

# BANKING & FINANCIAL SECTOR PROFILE



**GOVERNMENT OF NEPAL  
OFFICE OF THE INVESTMENT BOARD**



**GOVERNMENT OF NEPAL  
MINISTRY OF INDUSTRY**

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Government of Nepal

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# FOREWORD

The promulgation of the constitution last year has punctuated Nepal's long political transition to a Federal Republic. The conclusion of this process marks the beginning of another process, that of economic transformation. The Government of Nepal has realized that its sources of funds, alone, will not meet the capital required to transform Nepal. Private investments, both domestic and foreign, will be key to Nepal's growth agenda.

In the recent years, Nepal has made great strides towards attracting private sector investments. The Investment Board, chaired by the Right Honourable Prime Minister, was established in order to fast-track large investments and act as a one-window facilitation agency. Similarly, Nepal is in the process of amending various laws and regulations to make them more investment friendly.

In an effort to attract investment, Investment Board Nepal, with the support from Ministry of Industry, has produced "Nepal Investment Guide". Building on to this initiative, the Investment Board has again taken lead to come up with this publication. This document highlights sector-specific opportunities for investment, policy environment, incentive structures, and licensing processes. This sector profile

has been produced at a very opportune time as Nepal embarks on the path of economic transformation.

I am confident that this document contains sector-specific information you would want to know in your search for potential investment destinations. Similarly, I believe that this document will give you a basic understanding of the issues and concerns you, as a potential investor, may have.

I would like to thank the Department for International Development (DFID) and Japan International Cooperation Agency (JICA) for providing financial support for this publication. Similarly, I would like to thank the staff at the Office of the Investment Board, Mr. Rob Taylor, Chief of Party, NHDP (peer reviewer), and others who have, directly or indirectly, contributed to the production of the document.

**MAHA PRASAD ADHIKARI**  
CEO, Investment Board Nepal

# ACRONYMS

<b>GDP</b>	Gross Domestic Product
<b>LDC</b>	Least Developed Country
<b>FDI</b>	Foreign Direct Investment
<b>BIPPA</b>	Bilateral Investment Protection and Promotion Agreement
<b>DTAA</b>	Double Taxation Avoidance Agreement
<b>NRB</b>	Nepal Rastra Bank
<b>BFI</b> s	Banking and Financial Institutions
<b>FY</b>	Fiscal Year
<b>JV</b>	Joint Venture
<b>CIT</b>	Citizen Investment Trust
<b>EMF</b>	Employee Provident Fund
<b>NEPSE</b>	Nepal Stock Exchange
<b>CAGR</b>	Compounded Annual Growth Rate
<b>SEBON</b>	Securities Exchange Board of Nepal

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# COUNTRY PROFILE

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# COUNTRY OVERVIEW

## Country profile

**Table 1. Country Profile**

Country name	Nepal (Federal Democratic Republic of Nepal)
Region	South Asia
Capital	Kathmandu, located in central Nepal
Population	28.5 million <sup>1</sup>
Area	147,181 square km
Altitude	59 - 8,848 m (Mt Everest)
Standard time	GMT + 5:45 hours
Governing system	Republic: multi-party parliamentary democracy with elected prime minister accountable to the parliament as executive head; constitution promulgated in 2015
Language	Nepali, written in Devanagari script; English is widely used in business
Religion	Secular state; Hinduism 81.3%, Buddhism 9.0%, Islam 4.4%, Kirat 3.1%, Christianity 1.4%
Geography (south to north)	Terai region: Altitude 59–700 m Hilly region: Altitude 700–3,000 m Mountain region: Altitude 3,000–8,848 m
Currency	Nepali rupee (NPR), 1 USD = 108 NPR (as of 1 January 2017), 1 INR = 1.6 NPR (fixed rate)
ISD code	+ 977
Climate	Terai region: tropical/sub-tropical, hilly region: moderate, mountain region: sub-alpine/alpine

## Economic indicators

**Table 2: Economic indicators of Nepal**

PARTICULARS	2011	2012	2013	2014	2015
Population (million)	27.2	27.5	27.8	28.2	28.5
GDP (USD billion)	18.9	19.2	19.4	19.8	21.2
GDP growth rate (%)	3.4	4.8	4.1	5.9	2.7
GNI per capita (USD)	610	690	730	740	730
GNI PPP per capita (USD)	2,050	2,170	2,270	2,440	2,500
Agriculture value added (% GDP)	38.3	36.5	35.0	33.8	33.0
Industry value added (% GDP)	15.4	15.5	15.7	15.4	15.4
Service value added (% GDP)	46.3	48.0	49.2	50.7	51.6
Workers' remittances (USD billion)	4.2	4.8	5.6	5.9	6.7
Inflation consumer prices (%)	9.3	9.5	9.0	8.4	7.9

Source: World Development Indicators, 2016

<sup>1</sup> Estimated population in 2015

# ECONOMIC OVERVIEW

Nepal is strategically located between India and China, two of the largest economies in the world. In 2015, the country adopted a new constitution that embraces multiparty democracy, federalism and private sector-led liberal economics. The government is committed to the promotion of foreign investment, providing a unique opportunity for foreign direct investment (FDI) in Nepal.

Although Nepal is classified as a least developed country (LDC) by the United Nations, its goal is to graduate from this status by 2022 and transition to a middle income country by 2030. To achieve these targets, an economic growth rate of 7–8% and investment in infrastructure of USD 13–18 billion by 2020 will be required. The Ease of Doing Business Index 2017 by the International Finance Corporation (IFC), World Bank Group places Nepal second only to Bhutan among all South Asian countries.<sup>2</sup> Nepal's investment potential, combined with these features, have led to an increase in interest in FDI in recent years.

Nepal has also put in place fiscal incentives and other arrangements to facilitate global trade. As a member of the World Trade Organization (WTO), Nepal offers one of the lowest import duties in the region. Nepal has also signed Double Taxation Avoidance Agreements with 10 countries and concluded Bilateral Investment Protection and Promotion Agreements (BIPAs) with 6 countries. Following the entry into force

of the Nepal-India Trade and Transit Treaty, Nepal enjoys duty and quota-free access to India's massive and growing market. China's rapidly growing economy also provides duty free access to approximately 8,000 products.

As a result of its prolonged political transition and inadequate infrastructure, Nepal's economic growth rate has remained at 3.8%, on average, for the past 10 years, which is below the South Asian average. Remittances continue to play a critical role in GDP growth for consumption. In FY 2015/16, remittances comprised approximately 29.6% of GDP. Remittances help to increase aggregate demand in the local market, despite low economic growth.<sup>3</sup> Over the last decade, disposable income has increased by 14.4% per year on average, which has led to a comparable increase in consumption.

At present, with foreign currency reserves of USD 9.8 billion (as of July 2016), Nepal is in a good position to receive finance imports. However, the trade deficit, which reached 31.3% of GDP in FY 2015/16, continues to be of concern. It is expected that FDI will stimulate domestic production and gradually close this gap. Despite the catastrophic earthquake of 25 April 2015 and the transport blockade of the border that followed, Nepal has begun to rebuild and continues to be a highly attractive destination for FDI in various sectors.

<sup>2</sup> World Bank (2017) *Doing Business 2017: Equal Opportunity for All*. World Bank Publications

<sup>3</sup> Rastra Bank Nepal (2016) *Current Macro economic and Financial Situation of Nepal 2015/16*. Available at: <https://nrb.org.np/ofg/current-macroeconomic>



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# THE BANKING & FINANCIAL SECTOR

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# OVERVIEW

In Nepal the deposits taking financial institutions include commercial banks, development banks, micro-credit development banks, finance companies, financial cooperatives, and non-government financial organizations which perform limited banking activities. Likewise, other contractual saving organizations (other financial institutions), are comprised of entities including insurance companies, employee provident funds, citizen investment trusts, postal savings offices, and Nepal Stock Exchange.

It was only with the establishment of Nepal Bank Limited (NBL) in 1937 that the financial services were made available to the general public. In this regard, the establishment of NBL was the epoch-making since it signified commencement of formal banking system in Nepal. An organized expansion of the banking system only began with the establishment of Nepal Rastra Bank (NRB) in 1956. After which the process was made easier for establishment of banks and financial institutions in the country.

However, prior to the first wave of financial liberalization that began in the mid-1980s following Nepal's first-ever balance of payment crisis, Nepal had only three commercial banks, all of which were state-owned. Following that crisis, the Government of Nepal (GoN) initiated a series of economic reforms that opened financial sector for private investment. Thereafter, Nepal witnessed a rapid growth in the number of BFIs. The reform policy also encouraged foreign banks to enter the Nepalese market by way of Joint Ventures (JVs) comprised of local partners. These included the Nepal Arab Bank (currently known as Nabil Bank, the Nepal Indoseuz Bank (currently known as Nepal Investment Bank), and the Nepal Grinlays Bank (currently known as Standard Chartered Bank Nepal.

Following the restoration of multiparty democracy in 1990, the pace of economic reform accelerated and brought with it a number of positive changes in the financial sector. These reform initiatives were intended to implement macroeconomic policies aimed at improving business conditions and enhancing economic activities. Consequently, the ratio of total banking sector assets to the total share of banking and non-banking financial institutions in GDP continued to expand. The BFI sector is one of the sectors most responsible for the increased growth of Nepal's services sector. Together with the recent reforms that have made the banking sector more stable, the increasing inflow of remittances has also contributed to sector growth. Remittances, as a percentage of GDP reached 29.1 % in fiscal year 2014/15, up from 11.1 % in 2004/05.<sup>4</sup>

## Institutional arrangement

### Policy Level

- Ministry of Finance
- Ministry of Cooperative and Poverty Alleviation
- Nepal Rastra Bank

### Regulatory and Implementation Level

- Nepal Rastra Bank
- Insurance Board of Nepal
- Nepal Stock Exchange
- Securities Board of Nepal
- Department of Cooperative

Largely owing to the remittance market, the number of financial institutions has expanded dramatically. Today Nepal has 29 commercial banks, 71

<sup>4</sup> Nepal Rastra Bank, 2016

development banks, 46 finance companies, 41 micro-credit development banks, 15 saving and credit cooperatives, and 27 financial intermediaries non-governmental organization (FINGO) licensed by Nepal Rastra Bank. <sup>4</sup> The banking sector now provides banking services through approximately 3,838 branches.<sup>4</sup>

NRB, Nepal's central bank, licenses the principal sector institutions including commercial banks, development banks, finance companies, and micro credit development banks and other institutions. It also supports and is responsible for cooperatives and financial non-government organizations (NGOs) which it licenses to undertake a number of limited banking transactions. Finally, it also regulates savings and credit institutions.

In recent times, the growth of the BFI sector has slowed owing to a moratorium imposed by NRB on the issuance of licenses for new BFIs, except for micro-credit development banks. As of mid-May 2016, the total number of licensed financial institutions stood at 229, including 187 BFIs of "A", "B", "C", and "D" categories.<sup>4</sup> After the issuance of the "Bank and Financial Institutions Merger By-law, 2011" by NRB, 88 BFIs have merged with each other resulting in the formation of 33 BFIs as of mid-May 2016. Despite a significant increase in the number of microfinance financial institutions ("D" Class) in mid-May 2016, the number of "A", "B" and "C" class BFIs diminished, largely owing to mergers.

**Table 3. Classification of banks and financial institution of Nepal**

S.N.	Category	Paid up Capital (before July 2017)	Paid up Capital (after July 2017)
1	"A" Class Commercial banks	2,000	8,000
2	"B" Class Development Banks	640	2,500
3	"C" Class Finance companies	300	800
4.	"D" Class Microfinance	100	400

Source: Nepal Rastra Bank, 2016

Currently, BFIs are rapidly seeking mergers and acquisitions with other sector participants in order to meet the newly established capital requirements established by the NRB. According to the central bank, increasing the paid-up capital of BFIs will make them stronger and ensure the system's financial stability. As stated in the GoN's Monetary Policy for 2015/16, commercial banks are required to increase paid-up capital to US\$ 80 million, national level development banks to US\$ 25 million, development banks operating in 4 to 10 districts to US\$ 12 million, and the development banks in operation in 1 to 3 districts to US\$ 4 million. All BFIs are required to meet these requirements by mid-July 2017.<sup>5</sup> Commercial banks

have provided employment to 22,465 numbers of individuals as of mid-July 2015, of which private commercial banks employed 65 % and 3 public banks employed the rest.

## Insurance Companies

Following the enactment of the Insurance Act 1992, and its regulations, the Nepalese insurance sector has grown dramatically. As of mid-April 2016, the sector is comprised of 27 insurance companies, established under the Insurance Act, 1992. Of these 9 companies are life insurance companies while the remaining firms provide non-life coverage.

**Table 4. Number of Insurance Companies in Nepal**

Ownership	Nature of company			Total
	Non-life	Life	Reinsurance	
Government	1	1	-	2
Private	13	5	-	18
Foreign	2	1	-	3
Joint venture	1	2	1	4
<b>Total</b>	<b>17</b>	<b>9</b>	<b>1</b>	<b>27</b>

Source: Insurance Board 2014

As institutional investors Nepalese insurance companies act as principals for their own account, and invest the assets of their company in a wide range of financial instruments including equities and debt, in order to meet their financial obligations for promised insurance benefits. These companies invest in corporate securities, government bonds and in commercial and development banks according to the requirements of the Insurance Act. The overall growth rates of these investments have been positive. The correlation coefficient of investment between life and non-life insurance is 0.98 which is more than 6 times higher than its PE.<sup>6</sup>

<sup>5</sup> The Banking Supervision Report (2015)

<sup>6</sup> Insurance Board 2015

## Employee Provident Funds

Employee Provident Fund was established in September 16, 1962 under the Employee Provident Fund Act 1962. Employee Provident Fund (EPF) manage provident funds of all army and police personnel, civil servants, employees of state owned corporations, and teachers of government schools in Nepal. Any private firms having more than 10 employees can open an account at EPF to deposit provident fund amount of staff. In addition to provident fund management, EPFs also provide social security benefits including accident indemnities, funeral grants, employee welfare schemes (insurance) and profit sharing funds to its account holders. Around 28,000 offices contribute to the fund and the present membership base is 466,000 individuals, which is largest of its own kind.

## Citizen Investment Trust

Citizen Investment Trust (CIT), a statutory institute under Citizen Investment Trust Act, 2047, has ownership of GoN as a public financial organization. The trust collects deposits and distributes them in form of loans on easy terms and at market rates. It also provides a sense of deposits which enhances the Nepali Capital Market. The CIT operates and manages various retirement schemes and programs as well as various unit schemes and mutual fund programs for domestic and foreign investors. These encourage people to save, and as a result, serves to expand the

fund, increase investment opportunities, and support the dynamic development of the capital market. CIT has also been playing the role of premier institution for providing merchant banking service for the development of capital market. CIT has been providing share issue manager service, share underwriting service, share registrar service and debenture trustee service for the organizations and institutions.

## Stock Exchange

The Nepal Stock Exchange (NEPSE) was established to facilitate transactions through members, market intermediaries (brokers and other market makers), and to bring free marketability and liquidity both to government and corporate securities. Shareholders of NEPSE include, among others, the GoN, the Nepal Rastra Bank, and the Nepal Industrial Development Corporation. The total market capitalization of Nepal stock exchange is US\$ 11.93 billion as of February 2016.<sup>7</sup>

The Central Bank does not regulate or supervise EPF, CIT, insurance companies or the stock exchange. Insurance supervision is carried out by the Insurance Board of Nepal, while the Securities Board of Nepal regulates the securities market and the Stock-Exchange. Today, there are more than ten thousand cooperatives undertaking financial transactions in the country. These institutions are under the supervision of the Department of Cooperatives under the Ministry of Cooperatives and Poverty Alleviation.

<sup>7</sup> Nepal Stock Exchange 2016

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# INVESTMENT OPPORTUNITIES

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# AREAS FOR INVESTMENT

The GoN is seeking ever increased economic growth. For this to occur, however, the nation will need increased investments in infrastructure including roads and energy installations. To date, most financial institutions are relatively small. Acting on their own, they are not in a position to marshal the financial resources required to develop the infrastructure sector. These institutions also require the expertise and know how to analyze and take decisions on the financial viability of complex infrastructure projects. In the absence of other financing mechanisms, Nepalese entrepreneurs must rely on their own resources and loans from commercial banks. Where avenues for financing are limited, entrepreneur led investment in large scale infrastructure remains a challenge. While the demand for ever more financing increases, supplies of funding remain inadequate. To date, BFI's have not been in a position to meet those needs.

With respect to access to modern banking and financial systems, Nepal has a lot of catching up to do. A large segment of the population still has little or no access to modern banking facilities. This is not to say that there is no market for modern banking. The spectacular growth of remittances coming to Nepal is a clear indication of how the monetized economy continues to grow. Workers working outside of Nepal want not only their remittances to reach their families, but also to start new businesses with their hard-earned money and experience. With the growth of workers returning from foreign employment, the demand for more banking services in the villages and small town is going to continue to grow.

The saving and investment gap in the country is quite large. The country's gross fixed capital formation (GFCF) is one of the lowest (16.% of GDP as of 2014) whereas the disposable income of the people continues to rise.

In Nepal, only 38% of adults have bank accounts. Of that number, only 6.7% use debit cards. In Nepal, the principal mode of withdrawal is 13.9%, which is substantially below the average (31.1%) in low income countries. It is also lower than all South Asian countries except Bangladesh. The message in all of these statistics is clear. A large number of adults still remain outside the coverage of modern financial intermediation.

Further, 60% of Nepal's population has no bank accounts, and only 61% are served by formal financial institutions while 18% of the adult population is excluded from the financial services; they neither use formal nor informal financial providers. Also banking services are heavily concentrated in urban areas since where 56% of the adults use banking products, as compared to 36 % in rural areas. Thus, the financial sector of Nepal still has a large untapped market for banking and financial services. This is particularly true in areas with low banking concentration and emerging markets in eastern and western Nepal.

## Insurance

Prior to the establishment of Rastriya Beema Sansthan (RBS) in 1968, Nepal Insurance and Transport Company (later renamed Nepal Insurance Company) was Nepal's only national insurance company. By 1986, joint venture insurance companies were providing both life and non-life coverage. But the real expansion of the insurance industry in Nepal took place during the 1990s following the financial sector reform and the GoN's economic liberalization of the economy.

The Nepalese insurance market has a limited range of products. More innovative products have yet to be designed, and this might prove to be a lucrative market for new market entrants. Nepal Re-Insurance Company Limited (Nepal Re), the successor of Insurance Pool was established in 7 November 2014 for the purpose of covering damages caused by the terrorism. Nepal Re is 50% GoN owned, and the remaining 50% is held by other Nepalese insurers. The Insurance Board Nepal is a chartered member of International Association of Insurance Supervisors (IAIS), member of Insurance Congress of Developing

Countries (ICDC), the South Asian Insurance Regulators Forum (SAIRF), the Asian Insurance Regulator Forum, and the IAIS-CGAP Joint Working Group on Micro insurance. The insurance board along with these international organizations is continuing to work to develop standards as IAIS aim 18

Nepal's insurance market remains very small. As of 2011, the Nepalese insurance penetration rate is only 1.31% . This demonstrates that there is a lot of untapped potential in the Nepalese insurance sector



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# LAWS AND REGULATIONS

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# LAWS AND REGULATIONS

The Nepal Rastra Bank Act, 2002, together with the Banks and Financial Institutions Act, 2006 provide the central bank with the legal framework necessary to regulate and supervise banks and financial institutions. In addition, Foreign Exchange Regulation Act, 1962 confers on the central bank the power and jurisdiction to regulate foreign exchange transactions. Cooperatives, which lie outside of this legal framework, are governed by the Cooperatives Act, 1992.

On the insurance side, the Insurance Act, 1992 provides the legal and regulatory framework needed for the Insurance Board to regulate insurance companies. Similarly, the Securities Act, 2007 provides the Securities Board of Nepal with the necessary legal tools to regulate and supervise merchant banks, stock brokerages, securities dealers, and other market maker. In the same way, Securities Act, 2007, Stock Exchange Operation Regulations, 2008 and Securities Registration and Issue Regulation, 2008 provides the regulatory guidelines and supervision for regulating the Stock-Exchange and registration of securities.

## Nepal Rastra Bank Act 2002

The Nepal Rastra Bank Act, 2002 establishes the Nepal Rastra Bank as Nepal's central bank. That legislation grants to the central bank the power and obligation to issue licenses, regulate, inspect, supervise, and monitor commercial banks and financial institutions. It also:

- Establishes the monetary and foreign exchange policies necessary to maintain the stability of prices and balances of payments for the sustainable development and management of the economy
- Gives NRB the power and obligation to regulate, inspect, supervise and monitor the banking and financial system

- Promotes stability and liquidity required in banking and financial sector
- Establishes a secure, healthy and efficient system of payment

## Banking and Financial Institution Act (BAFIA) 2006

This legislation provides the amended and consolidated legislation related to banking and financial institutions. Among others, it:

- Establishes the rules and procedures related to the incorporation and licensing of banks and other financial institutions, and the registration and carrying out of business by foreign banks
- Establishes classifications for licensed institutions in A, B, C and D categories, corresponding to commercial banks, development banks, finance companies, and micro-finance development banks respectively
- Establishes minimum capital requirements for BFs

## Insurance Act 1992 and Insurance Rule 1993

The Insurance Act, 1992 and its accompanying Insurance Rules, 1993 govern the provision of insurance services. The Insurance Act establishes the Insurance Board as the administrative body responsible to organize and regulate the insurance sector. It also sets out the powers and functions of the Board which include the power to issue licenses, to inspect, supervise and monitor licensees. The Insurance Rules, 1993 provide additional detail on matters including the establishment of the insurance business, licensing procedures, and the regulation of insurance agents, insurance brokers, and insurance surveyors. They also establish rules related to payments against

claims and divide the insurance business into categories including Life Insurance Business, Non-Life Insurance Business, and Re-Insurance Business and each of these categories have its sub-category.

## Securities Act 2007

The Securities Act, 2007 establishes the Nepal Securities Board, which functions as the premier institution for securities in Nepal. It also establishes rules which regulate the issuance, purchase, sale and exchange of securities in Nepal. Among others, the Nepal Securities Board is obligated to:

- Provide advice to Government on matters related with the development of capital market
- Issues necessary securities regulations and directives
- Register the securities of public companies
- Regulate and systematizes the issue, transfer, sale and exchange of registered securities
- Issues licenses to operate stock exchanges and
- Issues licenses to stock brokers, dealers, merchant bankers and fund managers

Other major policies and regulation related to Banking and financial institutions are listed below.

- Insolvency Act, 2006
- Insurers' Licensing Policy
- Securities Board Regulation, 2007
- Lender of Last Resort Policy, 2010
- Foreign Currency Loan Policy, 2002
- Licensing Policy for Payment Related Institutions 2016
- Licensing Policy for Foreign Bank Branch
- Insurance Regulation 1993
- Securities Businessperson (Stock Broker, Dealer & Market Maker) Regulation, 2007
- Securities Businessperson (Merchant Banker) Regulation, 2007

# ANNEX 1: INVESTMENT INCENTIVES

Incentive Category	Incentives and Subsidy Provision
<b>Banking</b>	<ul style="list-style-type: none"> <li>• Provision made by a person running banking business to cover the risk for outstanding loan will be deductible up to a limit of 5 % of total outstanding loan under the norms and standards prescribed by the Nepal Rastra Bank.</li> <li>• A deduction from the profit as expenses for bad debt while in the existence of the risk-bearing fund shall not be allowed, and if any amount of such the fund is capitalized or distributed as profit or dividend, the amount shall be included in calculating income of the year when it is so capitalized or distributed.</li> </ul>
<b>General Insurance Business</b>	<p>Provision of unexpired risk reserve fund that can be deducted from the income of General Insurance business sum of:</p> <ul style="list-style-type: none"> <li>• 50% of net insurance premium as shown in the income statement of the particular year and 115% of the outstanding claim at the end of the financial year. The closing balance of such unexpired risk fund claimed as deduction in the current income year should be carried forward as income in the next income year.</li> </ul>
<b>Life Insurance Business</b>	<p>The following amounts are not included in the computation of a life insurance business' income.</p> <ul style="list-style-type: none"> <li>• Amount received from premium or reinsurance premium received during the year.</li> <li>• Amount received from reinsurance, guarantee, or any indemnity contract during the year.</li> </ul> <p>The following amount shall not be deducted while computing the expense of the life insurance business:</p> <ul style="list-style-type: none"> <li>• Any amount paid or reimbursed as an insurer during the year.</li> <li>• Refund of premium to the insured during the year.</li> </ul>
<b>Retirement Fund</b>	<p>For the purposes of calculating the income of a retirement fund,</p> <ul style="list-style-type: none"> <li>• Retirement contributions received by the fund shall not be included in the calculation and shall not be an incoming of the fund.</li> <li>• Retirement payments shall not be deductible in the calculation and shall not be an outgoing of the fund.</li> <li>• The interest of a beneficiary in a retirement fund shall not be a liability of that fund.</li> <li>• The income of an approved retirement fund shall be exempt from tax.</li> </ul>

# ANNEX 2: RELEVANT AGENCIES AND ORGANIZATIONS

## OFFICE OF THE PRIME MINISTER AND COUNCIL OF MINISTERS

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## DEPARTMENT OF CO-OPERATIVES

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Web : www.nepalimmigration.gov.np

## DEPARTMENT OF CUSTOMS

Tripureshwor, Kathmandu  
Phone: +977-1-4259861  
Fax: +977-1-4259808  
Email: csd@customs.gov.np  
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## OFFICE OF THE COMPANY REGISTRAR

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**INLAND REVENUE DEPARTMENT**

Lazimpat, Kathmandu  
Tel: +977-1-4415802, 4410340  
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Email: mail@ird.gov.np  
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**SECURITY BOARD OF NEPAL**

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Tel: +977-1- 5000102  
Fax: +977-1-5541058  
Email: support@sebon.gov.np  
Website: www.sebon.gov.np

**FEDERATION OF NEPALESE CHAMBERS OF  
COMMERCE AND INDUSTRY (FNCCI)**

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Fax: +977-1-4261022  
Email: fncci@mos.com.np  
Website: www.fncci.org

**CONFEDERATION OF NEPALESE INDUSTRIES (CNI)**

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Website: www.cnind.org

**INVESTMENT BOARD NEPAL**

Office of the Investment Board, ICC Complex,  
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Fax: 977-1-4475281  
Email: [info@ibn.gov.np](mailto:info@ibn.gov.np)  
Website: [www.ibn.gov.np](http://www.ibn.gov.np)

**MINISTRY OF INDUSTRY**

Singh Durbar, Kathmandu, Nepal  
Tel: 977-1-4211579  
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Email: [info@moi.gov.np](mailto:info@moi.gov.np)  
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