enlisted below:

- Issuance and renewal of business visa for the investors, business representatives and their dependents,
- Issuance and renewal of non-tourist (working) visa to the foreigners working in the industry/company with FDI or domestic investment in Nepal.
- Transfer of aforementioned visa to new passport.
- Visa conversion to business or non-tourist (working) visa.
- Coordinate with Department of Immigration for all kinds of visa related issues.

**5.3.6 Custom and Revenue Facilitation Unit**

Currently the custom and revenue facilitation unit renders the following service on behalf of the revenue department:

- Issue excise license as per the Excise Duty Act, 2002.

- Issue permanent account number (PAN) certificate as per Income Tax Act, 2002.
- Issue value added tax registration certificate as per the Value Added Tax Act, 1996.
- Enroll biometric details of the taxpayer for the aforementioned services.
- Provide the necessary information about custom and revenue related queries of the investors.

**5.3.7 Land Facilitation Unit**

**5.3.8 Infrastructure Unit**

**5.3.9 Administration and Legal Unit**

## 6 Foreign Investment Related Facts and Figures

### 6.1 Annual Progress Report of Department of Industry: FY 2079/80

	F/Y2079/80	Starting to 2079/80
FDI Approval	327	5860
SPA/SSA (No. of Registered )	74	-
TTA (No. of Registered)	64	-
FDI Amount (Commitment Amount)	30719451305.00	4,499,889,313,05.00
SPA/SSA Amount (Commitment Amount)	16,249,361,542.00	-
Employment (Persons)	16965	302427
<b>Scale Wise Industry</b>		
Small	298	
Medium	24	
Large	5	
<b>Total</b>	<b>327</b>	
<b>Category Wise Industry</b>		
Manufacturing	29	
Energy	1	
Agro and Forestry Based	1	
Tourism	134	
Mineral	1	
Service	135	
Infrastructure	10	
ICT	16	
<b>Total</b>	<b>327</b>	
<b>Visa Recommendations</b>		
Business Visa		
Investor	1809	
Representatives	285	
Dependent	770	
NT Visa (Working)		
Advertisement	59	
TTA (Technology Transfer Agreement)	15	
<b>Repatriation Amount</b>		<b>F/Y 2079/80</b>
Royalty		
NRS.		2333182113.88
USD.		2167935.30
INR.		357122499.90
EURO		49,000.04
Dividend		
NRS.		13,844,822,215.10

## 6.2 Annual Progress Report of Department of Industry: FY 2080/81

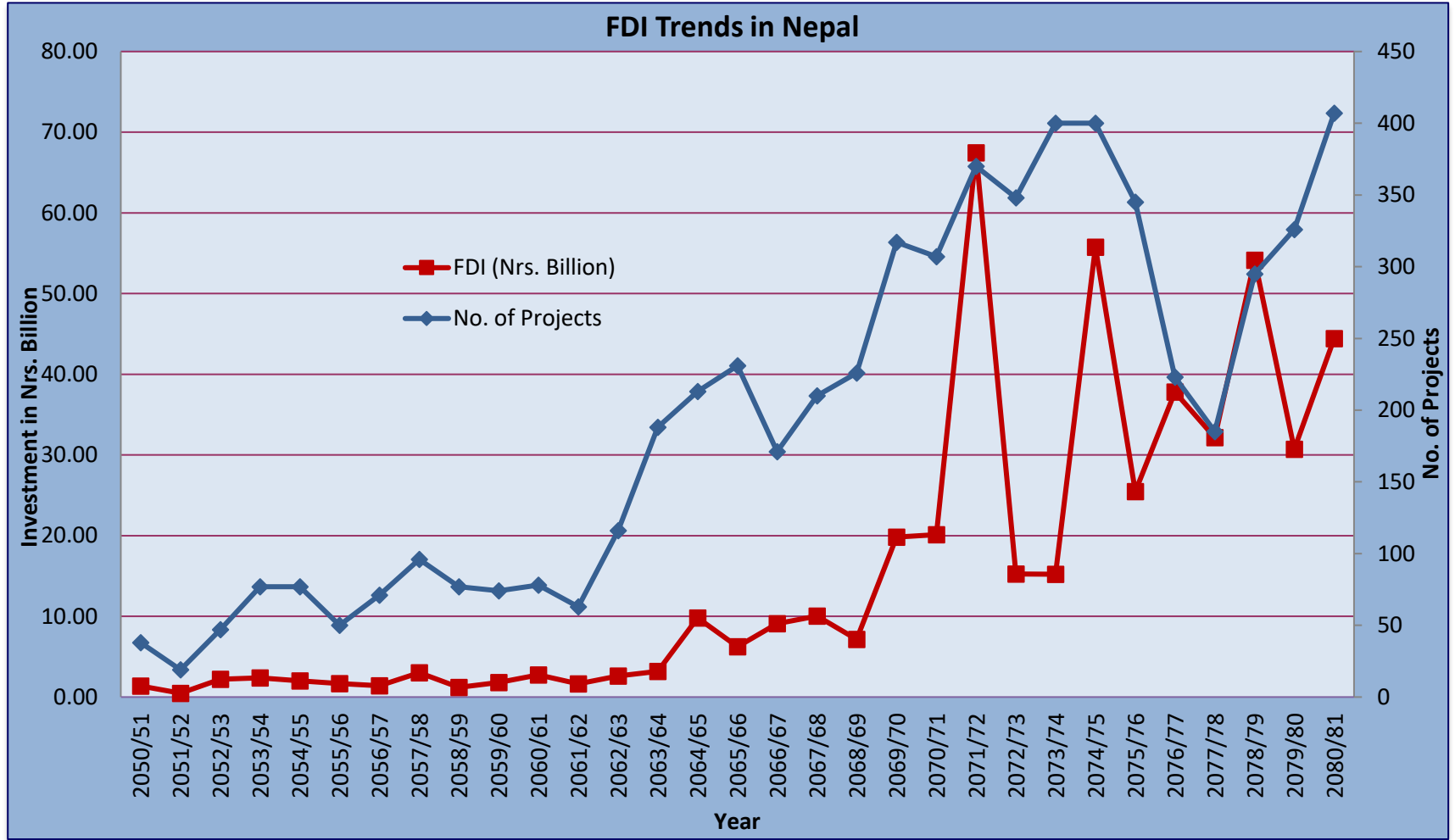
	2080/81	Starting to Till 2080/81
FDI Approve Through Automatic Route	139	139
FDI Approval	407	6267
SPA/SSA (No. of Registered )	62	-
TTA (No. of Registered)	56	-
FDI Through Automatic Route (Commitment)	8,116,230,000.00	8,116,230,000.00
FDI Through Approval Route (Commitment)	61,904,546,000.00	511,893,477,305.00
SPA/SSA Amount (Commitment Amount)	15,748,838,769.65	-
Employment (Persons)	19839	322266
<b>Scale Wise Industry</b>	<b>2080/81</b>	<b>Starting to Till 2080/81</b>
Small	386	1006
Medium	15	462
Large	6	4,619
<b>Total</b>	<b>407</b>	<b>6267</b>
<b>Category Wise Industry</b>	<b>2080/81</b>	<b>Starting to Till 2081 Jestha</b>
Manufacturing	46	1339
Energy	3	95
Agro and Forestry Based	8	304
Tourism	197	2147
Mineral	3	76
Service	133	2089
Infrastructure	6	70
ICT	11	147
<b>Total</b>	<b>407</b>	<b>6267</b>
<b>Visa Recommendations</b>	<b>F/Y 2080/81</b>	
Business Visa		
Investor	2301	
Representatives	425	
Dependent	1044	
<b>NT Visa (Working)</b>		
Advertisement	162	
TTA (Technology Transfer Agreement)	24	

<b>Repatriation Amount</b>		<b>F/Y 2080/81</b>	
<b>Royalty</b>			
	NRS.	2,790,516,904.90	
	USD.	11037365.33	
	INR.	762,796,375.25	
	EURO	23,800.00	
<b>Dividend</b>			
	NRS.	10,078,290,268.98	
<b>Service Amount</b>			
	NRS.	3,033,078.04	
	USD.	419,603.60	
	INR.	65,884,544.34	
	EURO	101,202.50	
	GBP	17,000.00	
	JPY	1,000,001.20	
<b>Through Automatic Route (Implementation from 2081/01/16)</b>			
<b>Scale Wise Industry</b>		<b>No. of Projects</b>	<b>Commitment</b>
	Small	139	8,116,230,000.00
	Medium	0	0
	Large	0	0
	<b>Total</b>	<b>139</b>	<b>8,116,230,000</b>
<b>Category Wise Industry</b>		<b>No. of Projects</b>	<b>Commitment</b>
	Manufacturing	5	280,000,000.00
	Energy	0	0
	Agro and Forestry Based	1	20,000,000.00
	Tourism	69	4,423,200,000.00
	Service	35	2,960,000,000.00
	Infrastructure	1	20,000,000.00
	ICT	28	413,030,000.00
	<b>Total</b>	<b>139</b>	<b>8,116,230,000.00</b>

### 6.3 Trends of Foreign Investment in Nepal

S.N.	Fiscal Year	No. of Projects	Total Project Cost	FDI	Employment Generated
			(Nrs. Million)	(Nrs. Million)	
1	2050/51	38	3,733.23	1,378.76	4,734
2	2051/52	19	1,627.28	477.59	2,386
3	2052/53	47	10,047.47	2,219.86	8,032
4	2053/54	77	8,559.25	2,395.54	9,347
5	2054/55	77	5,572.60	2,000.28	4,336
6	2055/56	50	5,324.42	1,666.42	2,146
7	2056/57	71	2,669.09	1,417.61	4,703
8	2057/58	96	7,917.62	3,002.56	6,880
9	2058/59	77	3,318.53	1,209.65	3,731
10	2059/60	74	4,921.82	1,793.77	3,572
11	2060/61	78	4,323.74	2,764.80	2,154
12	2061/62	63	1,796.10	1,635.77	5,559
13	2062/63	116	4,121.08	2,606.31	7,358
14	2063/64	188	3,425.57	3,185.98	7,389
15	2064/65	213	20,406.38	9,812.60	10,709
16	2065/66	231	9,417.89	6,255.09	11,108
17	2066/67	171	13,953.78	9,100.00	7,848
18	2067/68	210	11,252.69	10,053.21	10,902
19	2068/69	226	11,909.82	7,138.31	9,035
20	2069/70	317	51,990.78	19,818.73	16,569
21	2070/71	307	40,737.27	20,132.42	11,790
22	2071/72	370	81,370.60	67,455.04	13,167
23	2072/73	348	20,543.89	15,254.33	11,663
24	2073/74	400	17,123.51	15,206.46	11,842
25	2074/75	400	61,349.11	55,760.48	13,940
26	2075/76	345	31,868.05	25,484.44	14,594
27	2076/77	223	50,749.34	37,805.83	10,839
28	2077/78	184	49,291.58	32,072.82	5,943
29	2078/79	295	58,502.70	54,158.94	16,960
30	2079/80	327	38,153.07	30,719.45	17,018
31	2080/81	407	125,143.76	61,904.55	22,094

Graphical Illustration of FDI Trends in Nepal

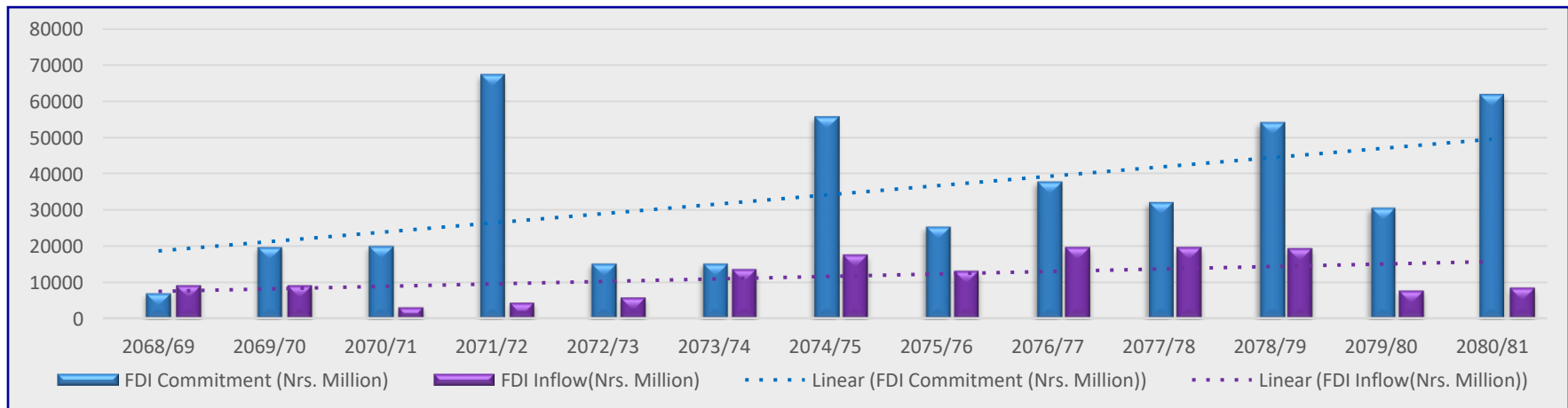




### 6.4 Foreign Investment Commitment vs. Inflow

FISCAL YEAR	2068/69	2069/70	2070/71	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81
<b>FDI Commitment (Nrs. Million)</b>	7,138.31	19,818.73	20,132.42	67,455.04	15,254.33	15,206.46	55,760.48	25,484.44	37,805.83	32,172.82	54,158.94	30,719.45	61,904.55
<b>FDI Inflow(Nrs. Million)</b>	9,195.40	9,081.90	3,194.60	4,382.60	5,920.90	13,503.90	17,504.60	13,065.20	19,478.70	19,512.72	19,219.0	7,768.60	8474.70

### Info Graphics of Foreign Investment Commitment vs. Inflow:



## 6.5 Scale wise & Sector wise FDI Commitment in Last 10 Years: (Commitment figure are in million NRs.)

### A. FDI Commitment (in million NPR)

S.N.	Description/Fiscal Year	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81	Total Till Now*
<b>Scale Wise</b>												
1	<b>Small</b>	4,964.27	9,378.82	7,804.56	7,348.42	5,749.03	16,562.34	23,354.00	23,999.84	17,883.23	36,804.58	176,699.44
2	<b>Medium</b>	4,066.66	1,395.32	1,174.91	1,064.47	11,291.65	13,437.27	1,039.86	23,059.10	4,985.76	4,633.01	85,427.35
3	<b>Large</b>	58,424.11	4,480.20	6,227.00	47,347.59	8,438.75	7,806.23	7,678.96	7,100.01	7,850.46	20,466.95	249,766.68
<b>Total</b>		<b>67,455.04</b>	<b>15,254.34</b>	<b>15,206.47</b>	<b>55,760.48</b>	<b>25,479.43</b>	<b>37,805.84</b>	<b>32,072.82</b>	<b>54,158.95</b>	<b>30,719.45</b>	<b>61,904.54</b>	<b>511,893.47</b>
<b>Sector wise</b>												
1	<b>AGRO AND FORESTRY BASED</b>	735.88	297.30	256.46	1,936.00	403.29	447.40	529.00	600.00	40.00	375.00	8,603.23
2	<b>ENERGY BASED</b>	54,287.11	1,836.24	-	36,241.50	-	4,978.78	1,546.12	56.20	330.46	13,141.73	143,876.27
3	<b>ICT</b>	-	-	88.74	537.80	649.48	7,081.23	3,005.13	520.00	712.00	425.68	13,125.06
4	<b>Infrastructure</b>	100.00	10.00	10.20	-	-	-	-	1,724.00	595.50	3,440.00	8,742.51
5	<b>Manufacturing</b>	2,161.83	3,172.95	3,825.79	6,845.97	6,769.64	3,265.43	2,689.06	7,914.40	2,490.48	4,153.69	75,871.73
6	<b>Mineral</b>	190.00	-	38.50	3,800.00	13.16	-	-	-	267.00	145.94	8,393.95
7	<b>Service</b>	5,617.24	7,989.51	4,998.29	2,240.84	7,105.78	11,104.04	5,985.00	23,842.80	15,586.93	27,943.71	139,597.47
8	<b>Tourism</b>	4,362.97	1,948.33	5,988.49	4,158.38	10,538.09	10,928.94	18,318.51	19,501.55	10,697.08	12,278.80	113,683.26
<b>Total</b>		<b>67,455.03</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>61,904.55</b>	<b>511,893.48</b>

## B. FDI Projects (in Numbers)

S.N.	Description/Fiscal Year	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81	Total Till Now*
<b>Scale Wise</b>												
1	<b>Small</b>	319	321	375	378	273	149	172	217	298	386	<b>5292</b>
2	<b>Medium</b>	37	18	16	7	58	65	6	73	24	15	<b>642</b>
3	<b>Large</b>	14	9	9	15	13	9	6	5	5	6	<b>333</b>
<b>Total</b>		<b>370</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>407</b>	<b>6267</b>
<b>Sector wise</b>												
1	<b>AGRO AND FORESTRY BASED</b>	39	22	21	20	17	4	3	4	1	8	<b>304</b>
2	<b>ENERGY BASED</b>	5	4	-	5	-	5	4	1	1	3	<b>95</b>
3	<b>ICT</b>	-	-	8	26	24	37	16	7	16	11	<b>147</b>
4	<b>Infrastructure</b>	1	1	1	-	-	-	-	8	10	6	<b>70</b>
5	<b>Manufacturing</b>	61	50	57	67	62	25	19	51	29	46	<b>1339</b>
6	<b>Mineral</b>	6	-	2	3	2	-	-	-	1	3	<b>76</b>
7	<b>Service</b>	125	145	158	120	108	70	41	98	135	133	<b>2089</b>
8	<b>Tourism</b>	133	126	153	159	131	82	101	126	134	197	<b>2147</b>
<b>Total</b>		<b>370</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>407</b>	<b>6267</b>

## 6.6 Country wise Foreign Investment 2080/81

S.N.	Country Name	JVA Project in 2080/81	No. Of Solo Project in 2080/81	Overall No Of Solo Project till 2080/81	Foreign Investment in 2080/81	Overall Foreign Investment till 2080/81	% share
1	Afghanistan	0	0	3	-	55,000,000.00	0.01%
2	American Samoa	0	0	0	-	20,000,000.00	0.00%
3	Argentina	2	0	2	40,000,000.00	58,010,000.00	0.01%
4	Armenia	1	0	0	20,000,000.00	20,000,000.00	0.00%
5	Australia	1	2	81	3,040,000,000.00	4,484,590,000.00	0.88%
6	Austria	0	1	23	20,000,000.00	209,470,000.00	0.04%
7	Azerbaijan	0	0	5	-	46,000,000.00	0.01%
8	Bahrain	0	0	2	-	85,660,000.00	0.02%
9	Bangladesh	1	6	88	180,000,000.00	1,737,930,000.00	0.34%
10	Belarus	0	0	1	-	5,000,000.00	0.00%
11	Belgium	2	0	27	40,000,000.00	346,240,000.00	0.07%
12	Bermuda	0	0	6	-	118,270,000.00	0.02%
13	Bhutan	0	0	4	-	8,610,000.00	0.00%
14	Brazil	0	0	9	-	561,030,000.00	0.11%
15	Cambodia	0	0	2	-	35,000,000.00	0.01%
16	Canada	6	1	53	160,000,000.00	3,952,690,000.00	0.77%
17	Cayman Islands	0	1	1	13,101,720,000.00	13,101,720,000.00	2.56%
18	Chad	0	0	1	-	2,500,000.00	0.00%
19	Chile	0	0	1	-	30,000,000.00	0.01%
20	China	29	275	2490	23,916,764,000.00	226,913,174,000.00	44.33%
21	Colombia	1	0	3	20,000,000.00	43,700,000.00	0.01%
22	Congo	0	0	1	-	2,500,000.00	0.00%
23	Cook Islands	0	0	1	-	666,660,000.00	0.13%
24	Croatia	0	0	2	-	7,500,000.00	0.00%
25	Cyprus	0	1	6	50,000,000.00	912,500,000.00	0.18%
26	Czech Republic	0	0	3	-	13,890,000.00	0.00%

S.N.	Country Name	JVA Project in 2080/81	No. Of Solo Project in 2080/81	Overall No Of Solo Project till 2080/81	Foreign Investment in 2080/81	Overall Foreign Investment till 2080/81	% share
27	Denmark	1	0	37	20,000,000.00	452,130,000.00	0.09%
28	Ecuador	0	0	1	-	2,500,000.00	0.00%
29	Egypt	0	0	4	-	19,100,000.00	0.00%
30	Eritrea	0	0	1	-	2,500,000.00	0.00%
31	Finland	0	0	11	-	365,880,000.00	0.07%
32	France	3	0	109	150,600,000.00	1,252,550,000.00	0.24%
33	Georgia	1	0	1	20,000,000.00	72,500,000.00	0.01%
34	Germany	7	0	116	160,000,000.00	1,621,720,000.00	0.32%
35	Ghana	0	1	2	40,000,000.00	41,950,000.00	0.01%
36	Greece	1	0	1	20,000,000.00	25,000,000.00	0.00%
37	Guatemala	0	0	1	-	2,500,000.00	0.00%
38	Hong Kong	0	2	49	42,000,000.00	29,579,660,000.00	5.78%
39	Hungary	0	0	1	-	5,000,000.00	0.00%
40	Iceland	0	1	1	20,000,000.00	20,000,000.00	0.00%
41	India	11	22	852	3,054,655,000.00	106,789,104,600.00	20.86%
42	Indonesia	1	0	2	20,000,000.00	125,000,000.00	0.02%
43	Iran	1	1	14	40,000,000.00	148,200,000.00	0.03%
44	Ireland	1	0	9	20,000,000.00	390,970,000.00	0.08%
45	Israel	0	0	23	-	287,750,000.00	0.06%
46	Italy	1	0	44	20,000,000.00	1,007,360,000.00	0.20%
47	Japan	4	1	283	203,000,000.00	3,769,210,000.00	0.74%
48	Jordan	0	0	1	-	12,000,000.00	0.00%
49	Kazakhstan	1	0	4	20,000,000.00	40,400,000.00	0.01%
50	Korea, Democratic Peoples Republic of	0	0	8	-	182,550,000.00	0.04%
51	Kyrgyzstan	0	0	4	-	22,500,000.00	0.00%
52	Latvia	2	0	0	120,000,000.00	120,000,000.00	0.02%
53	Lebanon	0	0	4	-	37,000,000.00	0.01%

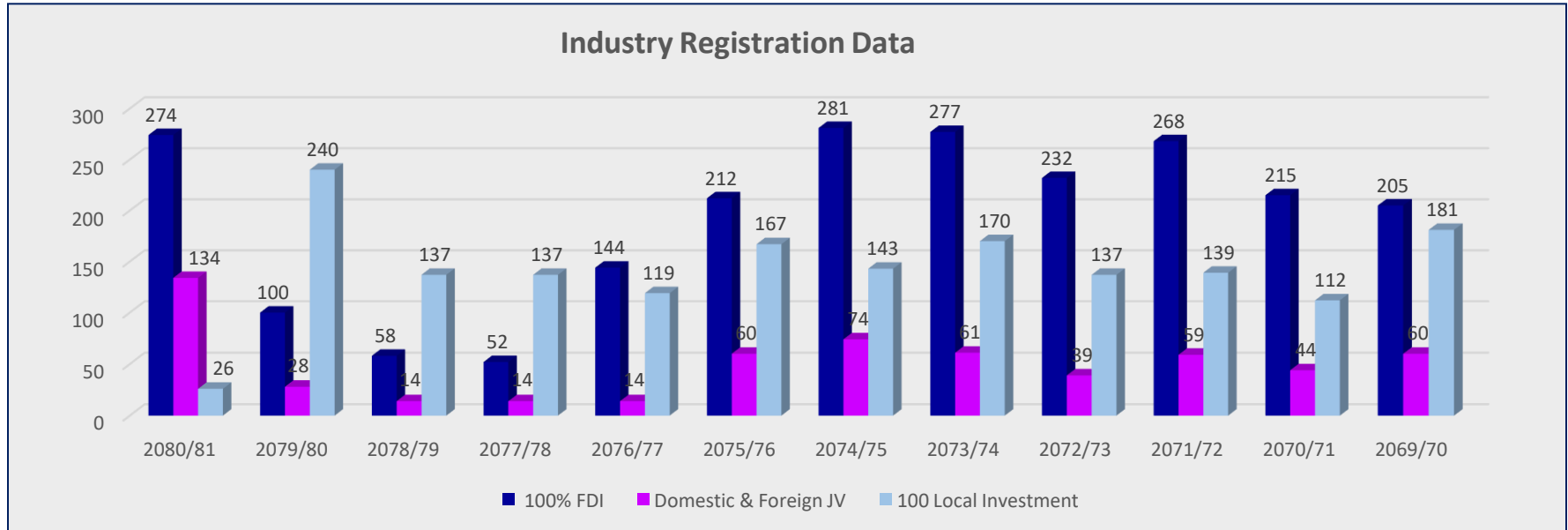
S.N.	Country Name	JVA Project in 2080/81	No. Of Solo Project in 2080/81	Overall No Of Solo Project till 2080/81	Foreign Investment in 2080/81	Overall Foreign Investment till 2080/81	% share
54	Libya	0	0	1	-	5,000,000.00	0.00%
55	Lithuania	0	0	1	-	5,000,000.00	0.00%
56	Malaysia	1	2	52	60,000,000.00	1,288,030,000.00	0.25%
57	Mauritius	1	1	12	70,000,000.00	3,504,700,000.00	0.68%
58	Mexico	0	0	10	-	321,130,000.00	0.06%
59	Mongolia	1	0	0	20,000,000.00	20,000,000.00	0.00%
60	Myanmar	0	0	4	-	1,200,000,000.00	0.23%
61	Netherlands	5	3	97	184,400,000.00	2,598,835,000.00	0.51%
62	Netherlands Antilles	0	0	5	-	186,000,000.00	0.04%
63	New Zealand	0	0	23	-	147,270,000.00	0.03%
64	Nigeria	0	0	1	-	13,150,000.00	0.00%
65	Norway	1	0	16	20,000,000.00	1,185,330,000.00	0.23%
66	Oman	1	0	0	20,000,000.00	20,000,000.00	0.00%
67	Pakistan	0	1	29	20,000,000.00	409,820,000.00	0.08%
68	Panama	0	0	1	-	24,980,000.00	0.00%
69	Paraguay	0	0	1	-	5,000,000.00	0.00%
70	Peru	1	0	0	20,000,000.00	20,000,000.00	0.00%
71	Philippines	0	0	18	-	148,280,000.00	0.03%
72	Poland	0	0	13	-	256,780,000.00	0.05%
73	Portugal	0	0	1	-	2,500,000.00	0.00%
74	Qatar	0	0	4	-	446,700,000.00	0.09%
75	Republic of Korea	5	16	386	12,961,000,000.00	26,021,700,000.00	5.08%
76	Romania	1	0	2	20,000,000.00	55,000,000.00	0.01%
77	Russian Federation	6	1	44	180,000,000.00	924,340,000.00	0.18%
78	Samoa	0	0	11	-	150,000,000.00	0.03%
79	Saudi Arabia	0	1	2	20,000,000.00	25,000,000.00	0.00%
80	Seychelles	0	0	1	-	684,000,000.00	0.13%
81	Sierra Leone	0	0	0	-	20,000,000.00	0.00%

S.N.	Country Name	JVA Project in 2080/81	No. Of Solo Project in 2080/81	Overall No Of Solo Project till 2080/81	Foreign Investment in 2080/81	Overall Foreign Investment till 2080/81	% share
82	Singapore	1	4	65	1,455,000,000.00	9,409,290,000.00	1.84%
83	Slovakia	1	0	2	20,000,000.00	45,000,000.00	0.01%
84	Slovenia	0	0	2	-	34,190,000.00	0.01%
85	South Africa	2	0	10	40,000,000.00	132,300,000.00	0.03%
86	Spain	2	0	31	520,000,000.00	7,572,250,000.00	1.48%
87	Sri Lanka	0	3	13	222,500,000.00	718,910,000.00	0.14%
88	Sudan	0	1	1	40,000,000.00	40,000,000.00	0.01%
89	Swaziland	0	0	3	-	26,000,000.00	0.01%
90	Sweden	0	0	20	-	150,700,000.00	0.03%
91	Switzerland	2	0	63	81,000,000.00	3,121,010,000.00	0.61%
92	Syria	0	0	10	-	66,000,000.00	0.01%
93	Taiwan	0	0	28	-	1,079,708,705.00	0.21%
94	Tajikistan	0	0	2	-	35,000,000.00	0.01%
95	Thailand	0	0	13	-	126,290,000.00	0.02%
96	Turkey	1	0	25	20,000,000.00	1,950,340,000.00	0.38%
97	Uganda	2	0	0	40,000,000.00	40,000,000.00	0.01%
98	Ukraine	2	1	15	60,000,000.00	272,700,000.00	0.05%
99	United Arab Emirates	0	2	26	50,000,000.00	3,860,570,000.00	0.75%
100	United Kingdom	0	0	206	-	14,375,430,000.00	2.81%
101	United Kingdom of Great Britain and Northern Ireland	9	4	6	1,490,009,000.00	1,560,009,000.00	0.30%
102	United States of America	20	19	476	1,750,398,000.00	18,031,928,000.00	3.52%
103	Uzbekistan	0	0	4	-	75,000,000.00	0.01%
104	Vanuatu	0	0	0	-	140,780,000.00	0.03%
105	Vietnam	2	2	6	300,000,000.00	389,600,000.00	0.08%
106	Virgin Islands, British	0	0	17	-	11,064,280,000.00	2.16%
107	Yemen	0	0	2	-	105,000,000.00	0.02%
Total		145	376	6179	6700	513,943,509,305	

### 6.7 Trend of Industries Establishment with FDI

FY	2080/81	2079/80	2078/79	2077/78	2076/77	2075/76	2074/75	2073/74	2072/73	2071/72	2070/71	2069/70
100% FDI	274	100	58	52	144	212	281	277	232	268	215	205
Domestic & Foreign JV	26	28	10	14	14	60	74	61	39	59	44	60
100 Local Investment	134	194	240	137	119	167	143	170	137	139	112	181
<b>Total</b>	<b>434</b>	<b>322</b>	<b>308</b>	<b>203</b>	<b>277</b>	<b>439</b>	<b>498</b>	<b>508</b>	<b>408</b>	<b>466</b>	<b>371</b>	<b>446</b>

### Graphical Representation of Trend in Industry Registration with FDI





## 6.8 Royalty Repatriation Report of the Fiscal Year: 2079/80

S.N.	Agreement Name	NRS	USD	INR	EURO
1	Amendment and Restated/Addendum to the Consultancy Agreement	291,182.08	190,099.22	903,125.00	
3	Architectural, Structure and MEP Services Agreement	-	34,000.00	4,697,100.00	-
4	Business Advisory Services Agreement	-	-	231,580,311.25	-
5	Consultancy Service Agreement	40,701,927.25	200,302.50	552,500.00	-
6	Consultancy Services for setting up a passenger cable car and material ropeway at Champadevi Cable Car Project, Kathmandu, Nepal agreement	-	-	765,000.00	-
7	Consultancy/Contract/Design/Development Service Agreement	637,500.00	21,250.00	3,995,564.35	49,000.04
8	Equipment Lease Agreement	-	89,378.10	29,067,867.12	-
9	Franchise and technical and marketing assistance agreement	88,766,222.40	34,510.00	-	-
10	Reviwe of Detailed Engineering of 2500 TPD Clinkerization Plant Agreement			552,500.00	
11	Hotel Member Agreement	-	33,710.00	1,275,000.00	-
12	Information, Communication & Technology Consultancy Services Agreement	-	-	306,000.00	-
13	Intellectual Property License Agreeemtn& Technical Service Agreement	33,186,475.00	-	32,905,953.00	-
14	Interior Design Service Agreement	19,835,867.96	195,480.72	552,500.00	-
15	landscape design consultancy services agreement			318,750.00	
16	License and Royalty Agreement	16,183,353.54	554,133.17	-	-
17	Lighting Design/local Service Agreement	-	17,000.00	3,616,270.56	-
18	Management and Technical/Collaboration/Consultancy Service Agreement	277,050,834.02	78,802.20	1,262,873.05	-
19	manufacturing products and technology transfer agreement	-	17,000.00	-	-
20	Net Suit software agreement	-	35,648.22	-	-
21	product and packaging development agreement	484,313,551.36	-	-	-
22	Restaurant Franchise Agreement	941,207.38	51,672.95	-	-
23	Revised Technical and Management Collaboration Agreement	-	404,539.67	-	-
24	Sales commission agreement	-	-	23,539,467.27	-
25	SAP Software Service Agreement	-	-	4,260,725.52	-
26	Services/ Software Service Agreement	-	-	12,361,841.70	-

S.N.	Agreement Name	NRS	USD	INR	EURO
27	Share Sale and Purchase Agreement	363,805,944.00	-	-	-
28	Special Service and Programs	-	99,980.74	-	-
29	Technical & Management/ Marketing/Assitance/Know-How/Licence Service Agreement	607,468,920.56	98,293.00	-	-
30	Technology Transfer & Architectural Design/and Electrical & Fire Alarm Consultancy Agreement	155,638,103.00	-	3,514,530.69	-
31	Trademark Licensing/Distribution/Marketing and Technical Service Agreement	244,361,025.33	12,134.81	244,620.39	-
32	Civil and Structural consultancy Services for 2500 TPD Clinkerization Plant Agreement			850,000.00	
	TOTAL	2333182113.88	2167935.30	357122499.90	49000.04

### 6.9 Royalty Repatriation Report of the Fiscal Year: 2080/81

S. N.	AGREEMENT NAME	NRs.	USD	INr.	EURO
1.	Advance along with Agreement	-	-	158,100.00	
2.	Agreement For Sharing of Technical Know How and formulations	-	-	850,000.00	-
3.	Architectural service, Interior and landscape, Structure & MEP Service Design Agreement	-	178,398.85	5,928,750.00	-
4.	Bizom Customer Agreements	1,253,733.50	-	-	-
5.	Brand License and Technology Transfer Agreement	10,172,951.85	-	-	-
6.	Business Advisory Services Agreement &Product & Packaging Advisory Agreement	-	-	478,419,329.10	-
7.	Civil And Struture Design For Setting Up 2500 TPD Clinkerzation Plan Agreement	-	-	425,000.00	-
8.	Compliankce Tracking Software Service Agreement	-	-	785,838.00	-
9.	Consolidated Machine Hiring Agreement	-	-	57,142,041.90	-
10.	Consultancy Service/Consultancy for Design of HVAC, Electrical & LV, Public Health Engineering & Fire Fighting Services of Hotel Moxxy Agreement	5,491,070.21	19,635.00	943,500.00	-
11.	Equipment Lease Agreement	-	84,724.78	-	-
12.	Extension to the Technical License Agreement	19,476,328.44	-	-	-
13.	Facilitation Service Contract	-	-	1,519,968.86	-

S. N.	AGREEMENT NAME	NRs.	USD	INr.	EURO
14.	Franchise/International Franchise/Restaurant Franchise Agreement	53,748,806.83	-	-	-
15.	Hotel Management Agreement	-	57,686.67	-	-
16.	Hotel Member Agreement	68,372,495.00	30,000.00	-	-
17.	Installation of HVAC & Clean Room Paneling	-	-	4,803,334.00	-
18.	Intellectual Property License Agreement	130,838,850.37	-	-	-
19.	Interior Design Consultancy /Service/Service & Project management Service Agreement	2,948,232.00	35,317.50	2,972,069.00	-
20.	International Services Agreement	-	523,129.32	-	-
21.	Kitchen Planning Consultancy Agreement	-	-	632,400.00	-
22.	License/License and Royalty/License and Technical assistance/Extension to the Technical License/License Manufacturing, Distribution and Sales of Gulf Lu. Pro. Agreement	36,219,169.59	492,141.44	-	23,800.00
23.	Local Service Agreement	3,670,527.00	-	3,552,605.33	-
24.	Management Service Agreement	326,456,229.00	282,242.76	12,288,787.81	-
25.	Maintenance Agreement	11,279,913.83	-	-	-
26.	Master Service Agreements	3,733,295.87	-	1,906,125.00	-
27.	NetSuite Software agreement	943,053.00	14,259.29	-	-
28.	Power Plant Operation & Maintenance	-	-	3,850,500.00	-
29.	Product & Packaging Development Agreement	646,540,741.28	-	-	-
30.	Revised Technical and management Collaboration Agreement	-	196,119.20	-	-
31.	Service Agreement	4,856,381.48	7,499.62	23,679,313.25	-
32.	Share Purchase Agreement	77,138,011.01	-	-	-
33.	Share Subscription Agreement	109349682.9	-	-	-
34.	Share Transfer Agreement	61,695,312.50	-	-	-
35.	Software (ERP) Agreement	-	8,640,125.90	-	-
36.	Technical Service Agreement	202,404,245.96	-	-	-
37.	Technical Service and Trademark Licence Agreement	96,420,380.00	-	-	-
38.	Technical and Management/Collaboration/Marketing Assistance Service agreement	342,076,699.86	350,000.00	-	-
39.	Technical Assistance Agreement	28,726,307.27	-	-	-

S. N.	AGREEMENT NAME	NRs.	USD	INr.	EURO
40.	Technical Know-How-Agreement	133,640,671.00	-	-	-
41.	Technical License Agreement	2,838,017.00	126,085.00	-	-
42.	Technology/Technology, Trademark License and Allied Service Agreement	220,584,100.81	-	161,663,713.00	-
43.	The Consultancy Service Agreement	-	-	1,275,000.00	-
44.	Trademark License/Distribution/ Technical Know Agreement	171,473,543.34	-	-	-
45.	Trademark Sub-License Agreement	18,168,154.00	-	-	-
<b>TOTAL</b>		2,790,516,904.90	11,037,365.33	762,796,375.25	23,800.00

### 6.10 Sector wise Royalty Repatriation of the Fiscal Year: 2078/79 to 2080/81 (Till Falgun2080)

#### F/Y 2080/81

S.N.	Technology Transfer	Nos.	NRs.	USD	INr.	AUD	Euro
1.	AGRO AND FORESTRY BASED	0	0	0	0	0	0
2.	ENERGY BASED	3	123,188,775.40	0	0	0	0
3.	ICT BASED	0	0	0	0	0	0
4.	INFRASTRUCTURE	0	0	0	0	0	0
5.	MANUFACTURING	115	2,478,245,065.66	9,610,174.36	756,258,875.25	0	23,800.00
6.	MINERAL	0	0	0	0	0	0
7.	SERVICE	1	61,105,501.00	0	0	0	0
8.	TOURISM	41	127,977,563.84	1,427,190.97	6,537,500.00	0	0
	<b>Total</b>	<b>160</b>	<b>2,790,516,905.9</b>	<b>11,037,365.33</b>	<b>762,796,375.25</b>		<b>23,800</b>

### F/Y 2079/80

S.N.	Technology Transfer	Nos.	NRs.	USD	INr.	AUD	Euro
1.	AGRO AND FORESTRY BASED	0	-	-	-	-	-
2.	ENERGY BASED	1	2,933,400.00	-	-	-	-
3.	ICT BASED	0	-	-	-	-	-
4.	INFRASTRUCTURE	4	-	-	1,504,475.69	-	-
5.	MANUFACTURING	96	1,910,520,169.13	932,971.80	345,289,109.86	-	49,000.04
6.	MINERAL	0	-	-	-	-	-
7.	SERVICE	8	355,872,544.00	15,725.00	2,542,350.00	-	-
8.	TOURISM	48	63,856,000.75	1,219,238.50	7,786,564.35	-	-
	<b>Total</b>	<b>157</b>	<b>2,333,182,113.88</b>	<b>2,167,935.30</b>	<b>357,122,499.90</b>	-	<b>49,000.04</b>

### F/Y 2078/79

S.N.	Technology Transfer	Nos.	NRs.	USD	INr.	AUD	Euro
1.	AGRO AND FORESTRY BASED	3	22,046,175.66	-	-	-	-
2.	ENERGY BASED	1	175,256,000.00	-	-	-	-
3.	ICT BASED	3	131,849,474.20	-	3,038,869.00	-	-
4.	INFRASTRUCTURE	0	-	-	-	-	-
5.	MANUFACTURING	74	2,298,883,105.84	2,031,011.64	529,592,040.10	-	-
6.	MINERAL	0	-	-	-	-	-
7.	SERVICE	16	1,986,085,540.00	48,450.00	40,465,296.06	1,742,584.71	-
8.	TOURISM	32	59,500,971.22	400,383.21	12,756,116.60	-	-
	<b>Total</b>	<b>129</b>	<b>4,673,621,266.92</b>	<b>2,479,844.85</b>	<b>585,852,321.76</b>	<b>1,742,584.71</b>	-

### 6.11 Sector wise Dividend Repatriation of the Fiscal Year 2078/79 To 2080/81

#### F/Y 2080/81

S.N.	Dividend	Nos.	NRs.
1.	AGRO AND FORESTRY BASED	1	25,000,000.00
2.	ENERGY BASED	8	367,612,665.00
3.	ICT BASED	1	9,310,000.00
4.	INFRASTRUCTURE	0	0
5.	MANUFACTURING	20	9,343,001,078.99
6.	MINERAL	0	0
7.	SERVICE	8	277,914,844.99
8.	TOURISM	5	55,451,680.00
	<b>Total</b>	<b>43</b>	<b>10,078,290,268.98</b>

#### F/Y 2079/80

S.N.	Dividend	Nos.	NRs.
1.	AGRO AND FORESTRY BASED	0	0
2.	ENERGY BASED	4	125,467,068.58
3.	ICT BASED	3	3,679,856,284.01
4.	INFRASTRUCTURE	1	19,892,430.00
5.	MANUFACTURING	17	8,803,023,831.53
6.	MINERAL	0	-
7.	SERVICE	10	1,135,239,800.98
8.	TOURISM	6	81,342,800.00
	<b>Total</b>	<b>41</b>	<b>13,844,822,215.10</b>

## F/Y 2078/79

S.N.	Dividend	Nos.	NRs.
1.	AGRO AND FORESTRY BASED	0	-
2.	ENERGY BASED	5	125,371,006.50
3.	ICT BASED	3	4,807,619,053.47
4.	INFRASTRUCTURE	1	19,892,430.00
5.	MANUFACTURING	21	8,630,039,082.25
6.	MINERAL	0	-
7.	SERVICE	6	82,974,775.10
8.	TOURISM	2	18,050,000.00
	<b>Total</b>	<b>38</b>	<b>13,683,946,347.32</b>

### 6.12 Business Visa Recommendation: (Till July 15, 2024)

S.N.	Country	2017	2018	2019	2020	2021	2022	2023	2024
1.	ARGENTINA	5	5	4	3	0	0	0	1
2.	AUSTRALIA	76	49	47	10	19	0	11	7
3.	AUSTRIA	0	5	3	4	4	4	7	2
4.	AZERBAIZAN	4	6	3	2	4	1	1	2
5.	BANGLADESH	47	46	37	14	21	31	21	18
6.	BELARUS	1	1	3	1	2	0	0	0
7.	BELGIUM	26	30	14	6	8	7	6	6
8.	BHUTAN	2	4	5	3	1	1	2	1
9.	BRAZIL	21	17	18	1	5	0	2	2
10.	BURUNDI	3	0	3	3	1	2	0	2
11.	CAMBODIA	0	6	1	1	0	0	2	0

S.N.	Country	2017	2018	2019	2020	2021	2022	2023	2024
12.	CANADA	53	36	23	11	20	22	24	20
13.	CHINA	1579	1829	2713	1374	1344	1805	1457	847
14.	COLOMBIA	9	0	4	0	5	0	1	1
15.	CROATIA	0	1	1	1	0	0	0	0
16.	CZECH REPUBLIC	0	7	3	2	1	1	0	0
17.	DENMARK	12	10	7	1	1	2	2	1
18.	EGYPT	0	2	2	0	0	0	0	0
19.	EL SALVADOR	3	3	0	0	0	0	0	0
20.	ERITREA	0	2	1	1	3	0	1	1
21.	FINLAND	1	3	7	0	0	0	2	0
22.	FRANCE	50	66	51	18	18	0	12	10
23.	GERMANY	45	53	73	22	19	0	19	15
24.	GHANA	1	0	2	0	0	0	2	1
25.	GREECE	4	0	0	0	0	0	0	1
26.	HONG KONG	2	0	4	0	0	6	0	2
27.	INDONESIA	1	4	7	0	0	2	3	0
28.	IRAN	2	0	2	4	0	0	3	2
29.	IRAQ	1	1	7	2	2	0	3	1
30.	IRELAND	8	9	11	9	7	0	4	3
31.	ISRAEL	9	9		3	6	0	1	2
32.	ITALY	7	14	6	2	9	1	2	3
33.	JAPAN	130	140	121	73	50	37	49	31
34.	JORDAN	2	0	3	0	1	2	2	0
35.	KIRIBATI	2	0	0	0	0	0	0	0
36.	KOREA, DPR	0	7	3		0	0	0	0
37.	KOREA, REPUBLIC OF KOREA	541	658	484	187	300	2	172	118



S.N.	Country	2017	2018	2019	2020	2021	2022	2023	2024
38.	KYRGYZ REPUBLIC	4	1	1	2	0	0	1	0
39.	LATVIA	6	4	1	0	0	0	0	6
40.	LUXEMBOURG	0	6	1	0	0	0	0	0
41.	MALAYASIA	50	52	44	18	24	0	19	9
42.	MEXICO	18	36	28	9	24	14	19	6
43.	MYANMAR	0	0	45	0	0	0	0	0
44.	NETHERLAND	37	23	19	18	14	11	9	11
45.	NEW ZEALAND		13	10	4	6	2	4	1
46.	NICARAGUA	3	1	0	0	0	0	0	0
47.	NORWAY	8	5	5	3	3	2	2	2
48.	PAKISTAN	4	2	11	5	0	0	2	1
49.	PALESTINE	2	0	0	0	0	0	0	0
50.	PARAGUAY	0	4	4	0	2	1	1	1
51.	PHILIPPINES	48	33	19	4	18	5	7	4
52.	POLAND	2	21	3	2	1	1	1	0
53.	PORTUGAL	1	2	1	3	1	2	1	0
54.	ROMANIA	2	0	0	0	0	0	1	0
55.	RUSSIA	31	26	15	4	10	4	9	11
56.	SINGAPORE	35	18	24	9	5	6	5	3
57.	SLOVAKIA	1	1	2	0	0	0	0	2
58.	SOUTH AFRICA	2	1	5	2	12	5	4	4
59.	SPAIN	24	11	7	5	3	8	13	5
60.	SRI LANKA	22	14	12	7	7	3	16	6
61.	SUDAN		8	5	0	10	0	0	2
62.	SWEDEN	29	19	15	12	9	0	6	4
63.	SWITZERLAND	34	20	11	8	2	5	9	4

S.N.	Country	2017	2018	2019	2020	2021	2022	2023	2024
64.	SYRIAN ARAB REPUBLIC	3	2	1	0	0	0	0	0
65.	TAIWAN	0	0	2	1	9	19	33	9
66.	TAJIKISTAN	23	13	5	1	0	0	1	1
67.	THAILAND	16	11	10	1	1	0	1	0
68.	TURKEY	64	31	22	7	4	3	9	2
69.	TURKMENISTAN	0		4	1	6	2	1	0
70.	UKRAINE	16	13	1	0	0	1	0	4
71.	UNITED KINGDOM	88	62	51	38	36	14	36	31
72.	UNITED STATES OF AMERICA	426	461	388	164	259	125	166	125
73.	UZBEKISTAN	4	0	0	0	0	0	0	0
74.	VIET NAM	12	6	5	0	1	0	4	3
75.	OTHERS	5	8	11	2	2	75	25	13
TOTAL		3667	3951	4461	2088	2320	2234	2216	1370

## 7 Foreign Direct Investment Process

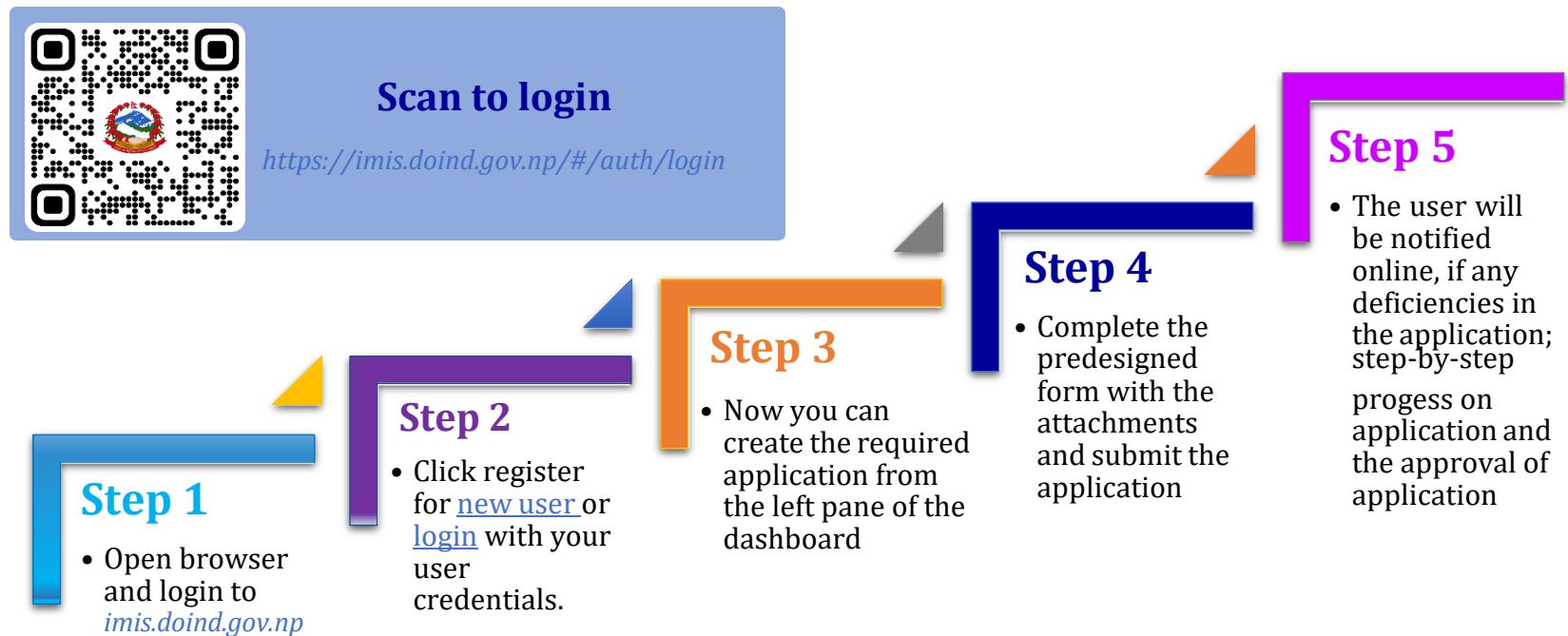
In Nepal, typically, the initiation of any industry begins with FDI approval. This is succeeded by the processes of company registration, local level registration, setting up a bank account, and obtaining VAT/PAN registration. Subsequently, investors are required to receive a notification letter from Nepal Rastra Bank for investment inflow. Finally, the industry must undergo registration at the Department of Industry, including any necessary licensing based on the proposed products and services. The diagram below visually represents the approval and licensing steps.



## 8 Approval Process and Checklist of FDI Related Services

### Approval Process of all Types of Applications

The application for FDI approval, SPA/SSA approval, Technology Transfer Agreement approval, visa recommendation, repatriation of royalty and dividend, industry registration and Licensing, and any other related applications must be completed through the *Industry Management Information System (IMIS)*. These applications will undergo verification and approval within the specified timeframes stipulated in the foreign investment and technology transfer act. The application process for all these applications is enlisted as follows:



### **Checklist of Required Documents New Foreign Direct Investment**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.
2. Color scanned copy of project proposal; *See appendix for project proposal template*
3. Color scanned copy of Joint Venture Agreement (in case of more than 1 investor); *See appendix for project proposal template.*
4. Letter of authorization from the investing company or individual (if intended to process through any representative)
5. Investor's Documents
  - a. For individual
    - i. Notarized copy of citizenship (Nepali)/Passport (Foreigner)
    - ii. Bio-data
    - iii. Notarized copy of Financial Credibility Certificate (FCC) of the foreign investor issued by the bank of home country
  - b. For Company
    - i. Notarized copy of Certificate of Incorporation including memorandum of association and article of association
    - ii. Board decision to invest in Nepal
    - iii. Shareholders details showing the ultimate beneficiaries
    - iv. Company profile

### **Checklist of Required Documents for Foreign Investment in Existing Industry through Share Purchase Agreement/ Share Subscription Agreement**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

### **Checklist of Required Documents for Foreign Investment through Technology Transfer Agreement**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

### **Checklist of Required Documents for Foreign Investment through Lease Agreement**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

### **Checklist of Required Documents for Repatriation of Royalty**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

### **Checklist of Required Documents for Repatriation of Dividend**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

### **Checklist of Required Documents for Business Visa Recommendation for Investors/Representatives and their Dependents**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

### **Checklist of Required Documents Non-Tourist Visa Recommendation for Foreign Workers and Their Dependents**

1. Online Application via Industry Management Information System (<https://imis.doind.gov.np>) see 8.1 above for process.

## 9 Service Charter of Foreign Investment & Technology Transfer Section

S.N.	Service Details	Required Documents	Duration (after complete applications)	Section	Responsible Authority	Remarks
<b>01.</b>	Foreign investment approval according to Foreign Investment & Technology Transfer Act 2019, article 15(2)					
<b>a.</b>	New FDI approval	As mentioned above	7 days	FITTS	DG/Director	
<b>b.</b>	FDI by SPA approval	“ ”	7 days	“ ”	DG/Director	
<b>c.</b>	FDI by TTA approval	“ ”	7 days	“ ”	DG/Director	
<b>d.</b>	FDI by lease agreement approval	“ ”	7 days	“ ”	DG/Director	
<b>02.</b>	Repatriation recommendation according to Foreign Investment & Technology Transfer Act 2019, article 20(2)					
<b>a.</b>	Amount after the sales of shares	“ ”	15 days	“ ”	DG	
<b>b.</b>	Profit and dividend	“ ”	15 days	“ ”	DG	
<b>c.</b>	Amount after liquidation	“ ”	15 days	“ ”	DG	
<b>d.</b>	Royalty as per TTA	“ ”	15 days	“ ”	DG	
<b>e.</b>	Lease rent as per lease agreement	“ ”	15 days	“ ”	DG	
<b>f.</b>	Legal compensation amount	“ ”	15 days	“ ”	DG	
<b>g.</b>	Repatriation amount as per other legal provision	“ ”	15 days	“ ”	DG	
<b>03.</b>	Visa recommendation according to Foreign Investment & Technology Transfer Act 2019, article 30(2)					
<b>a.</b>	Business visa recommendation	“ ”	2 days	“ ”	Director	
<b>b.</b>	Non-tourist (Working) visa recommendation	“ ”	2 days	“ ”	Director	
<b>04.</b>	Other					
<b>a.</b>	Inter section opinions and suggestions if required	“ ”		“ ”	Director	

## 10 Appendix

### Content of Project Proposal

#### **The project report should include:**

1. Executive Summary of the Project or Project Highlight
2. Project background
3. General introduction to the proposed project
4. Product/service description
5. Introduction of the promoters
6. Market Aspects
  - a. Introduction
  - b. Target Market
  - c. Current market status of the proposed products/services
  - d. Capacity determination of the proposed venture
7. Technical Aspects
  - a. Description of production process along with the 'Flow Chart' of the manufacturing process, if applicable.
  - b. Detailed list of machinery and equipment required to run the project in full capacity
  - c. Sourcing of machineries (whether in the form of equity or local purchase or import)
  - d. Description of project inputs (including name and annual quantity requirement when run in full capacity): raw materials, power, water, fuel
  - e. Brief description of environmental issues that may arise due to establishment of the proposed venture
  - f. Manpower requirement (when run in full capacity): category and number of direct and indirect labor.



## 8. Financial Aspects

- a. Details of Fixed Asset Investment, which comprises mainly the following aspects of investment
  - Land & land development Building & civil works Plant & machineries
  - Furniture, fixtures and office equipment
  - Vehicles
  - Pre-operating expenses
  - Other assets, if applicable in a specific project
- b. Details of Annual Operating Costs and Expenses
- c. Details of Working Capital Requirement
- d. Details of Sources of Funds (equity/loan/domestic/foreign)
- e. Details of Sales Revenue
- f. Computation of Break-even point
- g. Computation of IRR or Return on Investment or Return on Equity
- h. Computation of National Benefits from the Project e.g. value addition [VA= $(\text{FOB Price}-\text{Cost of imported materials \& utilities}) / \text{FOB Price} * 100$ ].

## **Content of Joint Venture Agreement**

### Joint Venture Agreement (JVA) for the Equity Participation

The joint venture agreement should clearly & specifically mention, among others, the following:

1. Preamble
  - a. Name & full address of all parties (local and foreign) if investors are individual.
  - b. Name & full address of the company, and the name & designation of the person representing the company if the investor is a company.
2. Name and Objectives of the company (including proposed name of the company, if any).
3. Source and Structure of Capital, equity contribution of each party in rupees and in percentage of total shares issued.
4. Mode of equity or loan contributions -whether in cash and/or in kind (machineries). If in cash, it should be made in convertible foreign currency/Indian currency through proper banking channel.
5. Representation in the Board
6. For transfer of shares or for any modification in the agreement, prior approval of DOI
7. Arbitration -

For industries with fixed assets investment of up to NRs. 500 millions, if the dispute cannot be settled by mutual consultations in the presence of the DOI, 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 should be held in Kathmandu. The laws of Nepal shall be applicable in arbitration.

For industries with fixed assets investment of above NRs. 500 millions, disputes may be settled as mentioned in the foreign investment agreement.

8. Governing Law- Governing Law should be the law prevailing in Nepal.
9. Language of the Agreement - The language should either be Nepali or English.
10. Date - Date of Agreement and date of effectuation of the agreement,
11. Witness - The signature of each investor should be attested by one witness.

In line with the aforesaid guidelines, a model joint venture agreement is suggested as under.

### **Content of Technology Transfer Agreement**

#### **Technology Transfer Agreement (TTA)**

The Technology Transfer Agreement should clearly & specifically mention, among others, the following:

1. Preamble
  - a. Name & full address of the parties
  - b. Name & full address of the company, and the name & designation of the person representing the company if the party is a company.
2. Name and objectives of the recipient company.
3. Type of technology transfer and scope of the services.
4. Amount and mode of payment for the technology transfer.
5. Guarantee of technology transfer.
6. Arbitration -

For industries with fixed assets investment of up to NRs. 500 millions, if the dispute cannot be settled by mutual consultations in the presence of the DOI, 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 should be held in Kathmandu. The laws of Nepal shall be applicable in arbitration.

For industries with fixed assets investment of above NRs. 500 millions, disputes may be settled as mentioned in the technology transfer agreement.

7. For any modification in the agreement, prior approval of DOI.
8. Governing Law - Governing law should be the law prevailing in Nepal.
9. Language of the Agreement - The language should either or Nepali or English.
10. Date - Date of Agreement and date of effectuation of the agreement.
11. Witness - The signature of each investor should be attested by one witness.

In line with the aforesaid guidelines, a model Technology Transfer Agreement is suggested as under. This model agreement may need substantial modification when applying to a specific case.

### Content of Share Purchase Agreement Content

#### **Model Share Purchase Agreement (SPA) for the Equity Participation**

The Share Purchase Agreement (SPA) should clearly & specifically mention, among others, the following clauses:

- a. Preamble
  1. Name & full address of all parties (local and foreign) if investors are individual.
  2. Name & full address of the company, and the name & designation of the person representing the company if the investor is a company.
- b. Name and Objectives of the existing company
- c. Source and Structure of Capital: Existing capital structure and the envisaged capital structure after the proposed share purchase/transfer. Equity contribution of new party in Rupees and in percentage of total shares issued.
- d. Mode of equity whether in cash and/or in machineries. If in cash, it should be made in convertible foreign currency/Indian currency through proper banking channel.
- e. For transfer of shares or for any modification in the agreement, prior approval of DOI.
- f. Arbitration -  
For industries with fixed assets investment of up to NRs. 500 millions, if the dispute cannot be settled by mutual consultations in the presence of the DOI, 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 should be held in Kathmandu. The laws of Nepal shall be applicable in arbitration.

For industries with fixed assets investment of above NRs. 500 millions, disputes may be settled as mentioned in the foreign investment agreement.

- g. Governing Law- Governing Law should be the law prevailing in Nepal.
- h. Language of the Agreement - The language should either be Nepali or English.
- i. Date - Date of Agreement and date of effectuation of the agreement
- j. Witness - The signature of each investor should be attested by one witness.

In line with the aforesaid guidelines, a model Share Purchase Agreement (SPA) is suggested as under. This model agreement is, however, suitable for a new foreign investor willing to purchase the shares from the stock of the existing Nepalese company. Some modifications are required if a new foreign investor is willing to purchase the shares from the shareholder of the existing Nepalese company.