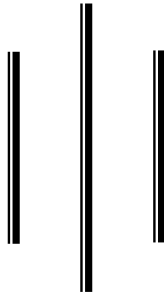
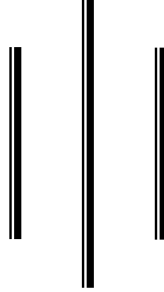


Nepal Rastra Bank Foreign Investment and Foreign Loan Management Bylaw, 2021

(Including Third Amendment)



Nepal Rastra Bank

Central Office

Foreign Exchange Management Department

2021

¹ **First Amendment:** As per the decision of 460th meeting of Nepal Rastra Bank, Management Committee held on January 11, 2022, Schedule-10 has been amended.

² **Second Amendment:** Amended as per the decision of Nepal Rastra Bank, Board of Directors' meeting held on January 17, 2023 (meeting number 36/2079).

³ **Third Amendment:** Amended as per the decision of the Nepal Rastra Bank, Board of Directors' meeting held on January 24, 2024 (meeting number 35/2080).

Nepal Rastra Bank Foreign Investment and Foreign Loan Management Bylaw, 2021

Whereas it is desirable to attract foreign investment and create a conducive environment for operation of economic activities by systematizing and facilitating matters such as approval and recording of foreign currency inflows for foreign investment, repatriation of foreign investment and earnings, approval of foreign loans, foreign currency inflow and recording of foreign loans, and provision of foreign currency exchange for repayment of principal and interest of foreign loans, the Board of Directors of Nepal Rastra Bank, by exercising the authority granted by Section 12 of Foreign Exchange (Regulation) Act, 1962, and sub-section (2) of Section 110 of the Nepal Rastra Bank Act, 2002 has made the following Bylaws.

Chapter – 1 Preliminary

1. Short title and commencement: (i) The name of this bylaw is “Nepal Rastra Bank Foreign Investment and Foreign Loan Management Bylaw, 2021”.

(ii) This bylaw shall commence immediately.*
2. Definition: In this bylaw, unless the subject or the context otherwise requires,
 - (A) "Unit" means the Foreign Exchange Facilitation Unit under the Foreign Exchange Management Department of the Rastra Bank at One Stop Services Center established as per the Section 37 of the Industrial Enterprises Act, 2020.
 - (B) "Unit Coordinator" means the head of the Unit designated by the Rastra Bank.
 - (C) "Source of Loan" means the following:
 - (i) For institution, the net worth or liquid assets including bank balances as mentioned in the latest audited financials of the institution, along with the approved loan limit that remains available for utilization.
Provided, however, that for loan amount is less than or equal to USD 1 million or its equivalent foreign currency, audited financials is not mandatory. Similarly, for submission of financial statements prepared by the board of directors/higher management with evidence that shows financial statements of the lender institution is not required to be audited, audited financials shall not be mandatory.
 - (ii) For natural person, the net worth or liquid assets including bank balances owned by himself/herself and/or owned by his/her family members, along with approved loan limit that remains available for utilization.
 - (D) "Technology transfer" means any transfer of technology to be made under an agreement between an industry and a foreign investor on the following matters:

* Approved by the 5/2078th meeting of Nepal Rastra Bank, Board of Directors, held on May 31, 2021.

- (i) Patent, design, trademark, goodwill, technological specificity, formula, process,
 - (ii) User's license, technological know-how sharing or use of technological knowledge (franchise),
 - (iii) Provision of foreign technical adviser, management and marketing service or other technological skill or knowledge.
- (E) "Bank and financial institution" means a bank or financial institution which has obtained a license pursuant to the prevailing law from the Rastra Bank for carrying on banking or financial transaction.
- (F) "Rastra Bank" means the Nepal Rastra Bank established as per the Nepal Rastra Bank Act, 2002.
- (G) "Source of Investment" means the following:²
- (i) For institution, the net-worth or liquid assets including bank balances mentioned in the latest audited financials of the institution/organization and the approved loan limit that remains available for utilization.
Provided, however, that for investment amount is less than or equal to USD 1 million or its equivalent foreign currency, audited financials is not mandatory. Similarly, for submission of financial statements prepared by the board of directors/higher management with evidence that shows financial statements of the lender institution is not required to be audited, audited financials shall not be mandatory.
 - (ii) For natural person, the net worth or liquid assets including bank balances owned by himself/herself and/or owned by his/her family members, along with approved loan limit that remains available for utilization.
- (H) "Beneficial owner" means beneficial owner as per the prevailing Asset (Money) Laundering Prevention Act and Regulation.
- (I) "Foreign Lender" means foreign banks and financial institutions providing foreign loans, investment companies, pension funds, hedge funds, international organizations that have received approval from foreign governments or central banks or other regulatory bodies to grant loans. It also includes foreign-invested companies/ parent company of industry /group, holding company or group of other companies under the holding company, loan providers including foreign firms, companies and institutions, foreign persons, non-resident Nepali.
- (J) "Foreign Currency" means the currency other than the Nepali currency and this term includes the special drawing rights on the International Monetary Fund, the Asian

Currency Units, the European Currency Units and other instruments as the Rastra Bank may prescribe, as per the requirement, by publication and transmission of public notice.

- (K) "Foreign investment" means the following investment made by a foreign investor in an industry or company:
- (i) Share investment in foreign currency,
 - (ii) Re-investment in an industry of dividends derived from foreign currency or shares,
 - (iii) Lease finance made in accordance with Section 6 of Foreign Investment and Technology Transfer Act, 2019,
 - (iv) Investment made in venture capital fund in accordance with Section 9 of Foreign Investment and Technology Transfer Act, 2019,
 - (v) Investment made in listed securities through secondary securities market in accordance with Section 10 of Foreign Investment and Technology Transfer Act, 2019,
 - (vi) Investment made by purchasing shares or assets of a company incorporated in Nepal,
 - (vii) Investment received through the banking channel after issuing securities in a foreign capital market by an industry or company incorporated in Nepal in accordance with Section 11 of Foreign Investment and Technology Transfer Act, 2019,
 - (viii) Investment made through technology transfer, or
 - (ix) Investment maintained by establishing and expanding an industry in Nepal.
- (L) "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 beneficial owner of such an institution.²
- (M) "Foreign investment approving entity" means the entity under section 17 of the Foreign Investment and Technology Transfer Act, 2019. In addition, it also refers to the relevant entity that approves foreign investment according to the prevailing Nepali law.²

- (N) "Foreign Exchange" means foreign currency, all types of deposits, credits, stocks, foreign securities payable in foreign currencies and the cheques, drafts, traveller's cheques, electronic fund transfer, credit cards, letters of credit, bills of exchange, promissory notes in international circulation payable in foreign currencies; and this expression also includes whatsoever, type of other monetary instrument as the Bank may prescribe, as per the requirement, by publication and transmission of public notice.
- (O) "Department" means Nepal Rastra Bank, Foreign Exchange Management Department.
- (P) "Foreign investment with change of share ownership" means foreign investment other than the following foreign investments.²
- (i) Industry to be newly incorporated after receiving foreign investment (Greenfield Investment).
 - (ii) Foreign investment made in an existing Nepali industry without changing the existing shareholders and the proportion of shares held by the existing shareholders in the said industry.
- (Q) "Relevant Entity" means the entity authorized by the prevailing law to regulate, facilitate, inspect and supervise individuals, firms, companies, industries, organizations.

Chapter – 2

Provision for Inflow and Recording of Foreign Investment

3. Regarding inflow of foreign currency for feasibility study and pre-operating expenses:
- (1) Foreign investors willing to remit/bring in foreign currency to Nepal through the banking system for feasibility study expenses including registration of company and industry, and pre-operating expenses for foreign investment in company and industry shall not require prior approval of foreign investment or approval from the Rastra Bank.
- (2) The amount pursuant to sub-bylaw (1) shall not exceed 3 percent of the paid-up capital of the company and industry to have foreign investment, and it can be counted as foreign investment as per the expenses certified by the auditor, and the recording thereof shall be done according to bylaw 5. However, such amount cannot be repatriated in case foreign investment could not be made or if it exceeds the total amount that has been counted as foreign investment.
- (3) Bank and financial institution may deposit the amount as per sub-bylaw (1) in the account of the interested foreign investor or official local representative of foreign investor. The bank and financial institution shall take an application in the format

specified in Schedule-1 from the interested foreign investor and the authorized local representative to deposit the amount.

4. No prior approval required from the Rastra Bank: (1) After the foreign investor receives foreign investment approval from the foreign investment approving entity, it is not mandatory to obtain prior approval from the Rastra Bank to send or bring in the foreign currency into Nepal. However, after approval of foreign investment, written information must be given to the Unit in the format specified in Schedule-2 before bringing in or remitting foreign currency. **According to Foreign Investment and Technology Transfer (First Amendment) Regulation, 2023, if foreign investment cannot be brought within the specified period, approval for extension of time from the foreign investment approving entity must also be submitted.**³

(2) The amount of foreign investment remitted in Nepal pursuant to sub-bylaw (1) shall be deposited by bank and financial institution into the account of respective company or industry, ensuring the documents in accordance with Schedule-3.

(3) Notwithstanding anything written in **sub-bylaw (1)**³, prior approval of the Rastra Bank must be obtained to bring in or remit foreign currency to Nepal for foreign investment with change of share ownership. For this, the industry/company to have foreign investment or foreign investor has to submit an application to the Unit with documents mentioned in Schedule-4. Within 15 working days from the date of receipt of the application along with all documents, the Rastra Bank shall take a decision and give written information to the applicant². Once such approval has been obtained from the Rastra Bank, bank and financial institution shall ascertain and deposit foreign currency pertaining to foreign investment in account of the concerned industry/company.

However, in the following cases, approval of the Rastra Bank shall not be required for foreign investment with change in share ownership. For such, the amount of foreign investment shall be deposited in account of the concerned company or industry by following the procedure of sub-bylaw (1) and (2).³

- (i) **Foreign investment that does not decrease the ratio of existing shareholding of Nepali shareholders.**
- (ii) **Foreign investment in the company listed in the stock market.**
- (iii) **Foreign investment in industry categorized as sick industry as per the Industrial Enterprises Act, 2020.**

(4) Pursuant to sub-bylaw (1), (2), and (3), and sub-bylaw (1) of bylaw 3, the concerned bank and financial institution shall issue a certificate in the format specified in Schedule-5, following the remittance of foreign currency into Nepal.

5. Foreign investment to be recorded: (1) In order to record foreign investment brought into Nepal in accordance with bylaw 3 and bylaw 4, and foreign investment made in

compliance with prevailing laws, the company/industry having foreign investment or foreign investor shall submit an application along with the documents as per Schedule-6 within the period of six months from the date of remittance of foreign currency or having foreign investment in the format prescribed in Schedule-7 to the Unit.

(2) For foreign investment remitted prior to coming into effect (including amendment) of this bylaw, or the foreign investment made in accordance with the prevailing provisions but not recorded, an application has to be submitted to the Unit for the purpose of recording, along with the documents as per bylaw (1) within **January 13, 2025**.³

(3) Upon receipt of the application along with all the documents, as per sub-bylaw (1) and (2), the Rastra Bank shall make decision on recording and provide a certificate of recording as per Schedule-8 within seven working days.

(4) For ratification-approval and recording of remitted foreign investment without obtaining prior approval of the Rastra Bank in accordance with bylaw 4(3) or without giving written information to the Unit in format specified in Schedule-2 as provided in bylaw 4(1) after obtaining the approval of foreign investment, an application along with reason for the same must be submitted to the Unit in the format as per Schedule-7B, along with documents as per Schedule-7A. The deadline for submission of application under this provision shall be **January 13, 2025**.³

(5) After receiving the application along with all documents as per sub-bylaw (4), the Rastra Bank may provide the certificate of recording as per Schedule-8 after making decision and mentioning the same regarding ratification-approval and recording of foreign investment.²

(6) It shall not be mandatory to send back the excess amount received, due to exchange rate, than the approved foreign investment amount. After receiving the approval of foreign investment from foreign investment approving entity to cover such excess amount, it can be recorded as foreign investment in compliance with other provisions related to recording.³

(7) Amount greater than the approved foreign investment amount can also be brought in as foreign investment. Such excess amount can be recorded as foreign investment if the foreign investment approving entity provides ratification-approval for the excess amount, or if approval for the foreign investment is provided after inflow of such excess amount mentioning the excess amount and the date. All other recording related provisions must be complied while recording such as foreign investment.³

Chapter – 3
Approval of Foreign Exchange for Repatriation of Investment and Earnings

6. Approval of foreign currency exchange for repatriation of investment and earnings:

(1) In accordance with the provisions of Section 20 and Section 26 of the Foreign Investment and Technology Transfer Act, 2019, approval of foreign currency exchange facility shall be granted from the Rastra Bank for repatriation of foreign investment and earnings, as follows:

- (a) Amount received from the sale of shares with foreign investment,
- (b) Amount of profit or dividend received from foreign investment,
- (c) In the case of liquidation or winding up of the industry or company, amount remaining after paying all liabilities following the liquidation or winding up,
- (d) Amount of royalty received under the technology transfer agreement,

Provided, however, that in the case of the royalty or fee for the use of a trademark under the transfer of technology in a liquor industry other than a liquor industry exporting cent percent of liquor, the amount of such royalty shall not exceed five percent of the total selling price, as prescribed, excluding the prevailing tax.

- (e) Amount of lease rent under the lease investment,
- (f) Amount received as damages or compensation, if any, received from the final settlement of a law suit, arbitration or any other legal process in Nepal,
- (g) Amount that can be repatriated in accordance with the prevailing law.

(2) Foreign investor or company/industry with foreign investment shall submit an application to the Unit along with documents as per Schedule-9 for approval of foreign currency exchange to repatriate the investment and earnings as per sub-by-law (1).

(3) When providing the facility of exchange for repatriation of foreign investment and earnings, approval shall be granted based on approval/recommendation of foreign investment approving entity or the relevant entity.

Provided, however, that the nature of transactions where approval/recommendation of foreign investment approving entity or the relevant entity is not available, or foreign exchange facility is related to transaction of branch office, the Rastra Bank in accordance with Schedule 9A may provide facility of exchange to repatriate foreign investment and earnings on the basis of necessary evidence and justification.²

(4) Upon receipt of the application along with all documents, as per sub-bylaw (2) and (3), the Rastra Bank shall make decision and provide written information within fifteen working days.

(5) Pursuant to sub-bylaw (4), while providing approval of foreign currency exchange for repatriation of foreign investment and earnings, it shall be allowed in the bank account of the same foreign investor and generally to the same country from which the foreign investment was received. Repatriation of foreign investment and earnings in bank account of the same foreign investor to different country may be allowed in accordance with Schedule-9B.

Chapter – 4 **Approval and Recording of Foreign Loan**

7. To take prior approval of foreign loan: (1) Except as exempted by prevailing laws, Nepali individual, firm, company, bank and financial institution, and other organized institution shall have to take prior approval from the Rastra Bank for availing loan from outside Nepal, for industries or businesses other than those not opened for foreign investment as per Foreign Investment and Technology Transfer Act, 2019, subject to the provisions mentioned under Schedule-10.²

(2) For obtaining foreign loan, as per sub-bylaw (1), the application, along with documents specified under Schedule-11 shall have to be submitted to the Unit or the Department.

(3) Upon receipt of the application along with all documents, as per sub-bylaw (2), the Rastra Bank shall make decision and provide written information to the applicant within fifteen working days.

(4) After the approved foreign loan is brought into Nepal in foreign currency as per sub-bylaw (3) of the bylaw, the concerned bank and financial institution shall issue a certificate in the format specified under Schedule-12.

8. Foreign loan to be recorded: (1) For recording (including approval of the repayment schedule) of the foreign loan brought into Nepal as per bylaw 7, the borrower shall have to submit an application in the format specified in Schedule-14 including documents as per Schedule-13 to the Unit or the Department, within 6 months of inflow of the foreign currency.²

(2) For inflow of fund concerning foreign loan before coming into effect of this bylaw but not recorded, an application for recording shall have to be submitted to the Unit or the Department along with the documents as per sub-bylaw (1) within maximum of one year from the date of coming into effect of this bylaw.

(3) Upon receipt of the application along with all the documents, as per sub-bylaw (1) and (2), the Rastra Bank shall make decision and provide certificate of recording as per Schedule-15 within the seven working days.²

(4) For the purpose of ratification-approval as well as recording of the foreign loan brought without prior approval from the Rastra Bank as per bylaw 7, the borrower shall have to submit documents as per Schedule-11, Schedule-13 (except document of point 1), and Schedule-14 to the Rastra Bank mentioning reasons for the same. Upon receipt of the application, including all documents, the Rastra Bank may provide the certificate of recording (ratification- approval and approval of repayment schedule) as per Schedule-15. The deadline for submission of application under this provision shall be **January 13, 2025**.³

Chapter – 5 Repayment of Foreign Loan

9. Foreign currency exchange facility for repayment of foreign loan: (1) For foreign loan approved by the Rastra Bank in accordance with bylaw 7 and recorded along with approval of repayment schedule by the Rastra Bank in accordance with bylaw 8, foreign currency exchange facility required for repayment of principal and interest mentioned in the approved repayment schedule can be obtained from bank and financial institution. Approval from the Rastra Bank shall not be required for such exchange facility.

(2) For the facility of foreign currency exchange required for repayment of foreign loan as per sub-bylaw (1), the concerned borrower shall submit an application to bank and financial institution including the documents as per Schedule-16.

(3) Upon receipt of the application along with all the documents as per sub-bylaw (2), bank and financial institution shall provide written information to the applicant by deciding on the same within seven working days.

(4) When making repayment of foreign loan as per sub-bylaw (3), it shall have to be made in the same country and the same foreign lender from where the loan inflow was made by ensuring deposit of the amount in bank account of the foreign lender.²

Chapter – 6 Miscellaneous

10. To be in accordance with prevailing law: In accordance with this bylaw, if the foreign currency remitted into Nepal or sent out of Nepal is found to be illegal, or if non-compliance of the national and international legal provisions related to anti-money laundering and combating the financing of terrorism has occurred, it shall be in accordance with the prevailing laws.

11. Transfer of fund: (1) Pursuant to this bylaw, if the bank and financial institution receiving foreign currency, and the bank and financial institution maintaining the account of natural person/ firm/ company/ organization receiving foreign investment or foreign loan are different, the bank and financial institution receiving foreign currency shall have to transfer the amount in the same currency that it has received to the bank and financial institution maintaining the account of natural person/ firm/company/institution. While making such transfer, if any fee/commission has been deducted, such shall also have to be clearly mentioned.

(2) In accordance with this bylaw bank and financial institution shall deposit the foreign currency received in Nepali Rupees.

Provided, however, in case the firm, company, or organization receiving the fund submits an application to deposit the fund in respective convertible foreign currency by opening an account, the bank and financial institution can deposit it accordingly.²

12. Submission of details: The bank and financial institution shall have to submit the details as per Schedule-17 within seven days of the end of every month, including the details of foreign currency inflow to and outflow from Nepal as per this bylaw.² **In addition, the industry bringing foreign investment and borrower availing foreign loan shall also have to submit details as required by the Rastra Bank.**³

13. Preparation of report: The Department shall prepare a report on a semi-annual basis, consolidating all the activities carried out in accordance with this bylaw.

14. Delegation of authority: Authority has been delegated as per Schedule-18 for the tasks to be performed by the Rastra Bank according to this bylaw.

15. The Department may also carry out the task: The Department may also carry out the tasks mentioned in this bylaw, which have been specified to be performed by the Unit. In addition, the Unit may also perform the tasks specified to be performed by the Department, as required.²

16. Foreign Investment and Foreign Loan Management Facilitation Committee: (1) To facilitate and coordinate foreign investment and foreign loan management, the following Foreign Investment and Foreign Loan Facilitation Committee has been formed:

- | | |
|--|--------------------|
| (a) Deputy Governor, Nepal Rastra Bank (overseeing the Department) | – Coordinator |
| (b) Deputy Governor, Nepal Rastra Bank | – Member |
| (c) Executive Director, Nepal Rastra Bank, the Department | – Member |
| (d) Joint Secretary, Ministry of Finance | - Member |
| (e) Joint-Secretary, Office of the Investment Board Nepal | - Member |
| (f) Joint Secretary, Ministry of Foreign Affairs | – Member |
| (g) Director General, Department of Industry | – Member |
| (h) Director, Nepal Rastra Bank, the Department | – Member-Secretary |

(2) Apart from the above mentioned ex-officio members, the coordinator may invite maximum 3 experts to participate in the meeting as per the need. The meeting of the committee shall be held at least quarterly. The meeting procedure shall be as determined by the committee itself. The secretariat of the committee shall be at the Department.

(3) The work, duties and powers of the Foreign Investment and Foreign Loan Management Facilitation Committee shall be as follows:

- (a) Regularly review the policy, legal, institutional and procedural structures and working systems related to foreign investment and foreign loan and make recommendations to the Government of Nepal and related agencies through the Rastra Bank to improve them, as necessary.
- (b) Resolve/get resolved the problems by hearing the complaints/ grievances of foreign investors, lenders, borrowers and the stakeholders (individuals/organizations) as well as guide the subordinate entities.
- (c) Provide direction and guidance as necessary for the facilitation and resolution of any obstacle, complication, impasse or ambiguity arising in the implementation of any laws related to foreign investment and foreign loan.
- (d) To ensure/get ensured necessary coordination and facilitation among various agencies regarding foreign investment and foreign loan.
- (e) To study the policies, regulations, and procedures related to foreign investment adopted by other countries and provide suggestions/recommendations.
- (f) Perform/get performed any other necessary tasks.

16(A). Functions may be carried out through electronic system: The Rastra Bank may carry out the functions under this bylaw using electronic system as well. After a public notice regarding operation of such a system is published by the Rastra Bank, the applicant shall have to submit application using the system as prescribed.²

17. Removal of obstacle: If any obstacle arise in the implementation of this bylaw, the Governor may remove such obstacle.

18. Changes or addition to the schedule: The Governor may make necessary changes or additions to the schedule.

19. Revocation and protection:

- (1) To the extent that the provisions of this bylaw conflict with the provisions of the Rastra Bank's guidelines or other bylaws, the provisions mentioned in this bylaw shall prevail.

- (2) The following notices and circulars issued by the Rastra Bank regarding foreign investment and foreign loan have been revoked. The actions taken in accordance with the said notices and circulars shall be deemed to have been taken as per this bylaw.
- (a) Provisions related to borrowing and lending in foreign currency from outside Nepal, issued on date 2068/12/21 B.S. (April 3, 2012), including revisions.
 - (b) Notice (including amendments) regarding foreign direct investment, capital, loan, interest, and dividend issued according to the decision made on 2069/10/09 B.S. (January 22, 2013).
 - (c) Notice regarding the recording of foreign investment and loan issued on 2071/11/11 B.S. (February 23, 2015).
 - (d) Notice issued on 2073/12/31 B.S. (April 3, 2017) regarding the issuance of a permanent license authorizing the repatriation of foreign investment, recording, and distribution of profit in foreign currency.
 - (e) Notice issued on 2075/03/32 B.S. (July 4, 2018) regarding the provision enabling short-term borrowing from abroad by infrastructure development project.
 - (f) Notice issued on 2075/11/15 B.S. (February 27, 2019) regarding the provision of borrowing in Indian currency by "A," "B," and "C" class bank and financial institution.
 - (g) Notice issued on 2076/05/23 B.S. (September 9, 2019) regarding authorization granted by the Rastra Bank to "A," "B," and "C" class bank and financial institution to borrow in convertible foreign currency.
 - (h) Notice issued on 2076/05/23 B.S. (September 9, 2019) regarding the provision to borrow in convertible foreign currency by the licensed microfinance financial institution.
 - (i) Notice issued on 2076/11/29 B.S. (March 2, 2020) regarding borrowing from abroad by Nepali citizen, firm, and institution.
 - (j) Clause 1 and 2 of Unified Circular 2076/23, Unified Circular 2076 B.S. (2019), issued by the Rastra Bank for foreign exchange transaction.
 - (k) Notice regarding foreign loan issued on 2077/09/29 B.S. (January 13, 2023).
 - (l) One Stop Service Center, Operational Procedure for Foreign Exchange Facilitation Unit, 2076 B.S. (2019).

**Schedule-1
Relating to Sub-bylaw (3) of Bylaw 3**

Application to Deposit Foreign Currency relating to Feasibility Study Expenses and Pre-operating Expenses

Date:

The Manager

..... (Name of the Bank and Financial Institution)
(Name of Branch/Office)
(Address)

Subject: Application to Deposit Amount

Dear Madam/Sir,

Please deposit the amount in the below mentioned account, which has been remitted to your good bank for the purpose of feasibility study, preliminary/pre-operating expenses of company/industry related to foreign investment in Nepal, with following details:

A. Details of Sender:

1. Country:	
2. Bank and financial institution:	
3. Address of the bank and financial institution:	
4. Account name:	
5. Account number:	

B. Details of Beneficiary:

1. Account name:	
2. Account number:	
3. Amount in FCY:	

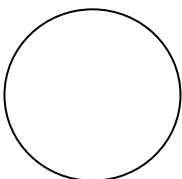
It is hereby declared that the said fund, the undersigned applicant, and the account name where the fund is to be deposited comply with the following:

- a. Legal source and legal use.
- b. Prevailing Nepali and international legal provisions on Assets (Money) Laundering Prevention and Combating Financing of Terrorism related activities.
- c. Is not blacklisted by Credit Information Bureau of Nepal.
- d. Prevailing taxation laws of Nepal and the country of origin of the funds.
- e. Non-misuse of foreign exchange.
- f. The funds shall not be repatriated from Nepal in case the foreign investment could not be made.
- g. The account name in Nepali bank and financial institution where the fund is to be deposited is the authorized local agent of interested foreign investor, if any.

Attached are the following documents:

- i. Notarised copy of identification documents of interested foreign investor.
- ii. Copy of identification documents of authorized local agent of interested foreign investor, if any.
- iii. Notarised copy of agency agreement, if any.

Seal/Stamp:



Signature:	
Name:	
Designation:	
Institution:	
Email:	
Website:	
Telephone/Cell No.:	

**Schedule-2
Relating to Sub-bylaw (1) of Bylaw 4**

Written Information to the Rastra Bank before Remittance of Foreign Currency

Date:
Nepal Rastra Bank
Foreign Exchange Facilitation Unit
One Stop Services Center
Kathmandu, Nepal

Subject: Information to Remit Foreign Currency for Approved Foreign Investment into Nepal

Dear Madam/Sir,

We have received approval of foreign investment in Nepal from..... (Foreign investment approving entity)², as follows:

Name of the company/industry having approval for foreign investment	
Approved amount of foreign investment	
Area/Sector of Investment	
Foreign investment approved amount and date³	
Name of investor(s) and amount being remitted along with information on the timeframe regarding remittance of remaining amount, if any. ²	
Details of previous remittance(s) as part of approved foreign investment (Name of foreign investor(s), currency, amount, date of receipt in agency bank, date and amount deposited in Nepali company/industry). ²	
Remarks (further information), if any. ²	

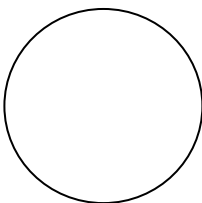
Please be informed that we are planning to remit the approved foreign investment in accordance with Section 16, Sub-Section (1) of Foreign Investment and Technology Transfer Act, 2019.

It is hereby declared that the said foreign currency and the undersigned applicant comply with the following:

1. Legal source and legal use.
2. Prevailing Nepali and international legal provisions on Assets (Money) Laundering Prevention and Combating Financing of Terrorism related activities.
3. Is not blacklisted by Credit Information Bureau of Nepal.
4. Prevailing taxation laws of Nepal and the country of origin of the funds.
5. Non-misuse of foreign exchange.

Enclosure: Industry registration certificate or document showing that the amount being remitted in industry/company is the one established for foreign investment **along with copy of approval of foreign investment from for foreign investment approving entity.**³

Seal/Stamp:



Signature:	
Name:	
Designation:	
Institution:	
Email:	
Website:	
Telephone/Cell No.:	

Note: This information can be submitted electronically to the following email: fxmd_oss@nrb.org.np

Schedule-3
Relating to Sub-bylaw (2) of Bylaw 4

Documents to be ascertained by Bank and Financial Institution

- A) Documents relating to the company/industry receiving foreign investment:
1. Application regarding amount to be deposited,
 2. A copy of the decision of the Board of Directors or authorized personnel,
 3. Copy of foreign investment approval,
 4. Evidence of not being in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents),²
- B) Documents relating to foreign investors:
- (i) For institution:
1. Certified copy of registration certificate of the institution,
 2. Certified copy of the latest audited financials (However, if the investment amount is less than or equal to USD 1 million or its equivalent in foreign currency, it is not mandatory to include the audited financials. Similarly, if the financial statement submitted by the foreign investor is accompanied by the financial statement prepared by the board of directors/higher management along with the evidence stating that it does not need to be audited, the audited financials shall not be mandatory),
 3. Certified copy of the document verifying the identity of the beneficial owner (not required in case of the company listed on stock market).²
 4. *(Deleted)*²
 5. Certified copy of the decision of the board of directors or the authorized personnel regarding foreign investment.
- (ii) For natural person:
1. Certified copy of passport,
However, the submission of copy of passport is not required for non-resident Nepali for investment made in Nepal by an investment company established jointly by the Government of Nepal and non-resident Nepali if the list of investors (name, surname, passport number, issuing country, address, source country of funds etc.) is submitted by the investment company (board of directors or the authorized personnel, as per the decision of board of directors, including self declaration to take full responsibility in case of otherwise).²
 2. *(Deleted)*²
- (iii) In the case that the natural individual/institution remitting the fund is not the approved foreign investor by the foreign investment approving entity:²
1. Certified copy of his/her passport or organization registration certificate,²
 2. Certified copy of documents relating to source of investment,
 3. Certified copy of the document verifying the relationship with the foreign investor.
 4. Self-declaration from both the sender and beneficiary regarding compliance with asset (money) laundering prevention and combating financing of terrorism related activities and other prevailing national and international legal provisions,²
 5. Certified copy of the contract-agreement related to such transaction along with a certified copy of the decision of the board of directors or authorized personnel, in case it does not have board of directors, stating such transaction, from both the sender and the beneficiary,²
 6. In case the fund sender is an institution, certified copy of documents verifying the identification of the beneficial owner of the institution (not required for company listed on stock market).²
- (iv) A copy of the written information given to the Rastra Bank regarding the remittance of foreign currency after the approval of foreign investment (according to schedule-2).
- (v) Self-declaration that the foreign investor has complied with prevailing national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities.²

Note:

- 1) Bank and financial institution shall have to request for the mentioned documents without duplication.
- 2) Certified means certified by a notary.
- 3) The applicant must be an authorized personnel.

Schedule-4
Relating to Sub-bylaw (3) of Bylaw 4

Documents to be submitted for Prior Approval of the Rastra Bank to Remit or Receive Foreign Currency into Nepal for Foreign Investment through Change of Share Ownership

- A) Documents related to company/industry having foreign investment:
1. Application to remit foreign currency into Nepal for foreign investment,
 2. Copy of the decision of the board of directors or authorized personnel,
 3. Copy of approval of foreign investment,
 4. Copy of registration certificate of company/industry,
 5. Copy of license for business operation (as required),
 6. Copy of memorandum of association and articles of association,
 7. Copy of permanent account number certificate,
 8. Evidence of not being in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents),²
 9. Certified copy of foreign investment agreement and approved share purchase agreement (as required).
 10. In the case of the sale of shares of the company not listed in the stock market, **share valuation report from a chartered accountant who is a member of the Institute of Chartered Accountants of Nepal or by an investment banking entity licensed by the Securities Board of Nepal disclosing price per share (fair market value), specific value or range (not more than 10% of the lower-end price).**³
- B) Documents relating to foreign investor:
- (a) For institution:
1. Certified copy of the registration certificate of the institution,
 2. Certified copy of the latest audited financials. (However, if the investment amount is less than or equal to USD 1 million or its equivalent in foreign currency, it is not mandatory to include the audited financials. Similarly, if the financial statement submitted by the foreign investor is accompanied by the financial statement prepared by the board of directors/higher management along with the evidence stating that it does not need to be audited, the audited financials shall not be mandatory),
 3. Certified copy of the identification document of the beneficial owner (not required for company listed in stock exchange).²
 4. *(Deleted)*²
 5. Certified copy of the decision of the board of directors or authorized personnel relating to foreign investment.
- (b) For natural person:
1. Certified copy of the passport,
However, the submission of copy of passport is not required for non-resident Nepali for investment made in Nepal by an investment company established jointly by the Government of Nepal and non-resident Nepalis if the list of investors (name, surname, passport number, issuing country, address, source country of funds etc.) is submitted by the investment company (board of directors or the authorized personnel, as per the decision of board of directors, including self declaration to take full responsibility in case of otherwise).²
 2. *(Deleted)*²
- (c) **If the person or institution sending the funds for foreign investment is not the approved investor, the documents as per sub-point (iii) of point (B) of Schedule-3 shall also have to be submitted.**³

Note:

- 1) *Certified means certified by a notary.*
- 2) *The applicant must be an authorized personnel.*
- 3) *In the case of foreign investment is made in the company/industry listed on the stock market through the purchase of shares from securities market in accordance with the laws prevailing, if the document proving the same is submitted, the documents mentioned in sub-point 2, 4, 5, 6, 7 and 8 of point (A) are not required.*
- 4) *If the document proving that the profit earned from foreign investment is invested in the same industry or the investment is made in industry/company other than those not prohibited for foreign investment, the document of sub-point (3) of point (A) is not required.*³

**Schedule-5
Relating to Sub-bylaw (4) of Bylaw 4**

Certificate to be issued by the Concerned Bank and Financial Institution after Inflow of Foreign Currency

(To be issued by Head/Corporate Office only, on Letter Head of Certificate Issuing Bank and Financial Institution with following details)

Name of Bank and Financial Institution

Corporate/Head Office

Address:

Website:

SWIFT Code:

Telephone No.:

Facsimile No.:

Date:

Reference Number:

Serial Number:

To,

Name of Nepali company/industry having approval of foreign investment or prospective investor or authorized local agent, as applicable Address of Nepali company/industry or of prospective investor or authorized local agent, as applicable

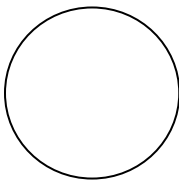
Subject: Certificate for Inflow of Foreign Currency Pertaining to Foreign Investment

Dear Madam/Sir,

This certificate has been issued for inflow of foreign currency pertaining to foreign investment, with following details:

1	Foreign Investor(s) or prospective investor or authorized local agent, as applicable	
	a) Name of foreign investor(s) or prospective investor or authorized local agent, as applicable	
	b) Address of foreign investor(s) or of prospective investor or authorized local agent, as applicable	
2	Foreign Investment Approved Amount (Not applicable for feasibility study, preliminary/pre-operating expenses)	
	a) Approved amount in Rs.	
	b) Equivalent amount in FCY	
3	Registration number of Nepali company/industry (Not applicable for feasibility study, preliminary/pre-operating expenses)	
4	Foreign currency remitted by the foreign investor or prospective investor or authorized local agent, as applicable	
5	Equivalent Nepali Rupees	
6	Details of Agency Bank:	
	a) Name of agency bank	
	b) Address of agency bank	
	c) Date	
	d) SWIFT Code	
	e) Transaction reference	
7	Foreign investment approval (Not applicable for feasibility study, preliminary/pre-operating expenses):	
	a) Foreign investment approving entity	
	b) Date of approval	
8	Inflow of funds from.....(Country(ies)).³	

Seal/Stamp:



<u>Authorized Signatory</u>		<u>Authorized Signatory</u>	
Name:		Name:	
Designation:		Designation:	
Signature:		Signature:	
Email:		Email:	
Telephone /Cell No.:		Telephone /Cell No.:	

Copy to:

- Nepal Rastra Bank, Central Office, Foreign Exchange Facilitation Unit, One Stop Services Center, Tripureshwor, Kathmandu, Nepal.
- Foreign Investment Approving Entity of Government of Nepal, Department of Industry or Investment Board of Nepal, as appropriate.
- Government of Nepal, Company Registrar's Office.

Schedule-6
Relating to Sub-bylaw (1) of Bylaw 5
Documents to be submitted for Recording of Foreign Investment

- (A) Documents related to Nepali company/industry bringing foreign investment:
- 1) A copy of the decision of the board of directors or the authorized personnel related to recording of foreign investment or the application from the concerned foreign investor/individual or organization authorized by the foreign investor,²
 - 2) Copy of approval of foreign investment,
 - 3) Copy of company/industry registration certificate,
 - 4) Copy of business operation license (as required),
 - 5) Copy of permanent account number certificate,
 - 6) Copy of memorandum of association and articles of association,
 - 7) Copy of latest audited financials,
 - 8) Copy of proof of latest tax clearance or submission of tax returns,
 - 9) Copy of updated shareholder's registration record from the Office of the Company Registrar (in case of a company listed in stock market, shareholder's record certified by a share registrar licensed by the Securities Board),
 - 10) Certificate and system generated evidence issued by relevant bank and financial institution regarding the inflow of foreign currency into Nepal for foreign investment,
 - 11) Certified copy of foreign investment agreement and approved share purchase-sale agreement (as required),
 - 12) For inflow of foreign currency, evidence of approval or ratification approval from the Rastra Bank or prior information provided to the Rastra Bank,²
 - 13) **If the inflow amount related to foreign investment is lower due to SWIFT charge, bank commission, service fee etc. charged by foreign and domestic bank and financial institution, such can also be recorded as foreign investment based on document evidences. However, such fee can not be recorded as foreign investment if it exceeds more than 3 percent of the net inflow amount.³**
- (B) For institution as foreign investor:
- 1) Certified copy of registration certificate of institution,
 - 2) Certified copy of the latest audited financials. (However, if the investment amount is less than or equal to USD 1 million or its equivalent in foreign currency, it is not mandatory to include the audited financials. Similarly, if the financial statement submitted by the foreign investor is accompanied by the financial statement prepared by the board of directors/higher management along with the evidence stating that it does not need to be audited, the audited financials shall not be mandatory),
 - 3) Certified copy of the document verifying the identity of the beneficial owner (not required in case of company listed in stock market),²
 - 4) Certified copy of the decision of the board of directors or the authorized personnel regarding foreign investment in Nepal.
- (C) For natural person as foreign investor:
- 1) Certified copy of passport.
However, submission of copy of passport is not required for non-resident Nepalis for investments made in Nepal by an investment company established jointly by the Government of Nepal and non-resident Nepalis if the list of investors (name, surname, passport number, issuing country, address, source country of funds etc.) is submitted by the investment company (board of directors or the authorized personnel, as per the decision of board of directors, including self declaration to take full responsibility in case of otherwise).²

Notes:

- 1) *Certified means certified by a notary.*
- 2) *The applicant must be an authorized personnel.*
- 3) *In the case of foreign investment is made in the company/industry listed in the stock market through the purchase of shares from securities market in accordance with the laws prevailing, if the document proving the same is submitted, the documents mentioned in sub-point 3, 4, 5, 6, 7 and 8 of point (A) are not required.*
- 4) *Regardless of what is written in this Schedule, there is no need to submit documents that have already been submitted to the Rastra Bank.²*
- 5) *If the person or institution sending the funds for foreign investment is not an approved investor, the documents as per sub-point (iii) of point (B) of Schedule-3 shall also have to be submitted.³*
- 6) *If the document proving that the profit earned from foreign investment is invested in the same industry or the investment is made in industry/company other than those not prohibited for foreign investment, the documents of sub-point (2), (10) and (12) of point (A) are not required. The Rastra Bank shall also mention the same in the foreign investment recording certificate of Schedule-8. However, for the case where approval of the Rastra Bank is required as per Bylaw 4(3), the same must also be complied.³*

**Schedule-7
Relating to Sub-bylaw (1) of Bylaw 5**

Application to be submitted to the Unit for Recording of Foreign Investment

Date:

Nepal Rastra Bank
Foreign Exchange Facilitation Unit
One Stop Services Center
Kathmandu, Nepal

Subject: Application to Record Foreign Investment

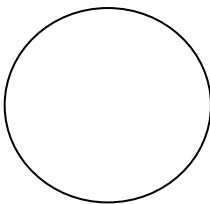
Dear Madam/Sir,

We hereby apply for recording the foreign investment with following details:

1	Foreign Investor	
	a) Name	
	b) Address	
	c) Email ID	
	d) Website	
2	Foreign Investment Approval	
	a) Approved amount in Rs. b) Equivalent amount in FCY	
3	Foreign Investment Approving Entity	
4	Previously Recorded Foreign Investment (if any)	
	a) Number of Shares b) Amount in Rs.	
5	Foreign Investment to be Recorded vide this Application	
	a) Number of Additional Shares b) Amount in Rs.	
6	Inflow of Foreign Investment	
	a) Date	
	b) Name of Bank and Financial Institution	
	c) Amount in Foreign Currency d) Amount in Rs.	
7	Details on Plough Back from Foreign Investment, if any	
	a) b)	
8	Inflow of funds from:.....(Country(ies)).³	

Attached are the documents required for recording foreign investment as per the Bylaw 5.

Seal/Stamp:



Signature:	
Name:	
Designation:	
Institution:	
Email:	
Website:	
Telephone/ Cell No.:	

Note: This information can be submitted electronically to the following email : fxmd_oss@nrb.org.np

Schedule-7A²
Relating to Sub-bylaw (4) of Bylaw 5

Documents to be submitted for Ratification-Approval and Recording of Foreign Investment

(A) Documents relating to Nepali company/industry bringing foreign investment:

- 1) Copy of the decision of the board of directors or the authorized personnel regarding ratification-approval and recording of foreign investment or the application from the concerned foreign investor or the individual or organization authorized by the foreign investor.
- 2) Copy of foreign investment.
- 3) Copy of approved project proposal or SPA/JVA/SSA etc.
- 4) Copy of the record of directors of the company certified by the Office of the Company Registrar.
- 5) Copy of company/industry registration and permanent account number registration certificate.
- 6) Copy of license for business operation (as required).
- 7) Copy of memorandum of association and articles of association and any amendments thereto.
- 8) Copy of latest audited financials and proof of tax clearance or submission of tax returns.
- 9) Copy of updated shareholders' registration record from the Office of the Company Registrar (In case of a company listed in stock market, shareholders' record certified by a share registrar licensed by the Securities Board).
- 10) Certificate or letter, system generated (SWIFT Messages etc.) proof and bank statement showing the deposit of amount issued by the relevant bank and financial institution regarding the inflow of foreign currency into Nepal for foreign investment. **However, system generated (SWIFT Messages etc.) shall not be mandatory in case of foreign investments made before coming into effect of Foreign Investment and Technology Transfer Act, 2019.³**

(B) For institution as foreign investor:

- 1) Certified copy of registration certificate of institution,
- 2) Certified copy of the latest audited financials. (However, if the investment amount is less than or equal to USD 1 million or its equivalent in foreign currency, it is not mandatory to include the audited financials. Similarly, if the financial statement submitted by the foreign investor is accompanied by the financial statement prepared by the board of directors/higher management along with the evidence stating that it does not need to be audited, the audited financials shall not be mandatory),
- 3) Certified copy of the document verifying the identity of the beneficial owner (not required in case of the company listed in stock market),²
- 4) Certified copy of the decision of the board of directors or the authorized personnel regarding foreign investment in Nepal.

(C) For natural person as foreign investor:

- 1) Certified copy of passport.

Note:

- 1) *Certified means certified by a notary.*
- 2) *The applicant must be company secretary/chief executive officer or authorized personnel or foreign investor individual.*
- 3) *In the case of foreign investment is made in the company/industry listed in stock market through the purchase of shares from securities market in accordance with the laws prevailing, if the document proving the same is submitted, the documents mentioned in sub-point 3, 4, 5, 6, 7 and 8 of point (A) are not required.*
- 4) *In the case of an authorized person, the letter of authorization provided to perform the related task shall have to be submitted.*
- 5) *If the person or institution sending the funds for foreign investment is not an approved investor, the documents as per sub-point (iii) of point (B) of Schedule-3 shall also have to be submitted.*

**Schedule-7B²
Relating to Sub-bylaw (4) of Bylaw 5**

Application to be submitted to the Unit for Ratification-Approval and Recording of Foreign Investment

Date:.....

Nepal Rastra Bank
Foreign Exchange Facilitation Unit
One Stop Services Center
Kathmandu, Nepal

Subject: Application to Ratification-Cum-Record of Foreign Investment

Dear Madam/Sir,

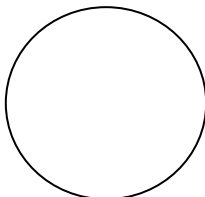
We hereby apply for ratification-cum-recording of the foreign investment with following details:

1	Foreign Investor			
	Name	Address	Email ID	Telephone/Cell No.
	i.			
2	Foreign Investment Approval			
	Approved Amount in Rs.	Approving Entity	Approved Date	-
				-
3	Previously Recorded Foreign Investment (if any)			
	Name of Foreign Investor	Number of Shares	Amount in Rs.	-
	i.			-
	ii.			-
4	Foreign Investment to be Recorded vide this Application			
	Name of Foreign Investor	Number of Shares	Amount in Rs.	-
	i.			-
	ii.			-
5	Foreign Investment to be Ratified vide this Application			
	Name of Foreign Investor	Number of Shares	Amount in Rs.	-
	i.			-
	ii.			-
6	Inflow of Foreign Investment			
	i. Date			
	ii. Name of Bank and Financial Institution			
	iii. Amount in Foreign Currency			
	iv. Amount in Rs.			
7	Details on Plough Back from Foreign Investment (if any)			
8	Inflow of funds from:.....(Country(ies)). ³			

Sector/purpose of foreign investment:.....

Attached are the documents required for recording foreign investment as per the Bylaw 5.

Seal/Stamp of the Company



Signature:
Name:
Designation:
Institution:
Telephone/Cell No:

**Schedule-8
Relating to Sub-bylaw (3) of Bylaw 5**

Certificate of Foreign Investment Recording

Letter No..... Ref. No.....

Date:

M/S.....

.....

Subject: Regarding Foreign Investment Recording

Dear Sir/Madam,

For the purpose of investing in the said company/industry, it has been noted that the following foreign investment has been brought in and the registration of share has also been maintained. Hence, this is to inform that the recording of foreign investment has been done accordingly.

S. N.	Name and address of foreign investor (including country)	Foreign investment recorded previously		Foreign investment recorded currently		Total foreign investment recorded till date		Details on inflow of foreign investment				Country/countries sending fund ²
		Number of paid up shares ²	Amount paid up and recorded ²	Number of paid up shares ²	Amount paid up and recorded ²	Number of paid up shares ²	Amount paid up and recorded ²	Date	Bank and financial institution	Foreign currency amount	Amount in Rs.	

Sincerely,

.....
Officer Level²

Note: In the case that the profit earned from foreign investment is invested in the same industry or the investment is made in industry/company other than those not prohibited for foreign investment, foreign investment recording certificate shall be provided stating the same.³

Schedule-9
Relating to Sub-bylaw (2) of Bylaw 6

Documents to be submitted for Approval of Foreign Currency Exchange for Repatriation of Investment and Earnings

- 1) Approval from foreign investment approving entity regarding repatriation of foreign investment and earnings or recommendation from relevant entity as per the prevailing law, in case only recommendation can be provided,²
- 2) A copy of the decision of the general meeting or the board of directors or the authorized personnel of the company/industry having foreign investment related to availing the necessary approval for repatriation of investment and earnings,
- 3) Copy of proof of foreign investment recording with the Rastra Bank,
- 4) A copy of the latest audited financials,
- 5) Copy of proof of latest tax clearance or submission of tax returns,
- 6) Evidence that the company/industry is not in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents),²
- 7) Self-declaration from the applicant stating no outstanding loans from Nepali banks and financial institutions, have not done/shall not do foreign currency misappropriation, no outstanding tax liability, shall comply with prevailing national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities, and have complied/shall comply with prevailing legal provisions,
- 8) In the case of royalty from transfer of technology, a copy of the statement certifying the amount due to the technology transfer agreement by a certified auditor and the bill-invoice issued by the respective investor,
- 9) In the case of sale of shares of the company not listed in stock market, share valuation report from a chartered accountant who is a **member of the Institute of Chartered Accountants of Nepal**³ or by an investment banking entity licensed by the Securities Board of Nepal disclosing price per share (fair market value), specific value or range (not more than 10% of the lower-end price),²
- 10) Proof of payment of **taxes as per prevailing laws** applicable on the amount to be repatriated, **including** advance income tax, **value added tax, capital gain tax,**³
- 11) In the case of royalty from technology transfer, a copy of the letter regarding approval of technology transfer agreement and the approved agreement.²

Note:

1. *The applicant must be an authorized personnel.*
2. *In the case of repatriation of foreign investment in the company/industry listed in the stock market through the sale of shares from securities market in accordance with the laws prevailing, if the document proving the same is submitted, the documents mentioned in point 2, 4, 5 and 6 are not required.*

Schedule-9A²
Relating to Sub-bylaw (3) of Bylaw 6

Documents to be submitted for Approval of Foreign Currency Exchange for Repatriation of Investment and Earnings of Branch Office

- 1) Approval from foreign investment approving entity regarding repatriation of foreign investment and earnings or recommendation from relevant entity as per the prevailing law, in case only recommendation is available,
- 2) A copy of the decision of the general meeting or the board of directors or the authorized personnel of the company/industry having foreign investment related to availing the necessary approval for repatriation of investment and earnings,
- 3) Copy of proof of foreign investment recording with the Rastra Bank,
- 4) A copy of the latest audited financials. Additionally, if the fiscal year for which repatriation of profit or dividend or sale of shares sought is different, audited financials of that fiscal year as well,
- 5) Copy of proof of latest tax clearance or submission of tax returns. Additionally, if the fiscal year for which repatriation of profit or dividend or sale of shares sought is different, tax clearance certificate of that fiscal year as well,
- 6) Evidence that the branch office is not in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents),
- 7) Self-declaration from the applicant stating no outstanding loans from Nepali banks and financial institutions, have not done/shall not do foreign currency misappropriation, no outstanding tax liability, shall comply with prevailing national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities, and have complied/shall comply with prevailing legal provisions,
- 8) In the case of royalty from transfer of technology, a copy of the statement certifying the amount due to the technology transfer agreement by a certified auditor and the bill-invoice issued by the respective investor,
- 9) In the case of the sale of shares of the company not listed in the stock market, share valuation report from a chartered accountant who is a **member of the Institute of Chartered Accountants of Nepal³** or by an investment banking entity licensed by the Securities Board of Nepal disclosing price per share (fair market value), specific value or range (not more than 10% of the lower-end price),
- 10) Proof of payment of **taxes as per prevailing laws** applicable on the amount to be repatriated, **including** advance income tax, **value added tax, capital gain tax,³**

Note:

1. *The applicant must be an authorized personnel.*
2. *In the case of repatriation of foreign investment in the branch office/company/industry listed in the stock market through the sale of shares from securities market in accordance with the laws prevailing, if the document proving the same is submitted, the documents mentioned in point 2, 4, 5 and 6 are not required.*

Schedule-9B²
Relating to Sub-bylaw (5) of Bylaw 6

Documents to be submitted when requesting for Repatriation of Foreign Investment and Earnings to a Country Different than the one making Foreign Investment (in case of technology transfer agreement, the country mentioned in the agreement as repatriation recipient or the country where the foreign investor is registered)

1. Application (from both the company/industry having foreign investment and the investor) including reasons and justification for repatriation of foreign investment, dividends or other types of earnings to a different country, with enclosure of necessary details/evidences (original or certified copy).
2. Certified copy of the decision of the board of directors or the authorized personnel, in case where board of directors do not exist, for repatriation of the foreign investment, profits, or other earnings to a different country (from both the company/industry having foreign investment and the investor).
3. A certified copy of the self-declaration of the board of directors or the authorized personnel, in case where board of directors do not exist, stating national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities have been complied/shall be complied and prevailing legal provisions have been complied/shall be complied (from both the company/industry having foreign investment and the investor).
4. Certified copy of self- declaration from the board of directors or authorized personnel, in case where board of directors do not exist, undertaking accountability/responsibility for any additional taxes, revenue or debt liability that may arise in Nepal or in any other country due to repatriation of foreign investment, dividends, or other earnings to a different country (from both the company/industry having foreign investment and the investor).
5. Proof of previous repatriation of dividends, if any, where repatriation of foreign investment, dividend or any types of earnings have been made to a different country.
6. Proof that the requested country for repatriation is not listed in the High-Risk Jurisdiction or Blacklist, as per the latest details of FATF.

Schedule-10
Relating to Sub-bylaw (1) of Bylaw 7
Provisions Relating to Foreign Loan

S. N.	Eligible Borrower	Eligible Foreign Lender	Terms and Conditions of Foreign Loan	Loan Application to be Submitted to
1	Firm, company, industry or institution (except licensed bank and financial institution)	a) Foreign banks and financial institutions, Government/Inter-Government owned Development Finance Institutions (DFIs) ³ b) Foreign financial institutions or companies approved by the government or central bank or other regulatory entities of the relevant foreign country for granting loan. c) <i>(Deleted: In case the application has been submitted to the department before the second amendment of the bylaw, it shall be as per the erstwhile provision)</i> ²	<u>Interest rate</u> ³ : a) Up to 1 Year Benchmark Interest Rate* + 6% p.a. ¹ b) In case of borrowing from India in Indian Rupees: <ul style="list-style-type: none"> • <u>If the eligible lender is according to (a): Up to One Year Marginal Cost of Funds based Lending Rate (MCLR) + 2% p.a.</u> • <u>If the eligible lender is according to (b): Up to One Year MCLR + 2% p.a. or average MCLR+2% p.a. as per the recent publication from Reserve Bank of India.</u> c) In case of borrowing from China in Chinese Yuan: Up to One Year Loan Prime Rate (LPR) + 2 % p.a.	Department
2.	Firm, company, institution, and Nepali citizen	Relatives abroad, other individual, non-resident Nepali or association/institution	1. <u>Limit</u> : Up to 1 million US dollars and in case of India, up to 100 million Indian Rupees. 2. <u>Interest rate</u> ³ : <ul style="list-style-type: none"> a) Interest free or up to One Year Benchmark Interest Rate*+ 2.0% p.a.¹ b) In case of borrowing from India in Indian Rupees: Up to average One Year MCLR as per the latest publication from Reserve Bank of India. c) In case of loan from China in Chinese Yuan: Up to One Year LPR. 3. <u>Repayment period</u> : 1 year minimum. 4. <u>Purpose</u> : Sector or business not prohibited by prevailing laws. However, cannot be utilized in real estate business and securities trading.	Department
3.	Industry/company with	Foreign investor of the company/industry (including	1. <u>Limit</u> ³ : Up to 2 times of paid-up capital of related foreign investor.	Unit

S. N.	Eligible Borrower	Eligible Foreign Lender	Terms and Conditions of Foreign Loan	Loan Application to be Submitted to
	foreign investment (except licensed bank and financial institution) ³	the parent company/group of companies).	<p>However, in the following cases, the limit can be up to 5 times of paid-up capital of the related foreign investor:</p> <p>a) If loan from parent company/group of company is outstanding, up to average interest rates of such loan(s) for disbursement of additional/new loans.</p> <p>b) Notwithstanding anything written in clause (a) above, the annual interest rate must not exceed 50% of the premium rate without benchmark interest rate as specified in point (a) of the Interest rate section.</p> <p>2. Interest rate³:</p> <p>a) Interest free or up to One Year Benchmark Interest Rate* + 3.5% p.a.¹</p> <p>b) In case of borrowing from India in Indian Rupees: Up to average One Year MCLR, as per the latest publication from Reserve Bank of India.</p> <p>c) In case of loan from China in Chinese Yuan: Up to One Year LPR.</p> <p>3. Purpose: To be utilized in the designated sector of the industry/company.</p> <p>4. Recommendation/approval of foreign investment approving entity/relevant entity (if available).</p> <p>5. Certified document showing source of loan.</p>	
4.	Industry/company with foreign investment (except licensed bank and financial institution) ³	Foreign Financial Institution, Government/Inter-Government owned Development Finance Institutions (DFIs)³	<p>1. Purpose: Project loan or project financing.</p> <p>2. Recommendation from Government of Nepal, Ministry of Industry, Commerce and Supplies.</p> <p>3. Interest rate³: As mentioned in S.N. 1.</p>	Unit
5.	Infrastructure Development	Parent company/group of companies	1. Interest rate: Non-interest bearing.	Department

S. N.	Eligible Borrower	Eligible Foreign Lender	Terms and Conditions of Foreign Loan	Loan Application to be Submitted to
	Construction Project		2. <u>Payment period</u> : As per requirement of the project ² . 3. <u>Purpose</u> : Including current expenses related to project construction ² . 4. Recommendation from project for disbursement and payment (if available).	
6.	"A", "B", "C" and "D" class bank and financial institution, and infrastructure development bank.	Indian bank and financial institution, Government/Inter-Government owned Development Finance Institutions (DFIs) ³	1. <u>Limit</u> : Up to 100% of core capital including, if any, borrowing in convertible foreign currency. 2. <u>Interest rate</u> : Up to One Year MCLR + 0.5% p.a. 3. <u>Repayment period</u> : Minimum of 6 months to maximum of 15 years (subject to renewal, as approved by the Rastra Bank) ¹ . 4. <u>Purpose</u> : To disburse loans in sectors such as energy, infrastructure, tourism, agriculture, micro enterprises etc., except real estate sector such as housing, land development and loan against shares. 5. <u>Collateral/Guarantee</u> : Any form of collateral, guarantee, or bank guarantee shall not be provided.	Department
7.	"A", "B", "C" and "D" class bank and financial institution, and infrastructure development bank.	Foreign bank and financial institution, as well as approved foreign pension fund, hedge fund, and similar organization regulated by regulatory entity, Government/Inter-Government owned Development Finance Institutions (DFIs) ³	1. <u>Limit</u> : Up to 100% of core capital including, if any, borrowing in Indian Rupees. 2. <u>Interest rate</u> : a) Up to One Year Benchmark Interest Rate* + 4.5% p.a. ¹ b) Up to One Year LPR+1% p.a. for loan from China in Chinese Yuan ³ . 3. <u>Repayment period</u> : Minimum of 6 months and maximum of 15 years (subject to renewal, as approved by the Rastra Bank) ¹ . 4. <u>Purpose</u> : To disburse loans in sectors such as energy, infrastructure, tourism, agriculture, micro enterprises etc., except real estate sector such as housing, land development and loan against shares. 5. <u>Collateral/Guarantee</u> : Any form of collateral, guarantee, or bank guarantee shall not be provided.	Department

S. N.	Eligible Borrower	Eligible Foreign Lender	Terms and Conditions of Foreign Loan	Loan Application to be Submitted to
			6. Loan amount shall not be invested in inter-bank transaction of convertible foreign currency and investment instruments.	
8.	Public limited company incorporated in Nepal or organized institution authorized to issue securities	Foreign purchasers of foreign capital market (as per section 11 of Foreign Investment and Technology Transfer Act, 2019)	1. Through issuance of bonds, debentures or other securities. 2. Recommendation of Securities Board.	Unit

Additional Conditions:

1. Prior approval from the Rastra Bank is mandatory for inflow of loan.
2. The loan must be obtained through banking channel.
3. The loan amount must be recorded with the Rastra Bank after inflow.
4. The lender shall not be subject to any restrictions on engaging in international financial transactions or providing foreign loans in Nepal.
5. Full compliance with prevailing national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities.
6. The borrowed amount must be utilized by the borrower in the designated sector only.
7. # Interest and fees shall be paid only after the deduction of applicable taxes specified by law and it is not mandatory that such taxes to be within aforementioned ceiling of interest rate and fees, as mentioned in Condition 8¹.
8. #If any expenses/charges/commissions/fees etc. related to the loan are to be incurred, it shall also be within the aforementioned ceiling of interest rate. Also, if any expenses, fees, commissions, fees, etc. have to be paid for the purpose of approving the loan, arrangements have to be made such that it shall remain within the aforementioned ceiling of interest rate and payment is made after inflow of loan.

However, provided the loan under S.N. 1, S.N. 6 and S.N. 7, the following contingent expenses and fees shall not be mandatory to remain within the aforementioned ceiling of interest rate and to have approval from the Rastra Bank, if it is stipulated in loan agreement and payment is made to the concerned lender³:

- a) Penal interest fee: Penal interest not to exceeding 2% per annum on top of the specified interest rate on the overdue loan and/or interest due to non-repayment of principal and/or interest by the borrower within the stipulated time.²
- b) Prepayment fee: Lump sum up to 0.25% on the prepayment of principal amount, before the specified time, by the borrower.
- c) Commitment Fee: Lump sum up to 0.25%.¹

Clarification: For the above-mentioned contingent fees/expenses or other contingent/non-contingent fees/expenses, approval from the Rastra Bank is to be taken such that they are stipulated in the loan agreement and remain within the stipulated ceiling of interest rate including taxes on them as per prevailing laws.³

9. Foreign currency loan can be brought with denomination in Nepali Rupees such that foreign exchange rate risk is with the concerned lender. The interest rate on such loans shall be up to the average base rate of commercial banks licensed by the Rastra Bank (as mentioned in the latest “Current Macroeconomic and Financial Situation of the Country” published by the Rastra Bank).²

However, in the case of foreign loan in commercial agriculture, manufacturing industry, infrastructure industry, tourism industry and energy industry, an additional two percentage points can be added to the specified interest rate. Foreign loan denominated in NPR shall be recorded in NPR.³

10. In case of foreign loan at a fixed interest rate, it can be up to the maximum interest rate mentioned in the above-mentioned table at the time of approval of foreign loan by the Rastra Bank. **The period for which the fixed interest rate is applicable can be up to a maximum of two years at a time³.** Within the maturity of the loan, approval can be obtained from the Rastra Bank for application of fixed interest rate for the maximum of two years at a time. **However, the two-year limit on fixed interest rate shall not be applicable if the interest rate is up to the premium and addition of 25 basis points without the benchmark interest rate for various types of loans as specified in the bylaw. In the case of loans denominated in NPR, the period for which the fixed interest rate is applicable shall be up to a maximum of ten years at a time.³** In case, the fixed interest rate is not approved by the Rastra Bank, the interest rate specified in the table above shall apply. This provision shall be effective for approval of foreign loan, only after amendment in the bylaw has come into effect.¹
11. For foreign loans as mentioned in S.N. 1, 2, 3, 4, 5 and 8, the industry/company with foreign investment shall have to submit proof of recording of foreign investment and the application for foreign loan is to be submitted to the Unit.²
12. For foreign loan transaction, apart from the lender and the borrower, no other third party (including local) is allowed to be included and no payment is allowed to them. For consultation and other services on behalf of the lender, arrangement shall have to be made for payment of such by the lender.²

However, this provision shall not prohibit the following cases³:

- 1) In the case of loans under S.N. 6 and 7, inclusion of foreign third party as specified in the loan agreement without incurring any payments.**
 - 2) In the case of loans under S.N. 6 and 7, payment from the borrower to the local legal businessperson for foreign loan related legal consultation works with concurrence of the lender as specified in the loan agreement and within the aforementioned interest rate ceiling.**
13. Except as specified by the Rastra Bank, no movable or immovable property including mortgage, lien, security, surety, bank guarantee, etc. can be provided for foreign loan.²
14. The use of foreign loan in sectors such as housing, real estate like land development, and securities market is not allowed.²
15. **A loan, initially brought in as foreign loan with the option for the borrower to convert the remaining principal amount of such loan partially or fully into foreign investment either within the loan tenor or after the maturity of loan tenor, can be availed subject to compliance of the following provisions:³**
- 1) Such loan related transactions shall have to be specified in the initial loan agreement and approved by the Rastra Bank during the loan approval.**
 - 2) For such loan, a foreign investment ratification-approval or foreign investment approval shall have to be obtained from foreign investment approving entity after inflow of the foreign loan stating the amount and the date.**
 - 3) Though inflow such amount occurs before approval of foreign investment, it shall be recorded as foreign investment in compliance with all other prevailing provisions.**
16. **Licensed "A" class commercial banks, for the purpose of providing loans or for the purpose of securing loans that have already been provided locally, may accept financial guarantee issued by foreign banks and financial institutions along with foreign pension funds, hedge funds, Government/Inter-Government owned Development Finance Institutions (DFIs) and other lending institutions approved by regulatory entities. The concerned commercial banks, on their own, shall have to analyze other security, foreign exchange, and other related risks while granting loans or securing loans that have already been granted in Nepal, on the basis of such bank guarantee or financial guarantee. When providing loans or securing loans that have already been provided, it shall be for the purposes specified in S.N.6 and 7 only of the table above. If such financial guarantee is invoked and inflow of funds occur, approval of the Rastra Bank is required for repatriation of funds abroad.³**
17. Other terms and conditions shall be as determined by Rastra Bank from time to time.

***Benchmark Interest Rates¹:**

- (a) Secured Overnight Financing Rate (SOFR), Sterling Overnight Interbank Average Rate (SONIA), Swiss Average Rate Overnight (SARON), Tokyo Overnight Average Rate (TONA) and Euro Short-term Rate (€STER) shall apply for new loans denominated in USD, GBP, CHF, JPY, and EUR respectively.

- (b) If fallback provisions in place of LIBOR after December 31, 2021 is mentioned in the erstwhile loan agreement, it shall be in accordance with such. However, provided that such fallback provisions constitute SOFR, SONIA, SARON, TONA, or €STER, a maximum of all-in-cost 50 basis points may be added in the approved margin based on LIBOR with concurrence of both the lender and the borrower.
- (c) If no fallback provisions in place of LIBOR after December 31, 2021 is mentioned in the erstwhile loan agreement, it shall be as per the erstwhile provisions till June 30, 2023 for loan denominated in USD and for LIBOR benchmark interest of overnight, 1 month, 3 months, 6 months or 12 months tenor (subject to publication of such LIBOR benchmarks). Additionally, for foreign loans of tough legacy contracts denominated in GBP and JPY having LIBOR benchmark interest rate of 1 month, 3 months, or 6 months tenor, it shall be as per LIBOR computed by Synthetic Methodology until December 31, 2022 (subject to the publication of such LIBOR benchmarks).
- (d) For erstwhile loan agreements not falling under point (b) and (c) above, SOFR (for loans denominated in USD), SONIA (for loans denominated in GBP), SARON (for loans denominated in CHF), TONA (for loans denominated in JPY), and €STER (for loans denominated in EUR) benchmark interest rates corresponding to erstwhile tenor shall come into effect in place of LIBOR after December 31, 2021, and a maximum of all-in-cost 50 basis points may be added in the approved margin based on LIBOR with concurrence of both the lender and the borrower.

#The aforementioned amended condition shall apply only to new loans and/or renewal of loans subsequent to coming into effect of the amended condition.

Schedule-11
Relating to Sub-bylaw (2) of Bylaw 7

Documents to be submitted with Application for Approval of Foreign Loan

- A) Certified copy of the loan agreement between the lender and the borrower. However, it shall not be mandatory to submit loan agreement for approval of loan if the following conditions are met³:
- 1) **If a certified copy of the term sheet is submitted in case of the loans mentioned in S.N. 6 and 7 of the table outlined in Schedule-10.**
 - 2) **To the extent of the provisions included in the Term Sheet, no difference shall be made between those provisions and the loan agreement.**
 - 3) **After loan approval, a certified copy of the loan agreement shall have to be submitted to the Rastra Bank before drawdown of the approved loan.**

- B) Documents related to the lender:

In the case of institution:

- 1) Certified copy of the institution's registration certificate,
- 2) Certified documents disclosing the beneficial owner,²
- 3) Certified copy of the decision of the board of directors or authorized personnel regarding loan disbursement,
- 4) Certified copy of the latest audited financials (However, if the investment amount is less than or equal to USD 1 million or its equivalent in foreign currency, it is not mandatory to include the audited financials. Similarly, if the financial statement submitted by the foreign investor is accompanied by the financial statement prepared by the board of directors/higher management along with the evidence stating that it does not need to be audited, the audited financials shall not be mandatory),
- 5) Certified copy of documents related to source of the foreign loan.

In the case of natural person:

- 1) Certified copy of the passport.
- 2) Certified copy of documents relating to the source of the foreign loan.

*For foreign banks and financial institutions, financial institutions that have received approval from the government or central bank or other regulatory entities to provide loans, finance companies, pension funds, hedge funds, **government/inter-government owned institutions**², including institutions listed in stock market as lender, documents mentioned in point (B) shall not be required. However, identification document of the lender shall have to be submitted.*

- C) Documents related to the borrower:

In case of institution:

- 1) Copy of institution's registration certificate,
- 2) Copy of business operation license (if applicable),
- 3) Copy of permanent account number certificate,

- 4) Copy of memorandum of association and articles of association (not required for institutions listed in the stock market),²
- 5) A copy of the decision of the Board of Directors or **the authorized personnel**³ to avail loan,
- 6) *(Deleted)* ²
- 7) Copy of the latest audited financials (not required for institution listed in stock market),²
- 8) Copy of the latest tax clearance certificate/submission of tax returns (not required for institution listed in stock market),²
- 9) Evidence of not being in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents).²

In case of natural person:

- 1) Certified copy of citizenship certificate,
 - 2) Evidence of not being in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents).²
- D) Commitment letter regarding inflow of the approved loan through banking system.
- E) Document stating the need for the loan from abroad and the plan for loan utilization.
- F) Document showing the basis for loan repayment including exchange risk.
- G) Time schedule for loan disbursement and repayment.
- H) Self-declaration that state foreign currency misappropriation have not been done/shall not misappropriate foreign currency, shall have compliance with prevailing national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities, and have complied/shall comply with prevailing legal provisions.
- I) Other necessary documents as specified by the Rastra Bank.

Note:

- 1) *Certified means certified by a notary.*
- 2) *The applicant must be an authorized personnel.*

Schedule-12
Relating to Sub-bylaw (4) of Bylaw 7
Certificate to be issued by the Concerned Bank and Financial Institution after Inflow of Foreign Currency Pertaining to Foreign Loan

(To be issued by Head/Corporate Office only, on Letter Head of Certificate Issuing Bank and Financial Institution with following details)

Name of Bank and Financial Institution

Corporate/Head Office

Address:

Website:

SWIFT Code:

Email:

Telephone No.:

Facsimile No.:

Date:

Reference Number:

Serial Number:

To,

Name of Nepali natural person or firm/company/industry having approval of foreign loan

Address

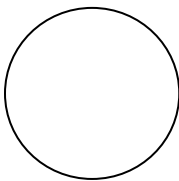
Subject: Certificate of Foreign Currency Received as Foreign Loan

Dear Madam/Sir,

This certificate has been issued for inflow of foreign currency pertaining to foreign loan, with following details:

1	Date of approval by Nepal Rastra Bank	
2	Approved loan:	
	a) Foreign Currency (USD, INR etc.)	
	b) Amount	
3	Registration/citizenship number of Nepali firm/company/industry or natural person, as applicable	
4	Capital of Nepali firm/company/industry, if applicable:	
	a) Authorized	
	b) Paid up	
5	Lender:	
	a) Name	
	b) Address	
6	Foreign currency remitted by lender	
7	Equivalent Nepali Rupees	
8	Agency bank:	
	a) Name	
	b) Date of fund received	
9	Inflow of funds:(Country(ies))³	

Seal/Stamp:



<u>Authorized Signatory</u>		<u>Authorized Signatory</u>	
Name:		Name:	
Designation:		Designation:	
Signature:		Signature:	
Email		Email	
Telephone /Cell No.:		Telephone /Cell No.:	

Copy to:

1. Nepal Rastra Bank, Central Office, Foreign Exchange Management Department, Baluwatar, Kathmandu.
2. Foreign investment approving entity or related agency, as applicable.

Schedule-13

Relating to Sub-bylaw (1) of Bylaw 8

Documents to be submitted for Recording of Foreign Loan

1. Copy of foreign loan approval letter from the Rastra Bank,
2. Copy of certificate regarding inflow of foreign currency into Nepal pertaining to foreign loan and system generated certificate issued by bank and financial institution,
3. Copy of the latest audited financials (not required for institution listed on stock market),²
4. Copy of the latest tax clearance or submission of tax returns (not required for institution listed on stock market),²
5. A copy of the decision of the board of directors or the authorized personnel regarding recording of foreign loan,
6. *(Deleted)*²
7. Certified copy of repayment schedule of the loan,
8. Recommendation from Government of Nepal, Ministry of Industry, Commerce, and Supplies or approval letter from the relevant entity (if available).

Note:

- 1) *Certified means certified by a notary.*
- 2) *The applicant must be an authorized personnel.*
- 3) *If the borrower is a natural person, documents mentioned in point 3, 4 and 5 are not required.*

Schedule-14
Relating to Sub-bylaw (1) of Bylaw 8

Application to be submitted for Recording of Foreign Loan

Date:

Nepal Rastra Bank
Central Office
Foreign Exchange Management Department
Baluwatar, Kathmandu, Nepal

Subject: Application to Record Foreign Loan

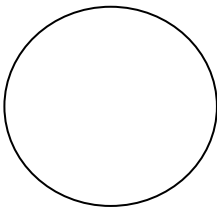
Dear Madam/Sir,

We hereby apply for recording the foreign loan **and approval of repayment schedule**³ with following details:

1	Lender:	
	a) Name	
	b) Address	
2	Approved Amount of Foreign Loan, including Foreign Currency	
3	Previously Recorded Foreign Loan, including Foreign Currency	
4	Foreign Loan to be recorded vide this application, including Foreign Currency	
5	Inflow of Foreign Loan	
	a) Date	
	b) Name of Bank and Financial Institution	
	c) Amount in Foreign Currency	
6	Other information, as applicable/required	
7	Inflow of funds from:.....(Country(ies)).³	

Attached are the documents required for recording foreign loan as per the bylaw 8 **and repayment schedule.**³

Seal/Stamp:



Signature:	
Name:	
Designation:	
Institution:	
Email:	
Website:	
Telephone/ Cell No.:	

Note:

This information can be submitted electronically to the following email ID: fxmd_foreignloan@nrb.org.np

**Schedule-15
Relating to Sub-bylaw (3) of Bylaw 8**

Certificate of Foreign Loan Recording

Letter number:

Ref.. No.....

Date:

Mr/Mrs.

.....

Subject:- Regarding Recording of Foreign Loan

Dear Sir/Madam,

With reference to the letter of Nepal Rastra Bank bearing reference number, dated, which has approved to borrow foreign loan amounting....., it is hereby informed that the following has been recorded as foreign loan, corresponding to the inflow of loan in foreign currency.

Loan Recording Details

S. N.	Lender's name and address (including country)	Approved foreign loan amount (currency..)	Previously recorded foreign loan amount (currency..)	Currently recorded foreign loan amount (currency....)	Total recorded foreign loan amount to Date (Currency...)	Details on inflow of foreign loan			Country/ countries sending fund ²
						Date	Bank and financial institution	Foreign currency amount	

Sincerely

(.....)
Officer Level²

Schedule-16
Relating to Sub-bylaw (2) of Bylaw 9

Documents required for Foreign Currency Exchange Facility Concerning Repayment of Foreign Loan

1. Copy of evidence of foreign loan recording with the Rastra Bank (including approval of repayment schedule),²
2. Copy of latest audited financials,
3. Copy of proof of the latest tax clearance or submission of tax returns,
4. Evidence of not being in the blacklist of the Credit Information Bureau (without elapse of six months while submission of the application with all documents),²
5. Self-declaration stating no outstanding loans from Nepali banks and financial institutions,
6. Self-declaration that state foreign currency misappropriation have not been done/shall not misappropriate foreign currency, shall have compliance with prevailing national and international legal provisions related to asset (money) laundering prevention and combating financing of terrorism related activities, and have complied/shall comply with prevailing legal provisions,
7. Proof of payment of advance income taxes on interest payments as per prevailing laws.

Note:

- 1) *The applicant must be an authorized personnel.*
- 2) *If the borrower is a natural person, the documents mentioned in point 2 and 3 are not required.*
- 3) *Once submitted, the same document mentioned in point 2 and 3, are not required to be submitted again. The document mentioned in point 4 is not required to be submitted again without elapse of 6 months.²*

**Schedule-17
Relating to Bylaw 12**

Details to be submitted by Bank and Financial Institution

A. Details of inflow of foreign currency in the industry to have foreign investment for feasibility study expenses and pre-operating expenses

Name of reporting Bank and Financial Institution:

Report date:

Report for the period:

S.N.	Details of Fund Remitter				Details on Fund Recipient					Remarks
	Name	Country	Financial institution	Amount in FCY	Name of agency bank	Date of fund deposited in beneficiary's account	Account name of beneficiary	Address of beneficiary (Province and Local level)	Account number of beneficiary	

B. Details of foreign currency inflow after approval of foreign investment

Name of reporting Bank and Financial Institution:

Report date:

Reporting period:

S.N.	Foreign investor		Fund remitter			Foreign investment approved and inflow amount				Beneficiary		Foreign investment approval											
	Name	Country	Name	Country	BFI	Approved amount (in NPR)	Date of deposit	Amount in FCY	Equivalent in NPR	Name	Account Number	Approving Entity	Date of approval	Name of industry/ company	Address	Fixed Capital	Working Capital	Category of industry/ company (service, tourism etc.)	Scale of industry/ company (small, medium, large etc.)	Proportion of foreign investment	Number of approved employees		

C. Details of the foreign currency outflow from Nepal for repatriation of foreign investment and earnings

Name of reporting Bank and Financial Institution:

Report date:

Reporting period:

S.N.	Nepali company/industry		Repatriation Approval		Actual repatriation			Fund remitter's		Beneficiary's			Remarks
	Name	Address	Amount (in NPR)	NRB's approval date	Date	Amount in NPR	Equivalent amount (in FCY)	Account name	Account number	Name	Country	Bank and financial institution	

D. Details of the foreign currency inflow after approval of foreign loan

Name of reporting Bank and Financial Institution:

Report date:

Reporting period:

S.N.	Loan Approval			Borrower				Lender		Fund remitting		Loan inflow				Remarks
	Date	Amount (in FCY)	Interest rate	Name	Address	Account name	Account number	Name	Country	Country	BFI	Agency bank	Date	Amount in FCY	Equivalent amount in NPR	

E. Details of foreign currency outflow from Nepal for repayment of foreign loan

Name of reporting Bank and Financial Institution:

Report date:

Reporting period:

S.N.	Repayment date	Borrower				Lender			Repayment Amount					Remarks	
		Name	Address	Account Name	Account Number	Name	Country	BFI	Principal, in FCY	Interest, in FCY	Fees, charges etc., if any, in FCY	Total, in FCY	Total Equivalent, in NPR		

Reporting address: fxmd_oss@nrb.org.np

Schedule-18
Relating to Bylaw 14
Delegation of Authority

S. N.	Subject heading	Authorized official and limit of amount (in US Dollars)				
		Concerned Deputy Director of Unit or Department ²	Concerned Director of Department	Executive Director of Department	Deputy Governor	Governor
1.	Approval to remit or bring in foreign currency into Nepal for foreign investment with change in share ownership and ratification-approval of foreign investment along with recording ²	-	-	Up to 1 million	Up to 5 million	Above the mentioned
2	Recording of foreign investment as per approved foreign investment (incremental and previously made inflow of foreign currency to be added) ²	Up to 2 million	Up to 5 million	Up to 10 million	Above	-
3	Approval of foreign exchange facility for repatriation of approved foreign investment and earnings (with approval from foreign investment approving entity)	Up to 0.5 million	Up to 10 million	Up to 50 million	Up to 100 million	Above the mentioned
4	Approval of foreign exchange facility for repatriation based on approval/recommendation of relevant entity (in absence of approval from foreign investment approving entity)	-	-	Up to 50 million	Up to 100 million	Above the mentioned
5	Approval of foreign exchange facility for the nature of transaction where approval/recommendation of the foreign investment approving entity or relevant entity is not available, or where transactions are conducted through branch offices.	-	-	Up to 50 million	Up to 100 million	Above the mentioned
6	Approval of foreign loan, approval for payment of fees/expenses within the specified ceiling of interest rate, and ratification-approval of foreign loan along with recording (including approval of repayment schedule and fixed interest rate) ²	-	-	Up to 1 million	Up to 5 million	Above the mentioned
7	Recording of foreign currency inflow as part of approved foreign loan and approval of repayment schedule (the limit of authority shall be as per each inflow) ²	Up to 2 million	Up to 5 million	Up to 10 million	Above the mentioned	-
8	Approval of foreign currency exchange facility for repayment of approved foreign loan (exchange facility is generally available from bank and financial institution)	Up to 0.5 million	Up to 10 million	Up to 50 million	Up to 100 million	Above the mentioned
9	Where the Rastra Bank has provided an approval to bring in the amount of foreign investment stating a timeframe before the bylaw has come into effect, the authority to extend the timeframe shall be with the concerned Deputy Director of the Unit or the Department, provided that all other terms and conditions of the approval shall remain unchanged.³					

¹ **First Amendment:** As per the decision of 460th meeting of Nepal Rastra Bank, Management Committee held on January 11, 2022, Schedule-10 has been amended.

² **Second Amendment:** Amended as per the decision of Nepal Rastra Bank, Board of Directors' meeting held on January 17, 2023 (meeting number 36/2079).

³ **Third Amendment:** Amended as per the decision of the Nepal Rastra Bank, Board of Directors' meeting held on January 24, 2024 (meeting number 35/2080).