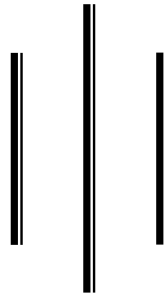
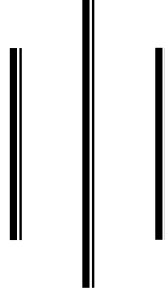


Nepal Rastra Bank Remittance Bylaws, 2023
(Including First Amendment*)



Nepal Rastra Bank
Central Office
Foreign Exchange Management Department

2023

* As per the decision of 532th meeting of Nepal Rastra Bank, Management Committee held on July 2, 2023, Schedule-11 has been amended (first amendment).

Nepal Rastra Bank Remittance Bylaws, 2023

In pursuant to Section 63 of Nepal Rastra Bank Act, 2002 and Section 3 of Foreign Exchange (Regulation) Act, 1962, with the purpose of systematizing functions related to remittance transaction including provision relating to issuance of licence for remittance transaction, provision relating to functions and duties of institutions licensed to conduct remittance transaction, provision relating to renewal, suspension and revocation of licence, provision relating to offense, punishment and actions, and provision relating to merger or acquisition of licensed remittance companies with each other, the Board of Directors of Nepal Rastra Bank, by exercising the authority granted by sub-section (2) of Section 110 of the Nepal Rastra Bank Act, 2002 and Section 12 of Foreign Exchange (Regulation) Act, 1962 has formulated the following Bylaws.

Chapter-1 Preliminary

1. Short title and commencement: (1) This Bylaws shall be called “Nepal Rastra Bank Remittance Bylaws, 2023”.
- (2) This Bylaws shall commence immediately.*
2. Definition: Unless the subject or context otherwise requires, in this Bylaws,
 - (a) “Order or directive or notice” means an order, directive, or notice issued by Rastra Bank from time to time in accordance with the Act or prevailing laws.
 - (b) “Licence” means the licence issued by Rastra Bank in the name of remittance company that makes payment to beneficiary or related person in Nepal by bringing foreign currency from abroad via the banking system.
 - (c) “Act” means the Foreign Exchange (Regulation) Act, 1962.
 - (d) “Governor” means the Governor of Rastra Bank appointed under Section 15 of Nepal Rastra Bank Act, 2002.
 - (e) “Applicant” means shareholder and office bearer, or a natural person - willing to be shareholder or office bearer by establishing a company - submitting application for licence of remittance transaction. This terms also includes office bearer submitting application for renewal of the licence.
 - (f) “Office bearer” means remittance company's director, chief executive, company secretary or a natural person authorized to make decision on any subject.
 - (g) “Convertible foreign currency” means the foreign currency specified by Nepal Rastra Bank through public notice as convertible foreign currency in accordance with Nepal Rastra Bank Act.
 - (h) “Bank” means an organized institution established to conduct banking and financial transaction in accordance with sub-section (1) of Section 49 of Bank and Financial Institutions Act, 2017.

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

- (i) “Rastra Bank” means Nepal Rastra Bank established under Nepal Rastra Bank Act, 2002.
- (j) “Department” means Foreign Exchange Management Department of Rastra Bank.
- (k) “Department chief” means head of Foreign Exchange Management Department of Rastra Bank.
- (l) “Financial institution” means "B" class institution established to conduct transaction in accordance with sub-section (2) of Section 49 of the Bank and Financial Institutions Act, 2017, and "C" class institution established to conduct transactions in accordance with Sub-section (3) of the same section, licensed by Rastra Bank.
- (m) "Foreign currency" means the currency other than Nepali currency and this term also includes special drawing rights on International Monetary Fund, Asian Currency Unit, European Currency Unit and other instruments as Rastra Bank may prescribe, as per the requirement, by publication and transmission of public notice.
- (n) “Remittance company” means a company licensed by Rastra Bank for remittance transaction. This word also refers to licensed bank and financial institution, licensed to conduct remittance transaction.
- (o) “Remittance transaction” means the act of making inflow of foreign currency, specified by Rastra Bank, into Nepal through banking system and making payment to beneficiary, without having the need for refund abroad.
- (p) “Director” means a board member of licensed remittance company.
- (q) “Sub-agent” or “Sub-representative” means a firm, company or institution appointed by remittance company to make payment to beneficiary.
- (r) “Concerned supervision department” means Bank Supervision Department, Financial Institutions Supervision Department and Non-Bank Financial Institutions Supervision Department of Rastra Bank.

Chapter-2

Provision Related to Licensing of Companies except Bank and Financial Institutions

- 3. Licence to be obtained: (1) Licence from department as per this Bylaws has to be obtained for remittance transaction.
- 4. Application for licence to be submitted: (1) Department may provide in-principle consent for remittance transaction in accordance with the following procedures:
 - (a) On the basis of call for application for remittance transaction, or
 - (b) On the basis of received application for remittance transaction
- (2) In pursuant sub-bylaw (1), applicant shall have to submit an application to department for in-principle consent of remittance transaction in the format as per Schedule-1 along with enclosure of documents as per Schedule-2.
- (3) The applicant, shareholder and office-bearer applying for remittance transaction must have the following qualifications:
 - a) Nepali citizen who has completed 18 years of age,
 - b) Having sound mental health,

- c) Not insolvent or bankrupt,
 - d) If blacklisted by any bank or financial institution, at least three years must have passed after being removed from the blacklist,
 - e) If there is a liability to pay taxes as per prevailing laws, such taxes must have been cleared,
 - f) If convicted of a moral turpitude crime by a court, at least five years must have passed after serving the sentence,
 - g) If convicted of corruption or fraud by a court, at least five years must have passed after serving the sentence,
 - h) Not holding any position in government, public, or bank and financial institution services,
 - i) Dishonesty or mal-intention has not been proved for operation with bank and financial institution,
 - j) Not having been punished for crimes related to money laundering and financing of terrorism related activities,
 - k) If criminal record is shown in police report, five years have elapsed after serving the sentence (evidence to be submitted).
- (4) Rastra Bank may conduct additional Fit and Proper Test in addition to qualifications mentioned in sub-bylaw (3).
5. Issuance of in-principle consent: (1) Rastra Bank, by inspecting application and the documents enclosed along with application in pursuant to sub-bylaw (2) of Bylaw 4, may provide in-principle consent, with or without specifying conditions, within 30 days of application submission.
6. Provision related to capital: (1) The company submitting application, in pursuant to sub-bylaw (2) of Bylaw 4, to obtain licence for remittance transaction shall have to maintain the following minimum paid-up capital:
- (a) Minimum of Rs. 250 million paid up capital has to be maintained for transaction as per Bylaw 11.
 - (b) Minimum of Rs. 100 million paid up capital has to be maintained for those other than clause (a).
- (2) The remittance company, which has obtained licence before coming into effect of this Bylaws, can undertake function as per Bylaw 11, only after maintaining capital as per clause (a) of sub-bylaw (1).
- (3) The remittance company, which has obtained licence before coming into effect of this Bylaws, need to maintain capital as per clause (b) of sub-bylaw (1) by mid-July 2028.
- (4) Notwithstanding anything written in sub-bylaw (1), (2) and (3) remittance company must maintain minimum paid up capital of Rs. 30 million by mid-July 2024, Rs. 40 million by mid-July 2025, Rs. 60 million by mid-July 2026, Rs. 80 million by mid-July 2027, and Rs. 100 million by mid-July 2028.
- (5) For the purpose of maintaining capital in pursuant to sub-bylaw (1), (2), (3) and (4), remittance companies may participate in merger and acquisition as per Chapter-7.
7. Issuance of licence: (1) The remittance company which has obtained in-principle consent according to Bylaw 5 shall have to submit application for licence to the

department in format as per Schedule-4 including the documents as per Schedule-5 within sixty days of obtaining in-principle consent.

- (2) Department may provide licence for five years in the format of Schedule-7 specifying conditions as per Schedule-6 by taking lump sum licence fee of two hundred thousand rupees for remittance companies as per clause (a) of sub-bylaw (1) of Bylaw 6 and one hundred thousand rupees for other remittance company, if found appropriate to provide licence for remittance function after studying documents enclosed along with applicaiton in pursuant to sub-bylaw (1) and on-site inspection including physical infrastructure.
- (3) Security deposit of Rs. 20 million for remittance company as per clause (a) of sub-bylaw (1) of Bylaw 6 and security deposit of Rs. 10 million for others, shall have to be deposited with Rastra Bank.
- (4) Security deposit amount in pursuant to sub-bylaw (3) can be cash or guarantee issued by bank and financial institution. If security deposit is kept in the form of guarantee, the validity of such guarantee shall have to be more than 12 months from expiry of licence.
- (5) Notwithstanding anything written in sub-bylaw (2), (3) and (4), department shall withdraw erstwhile licence and issue new licence, having validity corresponding to erstwhile licence, stating that transactions as per Bylaw 11 can also be undertaken, if the remittance company, which has obtained licence before coming into effect of this Bylaws and has maintained paid up capital of Rs. 250 million as per clause (a) of sub-bylaw (1) of Bylaw 6, submits the application. No fee shall be levied for this purpose.

Chapter-3

Provision Relating to Issuance of Licence to Bank and Financial Institution for Remittance Transaction

8. To provide remittance licence for bank and financial institution: (1) Bank and financial institution licensed by Rastra Bank shall have to obtain licence from department as per this Bylaws to conduct remittance transaction.
 - (2) Bank and financial institution interested to obtain licence for remittance transaction shall have to submit application through central office in format as per Schedule-8 along with enclosure of documents as per Schedule-9.
 - (3) Department, after studying application and documents enclosed with the application in pursuant to sub-bylaw (2), may provide licence to bank and financial institution if found appropriate, in the format as per Schedule-10, for 5 years by taking lump sum fee of two hundred thousand rupees and in pursuant to conditions as per Schedule-6. Licence to conduct of remittance transaction shall be provided to central office of bank and financial institution. Each branch of bank and financial institution shall not need to take licence. In-principle consent as per Bylaw 5 and security deposit as per sub-bylaw (3) of Bylaw 7 shall not be needed for bank and financial institution.

Chapter-4

Functions and Duties of Remittance Company

9. Conditions to be complied for remittance transaction: Remittance company licensed to conduct remittance transaction as per Chapter-2 and Chapter-3 shall have to make payment to beneficiary through itself or through sub-agent or sub-representative

appointed by it by bringing foreign currency into Nepal (inward remittance), in pursuant to prevailing laws and circular, order, directive, notice issued by Rastra Bank thereunder the laws, and the following conditions:

- (a) The licensed remittance company shall have to bring foreign currency into Nepal from abroad as pre-funding via banking system.
- (b) If reimbursement shall be obtained after payment to beneficiary in Nepal without pre-funding of remittance amount in pursuant to clause (a), unconditional foreign currency guarantee issued by foreign bank on behalf of related foreign firm, company or institution, or cash deposit from related foreign firm, company or institution is to be obtained, covering the entire amount to indemnify the payment.
- (c) The remittance company undertaking transaction as per clause (b) shall have to obtain reimbursement of amount provided to beneficiary of Nepal from concerned foreign firm, company, or institution in foreign currency itself.
- (d) It shall be the duty of the concerned remittance company to obtain reimbursement from foreign firm, company, or institution for making payment to beneficiary in Nepal in pursuant to clause (b) and (c).
- (e) Rastra Bank shall not bear any financial or foreign exchange liability created by remittance transactions.
- (f) The remittance company shall have to receive the commission in foreign currency itself.
- (g) Irregularity of any kind shall not be undertaken relating to remittance transaction.
- (h) Remittance company shall carry out function of bringing in foreign currency (inward remittance).
- (i) Foreign currency received as remittance may be deposited by opening account in bank and financial institution as foreign currency itself till the time prescribed by Rastra Bank.
- (j) Remittance company may appoint sub-agent and sub-representative formulating internal rules including working policy and conditions, and it shall be the responsibility of concerned remittance company for remittance transactions conducted by the sub-agent and sub-representative.
- (k) While appointing sub-agent and sub-representative, remittance company shall not put condition restricting them to function as sub-agent and sub-representative of other remittance companies, except for it.
- (l) Remittance company shall have to ensure that the foreign currency received from abroad is from legitimate source and is not remitted for asset (money) laundering purpose having earned illegally, and shall have to comply with prevailing national and international legal provisions on anti-money laundering and combating the financing of terrorism.
- (m) The licence for remittance transaction shall have to be posted at place of transaction, visible to public.
- (n) Remittance company shall not charge any other charges from customer, except the specified service charge. Furthermore, arrangement must be made

(including from foreign firm, company, or institution with which agreement has been signed) such that no other burden is imposed on customer, except the service charge.

- (o) Licensed remittance company in pursuant to Chapter-2 may open branch office in Nepal subject to approval from Rastra Bank. For this purpose, the department may undertake necessary study and onsite inspection of physical infrastructure as well.
- (p) Make payment on behalf of and on request of person or institution sending foreign currency via payment systems operator/payment service provider by entering agreement with payment systems operator/payment service provider, licensed by Rastra Bank. However, such payments can not be made using cash.
- (q) Other functions prescribed by Rastra Bank from time to time.

10. Functions not to be carried out by remittance company: (1) The remittance company shall not do or cause to do the following functions:

- (a) Sending foreign currency from Nepal to abroad (Outward Remittance) is not allowed.
However, this provision shall not deem to obstruct bank and financial institutions licensed by Rastra Bank to undertake other required functions including international payments as per prevailing provisions.
- (b) It is not allowed to buy-sell goods for trading purpose, to invest in other firm, institution or company, or to construct building, buy immovable property, except for office purpose.
However, it shall not deem to obstruct licensed bank and financial institutions by Rastra Bank to make investment as per prevailing laws.
- (c) It is not allowed to provide loan and advance of any form to any body, except to own staff as per staff service bylaws.
However, bank and financial institution licensed by Rastra Bank may provide loans and advances in accordance with prevailing laws.
- (d) Any other activities related to foreign exchange except the prescribed ones in the licence issued by Rastra Bank and those restricted by the prevailing laws shall not be carried out.
- (e) Amount relating to capital nature transaction shall not be brought in.
However, this provision shall be exempt to licensed bank and financial institution.
- (f) Financial and non-financial services and facilities exceeding the limit mentioned in the agreement with foreign firm, company or institution shall not be provided.
- (g) Remittance transaction shall not be carried out without approval from Rastra Bank and without renewal within the prescribed time.

11. Special provision for licensed remittance company: (1) Licensed remittance company which has maintained capital as per the clause (a) of sub-bylaw (1) of Bylaw 6 shall also carry out the following functions with licence/permission from Rastra Bank:

- (a) Function relating to Payment Service Provider or Payment System Operator through subsidiary company,
 - (b) Remittance transactions through issuance of remittance card,
 - (c) Other functions as specified by Rastra Bank.
- (2) Licensed bank and financial institution also may carry out the functions mentioned in sub-bylaw (1).
12. Approval of agreement with foreign institution: (1) Remittance company shall have to take approval from Rastra Bank for its each agreement, amendment/addition-deletion of clauses of agreement and renewal of agreement with foreign firm, company or institution. As a minimum, the subjects to be included in the agreement shall be as specified in Schedule-11. Additionally, no fees shall be paid to Rastra Bank for such approvals.
- (2) Application in the format of Schedule-12 along with enclosure of following documents shall be submitted to department for approval in pursuant to sub-bylaw (1).
- (a) Notary certified copy of agreement, its renewal and additional agreement done by remittance company conducting remittance transaction with foreign firm, company or institution,
 - (b) Notary certified copy of certificate issued by related country's government or regulatory agency concerning outward remittance transaction, or document certifying outward remittance transaction by foreign firm, company or institution,
 - (c) Notary certified copy of foreign firm, company or institution's policy on anti-money laundering and combating the financing of terrorism.
- (3) Department shall provide approval as per Schedule-13 for application submitted in pursuant to as per sub-bylaw (2).
- (4) Remittance company undertaking remittance transaction with association of foreign firm, company or institution shall undertake such transaction only after getting approval from department in accordance with sub-bylaw (3).
- (5) Notwithstanding anything written in this Bylaw, agreement shall not be mandatory for licensed remittance company bringing in remittances through its own branch/representative office.

Chapter-5

Provision Relating to Renewal, Suspension and Revocation of Licence

13. Renewal, suspension and revocation of licence: (1) Concerned remittance company shall have to mandatorily initiate the licence renewal process before expiry of the licence issued to the remittance company. The application for renewal may be submitted to department before ninety days of its expiry date. Remittance company other than bank and financial institution shall have to pay renewal fees to Rastra Bank in pursuant to sub-bylaw (2) of bylaw 7, and bank and financial institution shall have to pay renewal fees to Rastra Bank in pursuant to sub-bylaw (3) of bylaw 8. For renewal

- of remittance companies in pursuant to Chapter-2, qualifications mentioned in sub-bylaw (3) of bylaw 4 shall also be applicable during renewal.
- (2) For submission of renewal application after 30 days post expiry of the licence, department may renew the licence by taking renewal fee and cent percent of renewal fee as late fee.
 - (3) For renewal of licence in pursuant to sub-bylaw (1) and (2), remittance company other than bank and financial institution shall have to submit application in the format of Schedule-14 along with documents specified in Schedule-15.
 - (4) For renewal of licence in pursuant to sub-bylaw (1) and (2), bank and financial institution shall have to submit application in the format of Schedule-16 along with documents specified in Schedule-17.
 - (5) Licence shall be automatically revoked if the licence for remittance transaction is not renewed within the period mentioned in pursuant to sub-bylaw (1) and (2), post its expiry. For such revocation of licence, deposit amount as per sub-bylaw (3) of bylaw 7 shall be confiscated. Such confiscated deposit amount shall be returned to the concerned remittance company after deducting the following amount:
 - (a) For remittance company other than bank and financial institution, amount mentioned in sub-bylaw (2) of Bylaw 7 as penal,
 - (b) Publication of notice in national daily newspaper and other required costs for revocation of remittance licence,
 - (c) Amount concerning any financial liability related to remittance transaction done by the remittance company,
 - (d) Any amount required for payment of liability as per prevailing laws.
 - (6) If the security amount of remittance company is not sufficient to cover the amount mentioned in sub-bylaw (5), it shall be recovered as per prevailing law.
 - (7) To undertake as per sub-bylaw (5) in the case of bank and financial institution, it shall be recovered from concerned bank and financial institution's account with Rastra Bank. For deducting penal amount as mentioned in clause (a) of sub-bylaw (5) in case of bank and financial institution, the amount shall be as mentioned in sub-bylaw (3) of Bylaw 8.
 - (8) Before revocation of licence for remittance transaction, Rastra Bank shall publish 35 days public notice in national-level daily newspaper and cost thereof shall have to borne by the concerned remittance company itself. Remittance company shall have to bear the payment related liability itself, if any. For revocation of remittance company's licence, Rastra Bank shall settle and release the deposit amount in pursuant to sub-bylaw (3) of Bylaw 7 of the concerned remittance company.
 - (9) Notwithstanding anything written in sub-bylaw (1) regarding renewal fee for remittance company, Rastra Bank may provide waiver, as specified, in renewal fee to incentivise remittance company, based on including inflow of remittance amount into Nepal.
 - (10) For renewal of remittance company's licence which had obtained the licence before coming into effect of this Bylaws, following provisions have been made:

- (a) If remittance companies that have obtained licence as per Nepal Rastra Bank Remittance Bylaws, 2010, submit application for renewal within 30 days (the consecutive office opening day if 30th day falls on a public holiday) post expiry of the licence, renewal shall be done by taking renewal fee in pursuant to sub-bylaw (2) of Bylaw 7 and sub-bylaw (3) of Bylaw 8. There shall not be any fine/late fee.
 - (b) If remittance companies that have obtained licence as per Nepal Rastra Bank Remittance Bylaws, 2010, submit application for renewal within 60 days (the consecutive office opening day if 60th day falls on a public holiday) post expiry of the licence, renewal shall be done by taking renewal fee in pursuant to sub-bylaw (2) of Bylaw 7 and sub-bylaw (3) of Bylaw 8, and cent percent of renewal fee as late fee.
 - (c) If remittance companies that have obtained licence as per Nepal Rastra Bank Remittance Bylaws, 2010, submit application for renewal within 180 days (the consecutive office opening day if 180th day falls on a public holiday) post expiry of the licence, renewal shall be done by taking renewal fee in pursuant to sub-bylaw (2) of Bylaw 7 and sub-bylaw (3) of Bylaw 8, and cent percent of renewal fee as late fee for each month (each 30 days) post expiry date of the licence.
 - (d) For renewal of remittance company's licence as per clause (a), (b) and (c), expiry date of new licence shall be assigned by counting from expiry date of the last licence.
 - (e) The licence of remittance company shall be automatically revoked if application is not submitted within 180 days of the date expiry.
 - (e) The provision of clause (a), (b), (c), (d) and (e) shall remain in effect for one year from coming into effect of this Bylaws.
 - (f) Renewal of remittance companies' licence shall be done according to Nepal Rastra Bank Remittance Bylaws, 2010 for submission of renewal application before coming into effect of this Bylaws, and it shall be done as per this Bylaws for submission of renewal application after coming into effect of this Bylaws.
- (11) In the following conditions, licence of remittance company shall be automatically revoked, security amount shall be confiscated as per sub-bylaw (5), and amount as per sub-bylaw (6) and (7) shall be recovered:
- (a) Remittance transaction is not conducted within one year of obtaining the licence, or
 - (b) Capital is not maintained in pursuant to Bylaw 6, or
 - (c) Remittance transaction is not conducted in a fiscal year. However, this provision shall not be effective for a fiscal year in which the licence has been obtained.
- (12) For licence revoked remittance company, related shareholder or office-bearer, issuance of new licence related procedures shall not be initiated for up to 3 years of licence revocation. However, this provision shall not effective for remittance company which has closed the transaction in pursuant to Bylaw 31.

Chapter-6
Provision Relating to Offence, Punishment and Legal Action

14. Violation of regulation: (1) For non-compliance of Nepal Rastra Bank Act, 2002, Foreign Exchange (Regulation) Act, 1962, Asset (Money) Laundering Prevention Act, 2008, Bank and Financial Institution Act 2017, rules and bylaws thereunder the Acts, provisions of prevailing laws, and circulars, orders, directive, notice issued by Rastra Bank from time to time, non-submission of details as specified by Rastra Bank, and non-compliance of conditions prescribed in the licence, it shall also be deemed to have violation in accordance with this Bylaws.
15. Relating to legal action: (1) Based on the nature of regulation violation conducted by remittance company in pursuant to Bylaw 14, Rastra Bank shall take action if it falls under the jurisdiction of Rastra Bank. Rastra Bank, based on the nature of remarks, shall write to the concerned agency of Government of Nepal for required investigation and action if it falls under the jurisdiction of the concerned agency.
- (2) The remittance company that has not taken the reimbursement under clause (d) of Bylaw 9 shall be subject to action in pursuant to Foreign Exchange (Regulation) Act, 1962.
- (3) If any transaction related to asset (money) laundering is found, action shall be taken in pursuant to Asset (Money) Laundering Prevention Act, 2008.
- (4) If any irregularity is proved during remittance related transaction, additional action shall be initiated as per the laws.
- (5) If any activity is found to be conducted against Act, and rules, bylaws, circular issued or direction given by Rastra Bank under the Act, remittance transaction licence issued by Rastra Bank may be suspended or revoked anytime, and actions as per prevailing laws may also be taken.
16. Punishment and fine for remittance company for violation of regulation: (1) If remittance company commits a regulatory violation as per Bylaw 14, Rastra Bank may impose one or more than one of the following punishment and fine:
- a) Issuing reprimand,
- b) Giving written warning,
- c) Depending on the nature of the regulatory violation, impose a restriction on the remittance company's transaction for a period ranging from one month to one year,
- d) Confiscation of security held at Rastra Bank,
- e) Imposing fine of up to one hundred thousand rupees to one million rupees, depending on the nature of the violation of regulation,
- f) Suspension, revocation through suspension, or direct revocation of the licence.
- (2) Notwithstanding anything written in sub-bylaw (1), there shall not be any obstacle to take action against the remittance company as per the prevailing laws for violation of related laws.
- (3) Notwithstanding anything written in sub-bylaw (1), there shall not be any obstacle to take action also as per circular issued by Rastra Bank in case of offense under asset (money) laundering.
17. Punishment and fine to office bearer and employee in case of regulatory violations:
- (1) Violation of Nepal Rastra Bank Act, 2002, Foreign Exchange (Regulation) Act, 1962, Asset (Money) Laundering Prevention Act, 2008, Bank and Financial

Institution Act 2017, rules and bylaws thereunder the Acts, provisions of prevailing laws, and circulars, orders, directive and notice issued by Rastra Bank from time to time, by office-bearer and employee of remittance company or non-submission of document, details or data - within the specified time - asked by Rastra Bank or inspecting or supervising authority during inspection or supervision, it shall also be deemed to have violation in accordance with this Bylaws.

- (2) For offense conducted by office-bearer in pursuant to sub-bylaw (1), Rastra Bank may impose one or more than one of the following punishment and fine:
 - a) Giving reprimand or written warning,
 - b) Giving admonition,
 - c) Imposing fine from fifty thousand rupees to five hundred thousand rupees, based on nature of regulatory violation,
 - d) Suspension.
 - (3) If employee commits regulatory violation as per sub-bylaw (1), Rastra Bank may write to the concerned remittance company for departmental action.
 - (4) Notwithstanding anything written in sub-bylaw (2) and (3), there shall not be any obstacle to take action against the office-bearer and employee of remittance company as per the prevailing laws for violation of related laws.
 - (5) Notwithstanding anything written in sub-bylaw (2) and (3), there shall not be any obstacle to take action also as per circular issued by Rastra Bank in case of offense under asset (money) laundering.
18. Procedure of action: (1) Procedure of action for remittance company shall be as per Nepal Rastra Bank Remittance Transactions Inspection and Supervision Bylaws, 2022 for remittance companies in pursuant to Chapter-2 and as per Nepal Rastra Bank Inspection and Supervision Bylaws, 2017 for remittance companies in pursuant to Chapter-3.

Chapter-7

Provision Relating to Merger and Acquisition

19. Provision relating to merger and acquisition: (1) Licensed remittance company in pursuant to Chapter-2 may participate in merger and acquisition.
20. Provision relating to eligibility: (1) Licensed remittance companies shall be eligible for merger and acquisition with each other. However, the department may consider any remittance company as ineligible considering also the effect of non-compliance of direction related to corporate governance and risk management, and condition of accumulated profit/loss after merger or acquisition.
21. Authority to be taken by board of directors of licensed remittance company and to formulate unified merger or acquisition committee: (1) If an eligible licensed remittance company is willing to merge with or acquire another licensed remittance company by complying with the stated process as per prevailing provision, board of directors shall have to take authority by passing a special proposal from general meeting within last two fiscal years to proceed with such.

However, during occurrence of special situation, board of directors may proceed with the process of merger or acquisition, subject to ratification approval in upcoming general meeting of remittance company.

- (2) The board of directors authorized in pursuant to sub-bylaw (1) shall have to identify and choose an appropriate remittance company and have preliminary

memorandum of understanding to initiate merger and acquisition with the remittance company.

- (3) The remittance companies involved in merger and acquisition shall have to form a unified merger or acquisition committee.
22. Preliminary application and discussion: (1) Authorized officials from the licensed remittance companies that have had preliminary memorandum of understanding shall have to submit joint application to department for merger or acquisition. For in-principle consent, the concerned two or more remittance companies shall have to jointly submit application to the department stating the following subjects, after having approval from respective board of directors as per the special proposal of respective general meetings:
- (a) Need and rationale for merger and acquisition of remittance company, a general projection of its impact on remittance business,
 - (b) Audited financials for the latest fiscal year including balance sheet, profit and loss account, cash flow statement, financial details including net worth of remittance companies, to be engaged in merger or acquisition,
 - (c) Details on management of employees of remittance companies, to be engaged in merger or acquisition,
 - (d) Approval process as per prevailing company and legal provisions relate to other issues,
 - (e) Preliminary memorandum of understanding undertaken by remittance companies for merger or acquisition,
 - (f) Other subjects as specified by department,
 - (g) Provision relating to protection of lenders' interest (consent given for merger), from which the remittance companies, to be engaged in merger, have taken loan,
 - (h) Actual details of including current and fixed assets, and timeframe for repayment of liability of remittance company to be merged.
23. In-principle consent: (1) After receipt of application, department may provide in-principle approval along with conditions to initiate merger or acquisition process, if Rastra Bank is convinced on compliance of process as per prevailing laws and this Bylaws, development of system related to nation's remittance transaction due to merger or acquisition of remittance company, and no any negative impact on fair competition and compliance of laws.
- (2) The remittance companies that have obtained in-principle consent in pursuant to sub-bylaw (1) may not itself cancel or decide on exit from the process related to merger or acquisition, without approval - with due reasons - from department.
 - (3) The department may annul the in-principle approval if application is received for exit from merger or acquisition process from remittance companies, which had obtained in-principle consent in pursuant to sub-bylaw (1), along with decision from board of directors and consent from joint merger or acquisition committee, with reasons thereof.
- However, the department, with rationale, may continue to uphold the in-principle consent for some remittance companies, if such remittance companies - among others - agree for merger or acquisition with each other.
24. Valuation of assets, liabilities and transaction: (1) After receiving in-principle consent for merger or acquisition as per this Bylaws, valuation of assets, liabilities and transaction of remittance companies, to be merged or acquired, for the latest period is to

be conducted by valuator. If deemed necessary, department may give direction to have valuation for additional period.

However, it shall not cause to be an obstacle for remittance companies to have valuation of assets, liabilities and transaction before submission of application to department for in-principle consent.

- (2) After obtaining in-principle consent for merger or acquisition of remittance company, such remittance companies shall have to appoint, on mutual consent, an auditor as valuator for valuation of their assets, liabilities and transaction, and information thereof must be given to department. However, remittance company can undergo such valuation before submission of application in department.
 - (3) After obtaining in-principle consent to acquire remittance company, the targeted remittance company shall have to undertake valuation of assets, liabilities and transaction of latest period from the auditor, appointed by its general meeting or by board of directors as per the authority granted by general meeting.
 - (4) The acquirer remittance company may undertake detailed valuation of assets and liabilities of targeted remittance company.
 - (5) If tasks and functions of the appointed valuator is not found credible, department may direct the concerned remittance company to terminate such valuator and appoint another valuator.
 - (6) Valuator shall have to submit valuation report in acceptable format after completing valuation of assets, liabilities and transaction.
25. To decide share swap ratio: (1) Unified merger or acquisition committee shall have to decide on share swap ratio after receiving the report on valuation of assets, liabilities and transaction.
26. Final agreement: (1) Licensed remittance companies that have obtained in-principle consent for merger or acquisition as per this Bylaws shall undertake final agreement with each other - after obtaining valuation report of assets, liabilities and transaction - mentioning the following things:
- (a) Name and address of remittance companies involved in merger or acquisition, and name and address that shall prevail after merger or acquisition,
 - (b) Need and rationale for merger or acquisition,
 - (c) Impact on remittance transaction's business sector and system due to merger or acquisition,
 - (d) Transaction management, details on inter-remittance company ownership and inter-remittance company dues, details on guarantee or undertaking, appropriate management of assets and liabilities,
 - (e) Provision on protection of interests and rights of shareholders and lenders,
 - (f) Financial situation and transaction management of licensed remittance company,
 - (g) Licensed remittance company's assets, liabilities and transaction valuation, system of adjusting assets/liabilities, accepted price for settlement of assets/liabilities and dues.
 - (h) Estimated time period for merger or acquisition,
 - (i) Amendment in memorandum of association and articles of association of merged or acquirer remittance company, memorandum of association and articles of association of remittance company if it is to be converted into a new remittance company,

- (j) Capital structure, changes in control, ownership structure after merger or acquisition, and details of board of directors, operation and management structure of remittance company to be formed immediately after merger or acquisition,
 - (k) Employee retrenchment plan, human resource management plan and personnel management related other provisions ensuring that only required staff remain in the remittance company, post merger or acquisition,
 - (l) Market price per share, per share net worth as per assets and liabilities valuation report, share swap ratio recommended in valuation report, and share swap ratio determined on mutual consent and its bases, of remittance companies involved in merger or acquisition,
 - (m) Quality improvement, business promotion and security, commitment on corporate governance of remittance company,
 - (n) Subjects to be completed for compliance of prevailing laws and approval process,
 - (o) Institutional restructuring, adjustment and operation provisions of networks and offices of each other,
 - (p) Proposed action plan including starting date of the unified transactions after merger or acquisition,
 - (q) Cost estimate of merger or acquisition works,
 - (r) Declaration that other prevailing laws have been complied,
 - (s) Details of shareholders having sizable share holding and other shareholders,
 - (t) Stakeholders' grievance management procedure,
 - (u) Other required subjects specified by department.
27. Final approval: (1) Remittance company which has obtained in-principle consent to initiate merger or acquisition shall have to jointly submit application to department for final approval of merger and acquisition along with agreement and approval of special proposal from its general meeting for such.
- (2) For submission of application in pursuant to sub-bylaw (1), department - after studying the application, documents enclosed with it and the details - within 35 days and within additional 15 days, if it has asked for any details or documents in the course of making decision, shall decide on approving or declining merger or acquisition of remittance companies with each other and give notice to the concerned remittance companies. Department - based on discussion of application for merger or acquisition of licensed remittance company, assets, liabilities and transaction valuation report, compliance with specified and required conditions, details on mutual agreement, and on detailed study of its impact reveals that the structure of Nepal's remittance transaction and market shall not be negatively affected - shall decide and provide final approval for merger or acquisition. While providing such approval, the required subjects may be instructed to be amended or conditions may be prescribed.
- (3) Department, by assigning reasons thereof, may also revoke in-principle consent given to remittance company for merger or acquisition if merger of two or more licensed remittance companies or acquisition of one remittance company by another remittance company causes environment of unfair competition in remittance transaction sector, or possibility of monopoly or existence of controlled practices of any remittance company, or as per prevailing law, approval or consent of an agency is required but such could not be obtained.
- (4) The application submitted for merger or acquisition shall be deemed to be withdrawn if additional details or documents asked as per this Bylaws are not

submitted by licensed remittance company or its authorized person within specified time, including added time, and no any further processing shall be made. However, it shall not be considered to be an obstacle to process the re-submitted application.

- (5) Department shall have to publish notice on national-level daily newspaper for the maximum of two times to give public information on the decision of merger or acquisition and transaction start date after merger or acquisition, within 30 days of such decision, and the concerned remittance company shall also publish such notice – within 15 days of receipt of the decision - in national-level daily newspaper for the minimum of two times for public information.

Chapter-8 **Miscellaneous**

28. Security provision: (1) Remittance company shall itself have to make required security and insurance related arrangements for its transaction.
29. Change of transaction location: (1) Remittance company in pursuant to Chapter-2 shall not change its location of transaction without prior approval from Rastra Bank. If department is convinced that it is appropriate to conduct transaction from the proposed location, department may provide approval for change in location, on request of remittance company, taking fee of ten thousand rupees.
30. Change of share ownership: (1) Remittance company in pursuant to Chapter-2 shall have to take prior approval from Rastra Bank for change in share ownership structure (including shareholder) of licensed remittance company as per prevailing laws to persons having specified qualifications as per this Bylaws. Furthermore, prior approval shall have to taken from Rastra Bank for change of promoter share ownership structure (including shareholder) of remittance transaction conducting public limited company in pursuant to Bylaw 37.
31. Closure of transaction: (1) Remittance company in pursuant to Chapter-2 willing to close its transaction for any reason shall have to obtain prior approval from department.
- (2) Department, prior to taking decision on closure of remittance transaction, shall have to publish a 35 days public notice on a national-level daily newspaper for public information regarding any dues and stake with such remittance company.
- (3) Remittance company, closing its transaction with approval from department, shall itself have to make payment of dues concerning remittance transaction and the entire related expenses. During closure of remittance transaction, Rastra Bank shall also settle and release the concerned remittance company's security, in pursuant to sub-bylaw (3) of Bylaw 7.
32. Maintaining of records: (1) Remittance company bringing in foreign currency shall have to keep records of remittances, country-wise and foreign institution-wise as per Bylaw 12, and details on payment of amount in the format of Schedule-18 for at least five years. Such details shall have to be provided to department and concerned supervision department, if asked.
33. Details to be submitted: (1) Remittance company shall have to submit details as specified by department and concerned supervision department, and within the specified time.
34. Service charge for remittance transaction: (1) Details regarding service charge to be levied to service seeker for remittance transaction shall have to be published and

updated via website/app and in other mediums as specified by Rastra Bank, for public information.

35. Relating to sub-agent and sub-representative: (1) For transaction of sub-agent and sub-representative, approval/prior approval or license from department or Rastra Bank is not required. Furthermore, if a remittance company, without entering into separate agreement with sub-agent or sub-representative of another remittance company, wants to use sub-agent or sub-representative of another remittance company as its sub-agent or sub-representative by entering into agreement with the concerned remittance company, it shall have to provide prior written information to Rastra Bank along with details on such sub-agent or sub-representative and the concerned remittance company. Remittance company shall have to be publish updated details of appointed sub-agent and sub-representative via website/app and in other mediums as specified by Rastra Bank, for public information.
- (2) Firm, company, or institution undertaking transaction of sub-agent and sub-representative shall not undertake any foreign exchange transaction. Natural person shall not undertake transaction of sub-agent and sub-representative.
- (3) Firm, company, or institution undertaking transaction of sub-agent and sub-representative shall not keep its name such that it denotes remittance, money transfer company/M.T.O., remit, remittance transaction, moeny/currency/amount transfer, money/currency/amount changer/exchange/transfer etc.
- (4) Remittance company may take deposit, as specified by Rastra Bank, from each sub-agent and sub-representative while appointing them as sub-agent and sub-representative.
36. Relating to open branch/representative office/subsidiary company: (1) Licensed remittance companies, in pursuant to Chapter-2, shall open branch/representative office/subsidiary company abroad with prior acceptance of Rastra Bank.
- (2) Criteria, procedure, document, conditions and other subjects required for approval to open branch/representative office/subsidiary company abroad in pursuant to sub-bylaw (1) shall be as specified by Rastra Bank.
37. Provision relating to share issuance to general public as a public company: (1) Licensed remittance companies, in pursuant to Chapter-2, may issue shares to general public as public limited company, subject to compliance with prevailing legal provisions.
38. Provision relating to electronic inflow of remittance: (1) Remittance company may also make electronic inflow of remittance as specified by Rastra Bank.
39. Delegation of authority: Authority has been delegated as per Schedule-19 for the tasks to be performed by the Rastra Bank according to this Bylaws.
40. Removal of obstacle: If any obstacle arise in the implementation of this Bylaws, Governor may remove such obstacle.
41. Changes or addition in schedule: Governor may make necessary changes or additions to schedule.
42. Revocation and protection: Nepal Rastra Bank Remittance Bylaws, 2010 has been revoked. Activities carried out as per Nepal Rastra Bank Remittance Bylaws, 2010 shall be deemed to have been carried out under this Bylaws.

Schedule-1

Relating to Sub-bylaw (2) of Bylaw 4

**Format of application for in-principle consent
(Except for bank and financial institutions)**

Date:.....

Nepal Rastra Bank
Foreign Exchange Management Department
Baluwatar, Kathmandu

Dear Sir/Madam,

I/We am/are writing to express my interest for the transaction of bringing in remittance amount via banking system from abroad and make payment to beneficiary (inward remittance), and have submitted this application to obtain in-principle consent of remittance transaction along with following details and specified documents.

(a) Place for remittance transaction:
(Full address with a map of remittance transaction location)

(b) Particulars of applicant(s)*:

- (1) Name:
- (2) Age:
- (3) Father's name:
- (4) Mother's name:
- (5) Grandfather's name:
- (6) Academic qualification:
- (7) Details of other trade, industry or profession, if any:
- (8) Citizenship certificate number:
- (9) Issued date of citizenship certificate:
- (10) Citizenship certificate issuing entity and district:
- (11) Permanent address:
- (12) Current address:
- (13) Mobile number:
- (14) Email:
- (15) Phone number (if available):
- (16) Fax number (if available):
- (17) Post box number (if available):
- (18) Signature:

I/We declare that the above-mentioned details are true and correct, and if found false, I/we am/are ready to face punishment according to the prevailing laws. Furthermore, if additional details or particulars are required except the mentioned details and particulars, I/we shall submit them within the specified period, as prescribed.

*If the application is submitted by more than one natural person, each individual must separately submit this information.

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

Documents to be included along with application
(Except for bank and financial institutions)

- 1) Application according to Schedule-1 of Bylaws.
- 2) Certified copy of memorandum of association and articles of association of proposed remittance company.
- 3) Feasibility study report of proposed remittance company.
- 4) Applicant's bio data, copy of citizenship certificate and passport size photo.
- 5) Certified copy of agreement between applicants regarding proposed remittance company, if any.
- 6) Document showing source of investment and income of shareholder.
- 7) Proof from Credit Information Bureau of Nepal stating that the applicant, shareholder and office-bearer is not blacklisted (without elapse of six months while submission of the application with all documents).
- 8) Self-declaration regarding full compliance with the provisions to submit details as per the Bylaws and prevailing rules, laws and other provisions made thereunder Acts, and provisions of Foreign Exchange (Regulation) Act, 1962.
- 9) Self-declaration that the applicant, shareholder and office-bearer(s) of the proposed remittance company is/are Nepali citizen over 18 years of age; have sound mental state; have not been declared bankrupt; if blacklisted for any dealings with any bank or financial institution, at least three years have passed since removal from such list; have paid tax liabilities as per prevailing laws; if convicted of any moral turpitude by the court, at least five years have passed since serving the sentence; if convicted of corruption or fraud, at least five years have passed since serving the sentence; do not hold any position in government, public, bank, or financial institution service; have not been proven to have dishonest or mal-intention in dealing with bank or financial institution; and have not been convicted of any offense related to money laundering or terrorism financing activities.
- 10) If criminal record is shown in police report, proof that five years have elapsed after serving the sentence (without elapse of six months while submission of the application with all documents).
- 11) Other additional documents specified by the department required for foreign exchange transaction.

Schedule-3

Relating to Sub-bylaw (1) of Bylaw 5

**Format of in-principle consent for remittance company
(Except for bank and financial institutions)**

Mr/Ms.....
.....

Subject: In-principle Consent Letter

Dear Sir/Madam,

Regarding your application dated requesting a licence for remittance transaction at, upon review, it has been decided to grant in-principle consent to..... (proposed name) to conduct remittance business as per Nepal Rastra Bank Act, 2002, Foreign Exchange (Regulation) Act, 1962, and rules, bylaws thereunder the Acts, and prevailing laws and circular, order, directive, notice issued by Rastra Bank from time to time thereunder and conditions to be specified in the licence.

Yours sincerely,

(.....)
Deputy Director

CC:
Government of Nepal
Ministry of Industry, Commerce and Supplies
Office of the Company Registrar.

Schedule-4
Relating to Sub-bylaw (1) of Bylaw 7

Format of application for remittance licence after obtaining in-principle consent

(Except for bank and financial institution)

Date:

Nepal Rastra Bank
Foreign Exchange Management Department
Central Office, Baluwatar

Subject: Application for Licence of Foreign Currency Remittance Company

Dear Sir/Madam,

As this company has received in-principle consent for inward remittance transaction from Rastra Bank on (date), I/we have enclosed documents as per Schedule-5 of Bylaws along with this application and would like to request for foreign currency remittance licence as per Section 3 of Foreign Exchange (Regulation) Act, 1962.

- 1) Name of Company (in Nepali):
- 2) Name of Company in English (BLOCK LETTER):
- 3) Company's Address: Province..... District.....
Rural Municipality/Municipality/Sub-Metropolitan/Metropolitan City.....
Ward No.....Tole.....
- 4) Company's Phone No..... Fax No.....
- 5) Company's Email Address:
- 6) Company's Website
- 7) Name of Authorized Person: Mobile No.....
- 8) Date of company's registration in Office of the Company Registrar.....Registration No...
- 9) Date of PAN Registration..... Registration No.....
- 10) Amount deposited in *Na. No. Aa. Hi. Futkar* Account for licence fee, Rs.....
Voucher No.....Date.....
- 11) Category willing to be classified: Category as per clause (a) or (b) of sub-clause (1) of bylaw 6.
- 12) If security amount is deposited as cash in Rastra Bank's security account,
Rs.....Voucher No.....Date.....
- 13) If security amount is guarantee issued by bank and financial institutions:
 - a) Name of Bank/Financial Institution:
 - b) Amount Rs.....
 - c) Validity period.....Date.....from.....to.....
- 14) Name of landlord as per rental agreement.....
Agreement date.....Agreement valid date.....
Full address of rented space:.....
- 15) Name and address of the bank, with which foreign currency account is to be opened
.....
- 16) Company Stamp.....

Applicant (Authorized Person),

Signature:

Name.....

Designation.....

Schedule-5

Relating to Sub-bylaw (1) of Bylaw 7

Documents to be enclosed along with application for remittance licence after obtaining in-principle consent

- 1) Application in the format of Schedule-4 of Bylaws.
- 2) Copy of company registration certificate.
- 3) Original voucher of amount deposited as licence fee with Rastra Bank.
- 4) Copy of memorandum of association and articles of association.
- 5) Copy of permanent account number certificate.
- 6) Location map of company's place of transaction.
- 7) Copy of bank statement and voucher of amount deposited in company's bank account by shareholders for share subscription.
- 8) Copy of shareholder's registry certificate from Office of the Company Registrar.
- 9) Original voucher of amount deposited in Rastra Bank for cash security or original guarantee issued by bank and financial institutions for guarantee.
- 10) Certified copy of rental agreement as per prevailing laws if the place where remittance transactions is to be operated is in rented space (details on three generations of landlord and certified copy of citizenship certificate/certified copy of company registration certificate and income tax registration certificate, in case of institution).
- 11) One sample of voucher to be used for remittance transaction.
- 12) Self-declaration on compliance relating to submission of details as mentioned in Bylaws, and full compliance with related provisions of prevailing laws, rules and Acts, and related provisions of Foreign Exchange (Regulation) Act, 1962.
- 13) Details of shareholders and office-bearers of remittance company.
- 14) Details of service fee to be levied to customers for remittance transaction.
- 15) Copy of AML/CFT policy of the company.
- 16) Other additional documents required for foreign exchange transaction, specified by the department.

(Note: Documents submitted to obtain in-principle consent need not to be re-submitted)

Schedule-6
Relating to Sub-bylaw (2) of Bylaw 7 and Sub-bylaw (3) of Bylaw 8

Conditions for Remittance Transactions

Remittance company, licensed to undertake remittance transaction, shall make inward remittance of foreign currency into Nepal and make payment to beneficiary itself or through its appointed sub-agent or sub-representative in pursuant to prevailing laws and including circular, order, directive, notice issued by Rastra Bank time to time thereunder the laws, and following conditions:

- 1) The licensed remittance company shall have to bring foreign currency into Nepal from abroad as pre-funding via banking system.
- 2) If reimbursement shall be obtained after payment to beneficiary in Nepal without pre-funding of remittance amount in pursuant to clause (a), unconditional foreign currency guarantee issued by foreign bank on behalf of related foreign firm, company or institution, or cash deposit from related foreign firm, company or institution is to be obtained, covering the entire amount to indemnify the payment.
- 3) The remittance company undertaking transaction as per clause (b) shall have to obtain reimbursement of amount provided to beneficiary of Nepal from concerned foreign firm, company, or institution in foreign currency itself.
- 4) It shall be the duty of the concerned remittance company to obtain reimbursement from foreign firm, company, or institution for making payment to beneficiary in Nepal in pursuant to clause (b) and (c).
- 5) Rastra Bank shall not bear any financial or foreign exchange liability created by remittance transactions.
- 6) The remittance company shall have to receive the commission in foreign currency itself.
- 7) Irregularity of any kind shall not be undertaken relating to remittance transaction.
- 8) Remittance company shall carry out function of bringing in foreign currency (inward remittance).
- 9) Foreign currency received as remittance may be deposited by opening account in bank and financial institution as foreign currency itself till the time prescribed by Rastra Bank.
- 10) The remittance company may appoint sub-agent and sub-representative formulating internal rules including working policy and conditions, and it shall be the responsibility of concerned remittance company for remittance transactions conducted by the sub-agent and sub-representative.
- 11) While appointing sub-agent and sub-representative, the remittance company shall not put the condition restricting them to function as sub-agent and sub-representative of other remittance companies, except for it.
- 12) The remittance company shall have to ensure that the foreign currency received from abroad is from legitimate source and is not remitted for asset (money) laundering purpose having earned illegally, and shall have to comply with prevailing national and international legal provisions on anti-money laundering and combating the financing of terrorism.
- 13) The licence for remittance transaction shall have to be posted at place of transaction, visible to public.
- 14) Remittance company shall not charge any other charges from customer, except the specified service charge. Furthermore, arrangement must be made (including from foreign firm, company, or institution with which agreement has been signed) such that no other burden is imposed on customer, except the service charge.
- 15) Licensed remittance company in pursuant to Chapter-2 may open branch office in Nepal subject to approval from Rastra Bank. For this purpose, the department may undertake necessary study and onsite inspection of physical infrastructure as well.
- 16) Make payment on behalf of and on request of person or institution sending foreign currency via payment systems operator/payment service provider by entering agreement with payment systems operator/payment service provider, licensed by Rastra Bank. However, such payments can not be made using cash.
- 17) Other functions prescribed by Rastra Bank from time to time.
- 18) Remittance company shall not carry out or cause to carry out functions mentioned in Bylaw 10.

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

**Format of Licence
(Except for bank and financial institutions)**

NEPAL RASTRA BANK
CENTRAL OFFICE
FOREIGN EXCHANGE MANAGEMENT DEPARTMENT

Money Remittance Licence

Licence No.: NRB/FX/MR/

This Money Remittance Licence is hereby issued to M/s (Name of Company) (Address), pursuant to Sub-section (1) of Section 3 of Foreign Exchange (Regulation) Act, 1962. The Licence holder may remit or arrange to remit foreign currency from abroad who have right to send foreign currency as remittances in Nepal as per the terms and conditions mentioned below as well as given instructions attached herewith.

Place of Business (Full Address):

Terms and Conditions:

1. (Name of Remittance Company)..... is authorized only for inward remittance business in foreign currency.
2. This Licence is not transferable.
3. This Licence shall be utilized only at the place of business where this authorization applies.
4. The remittance company shall comply with the instructions issued by the Nepal Rastra Bank from time to time.
5. The remittance company shall provide necessary information as instructed by Nepal Rastra Bank or other competent authority.
6. The remittance company shall comply with all the related provisions of Foreign Exchange (Regulation) Act, 1962, Assets (Money) Laundering Prevention Act, 2008 and Rules, Bylaws, and Regulations made thereunder.
7. This Licence must be displayed at the place of business.
8. This Licence will expire on the day of.....

For and on the behalf of
Nepal Rastra Bank

Baluwatar, Kathmandu
Date:.....

.....
(.....)
Assistant Director

.....
(.....)
Deputy Director

**Schedule-8
Relating to Sub-bylaw (2) of Bylaw 8**

**Format of application to be submitted for remittance licence
(For bank and financial institution)**

Date:

Nepal Rastra Bank
Foreign Exchange Management Department
Central Office, Baluwatar

Subject: Application for Foreign Currency Remittance Licence

Dear Sir/Madam,

As this company has enclosed documents as per Schedule-9 of Bylaws along with this application for foreign currency remittance transaction (Inward Remittance), I/we would like to request for foreign currency remittance licence as per Section 3 of Foreign Exchange (Regulation) Act, 1962.

1. Name of Bank or Financial Institution (in Nepali):
In English (BLOCK LETTER) :
2. Address of Bank or Financial Institution: Province..... District.....
Rural municipality/Municipality/Sub-Metropolitan/Metropolitan City.....
Ward No. ...Tole...
3. Phone No. of Bank or Financial Institution..... Fax No.....
4. Email address of Bank or Financial Institution.....
5. Website of Bank or Financial Institution.....
6. Name of Authorized Person..... Mobile No.....
7. Date of Registration in Office of the Company Registrar.....
Registration No.....
8. PAN Registration Date.....Registration No.....
9. Amount deposited in *Na. No. Aa. Hi. Futkar* Account for licence fee, Rs.....
Voucher No.....Date.....

Applicant,

Signature:
Name.....
Designation.....

Schedule-9

Relating to Sub-bylaw (2) of Bylaw 8

**Documents to be enclosed along with application for remittance licence
(For bank and financial institution)**

- 1) Application in the format of Schedule-8 of Bylaws.
- 2) Copy of licence from Rastra Bank for banking transaction.
- 3) Copy of licence from Rastra Bank for foreign currency transaction.
- 4) Original voucher of amount deposited as licence fee.
- 5) Other additional documents specified by the department, if required.

**Schedule-10
Relating to Sub-bylaw (3) of Bylaw 8**

**Format of Licence
(For bank and financial institution)**

NEPAL RASTRA BANK
CENTRAL OFFICE
FOREIGN EXCHANGE MANAGEMENT DEPARTMENT

Money Remittance Licence

Licence No.: NRB/FX/MR /

This Money Remittance Licence is hereby issued to M/s (Name of Company) (Address), pursuant to Sub-section (1) of Section 3 of Foreign Exchange (Regulation) Act, 1962. The Licence holder may remit or arrange to remit foreign currency from abroad who have right to send foreign currency as remittances in Nepal as per the terms and conditions mentioned below as well as given instructions attached herewith.

Place of Business (Full Address):

Terms and Conditions:

1. (Name of Remittance Company)..... is authorized only for inward remittance business in foreign currency.
2. This Licence is not transferable.
3. This Licence shall be utilized only at the place of business where this authorization applies.
4. The remittance company shall comply with the instructions issued by the Nepal Rastra Bank from time to time.
5. The remittance company shall provide necessary information as instructed by Nepal Rastra Bank or other competent authority.
6. The remittance company shall comply with all the related provisions of Foreign Exchange (Regulation) Act, 1962, Assets (Money) Laundering Prevention Act, 2008 and Rules, Bylaws, and Regulations made thereunder.
7. This Licence must be displayed at the place of business.
8. This Licence will expire on the day of.....

For and on the behalf of
Nepal Rastra Bank

Baluwatar, Kathmandu (.....) (.....)
Date:.....	Deputy Director	Director

Schedule-11
Relating to Sub-bylaw (1) of Bylaw 12

Minimum subjects that must be included in agreement with foreign institution

- 1) Full name, address, phone number, email and website of contracting parties,
- 2) Full name, address, phone number, email and website of authorized persons undersigning agreement on behalf of contracting parties,
- 3) Date of agreement,
- 4) Validity date of agreement,
- 5) Function, duty and power of contracting parties,
- 6) Details regarding pre-funding or deposit to be provided to remittance company by foreign firm, company or institution,
- 7) Details of service fee to be levied for remittance from abroad,
- 8) Details of income segregation between contracting parties,
- 9) Financial and non-financial facilities to be borne by remittance company to foreign firm, company or institution,
- 10) Financial and non-financial facilities to be borne by foreign firm, company or institution to remittance company,
- 11) List of countries from which inflow of remittance shall be made through foreign institution by having agreement with the foreign institution,
- 12) Notwithstanding anything written above, the subjects mentioned in S.N. 1 to 11 shall not be mandatory for agreement with foreign institution to remittance companies that had taken licence for remittance transaction before coming into effect of this Bylaws on January 27, 2023.

However, within one year of coming into effect of this Bylaws (January 26, 2024), all subjects mentioned in S.N. 1 to 11 shall have to be regularized and submitted to department, and concerned remittance company shall have to make self-declaration regarding such regularization.

As per this clause, the validity date of agreement of licensed remittance company with foreign institution shall only be up to January 26, 2024. After regularization of all subjects as mentioned in S.N. 1 to 11, validity of agreement with foreign institution shall be made by department as per the provisions of this Bylaws*.

* As per the decision of 532th meeting of Nepal Rastra Bank, Management Committee held on July 2, 2023, S.N. 12 has been added (first amendment).

Schedule-12
Relating to Sub-bylaw (2) of Bylaw 12

Application format for approval of agreement with foreign Institution

Date:

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

Subject: Application for Approval of Agreement with Foreign Institution

Dear Sir/Madam,

As this company has entered into agreement/amended agreement/renewed agreement with foreign institution to undertake transaction of foreign currency remittance (Inward Remittance) with association of foreign institution, I/we would like to request for its approval.

1. Name of Remittance Company (in Nepali):
In English (BLOCK LETTER):
2. Remittance Company's Address: Province..... District.....
Rural Municipality/Municipality/Sub-Metropolitan/Metropolitan City...
Ward No... Tole...
3. Remittance Company's Phone No..... Fax No.....
4. Remittance Company's Email Address:
5. Remittance Company's Website (if available).....
6. Name of Authorized Person:Phone/Mobile No.....
7. Details of Foreign Firm, Company or Institution:
 - a) Name:
 - b) Address:
 - c) Email:
 - d) Phone No:
 - e) Fax No:
 - f) Website:
 - g) Name of Authorized Person:.....Phone/Mobile No.....

Applicant,

Signature:
Name.....
Designation.....

Schedule-13**Relating to Sub-bylaw (3) of Bylaw 12****Format for approval of agreement**

Date:

Ref. No

..... (Name of Remittance Company)

..... (Address)

Subject: Regarding Approval of Remittance Agreement

Dear Sir/Madam,

As per your application datedfor approval/amendment/renewal of agreement to undertake remittance transaction with association of foreign institution, the agreement to make inflow of remittance into Nepal through following foreign firm, company, or institution has been approved, subject to compliance of Foreign Exchange (Regulation) Act, 1962, and circular, order, directive, notice, Bylaws issued by Rastra Bank thereunder the Act and the following conditions.

Particulars:

(a) Details of foreign firm, company or institution, with which agreement has been approved for remittance transactions

S.N.	Name	Address (including country)

(b) List of countries from which inward remittances can be made into Nepal

S.N.	Name of Foreign Firm, Company, or Institution	Name of Country

Conditions:

1. The validity date of this approval of remittance agreement is until.....
2. The approval of remittance agreement given by Rastra Bank to conduct remittance transaction with foreign firm, company or institution shall be automatically expired if licence of such foreign firm, company or institution is not renewed within the validity date.
3. The approval of remittance agreement given by Rastra Bank to conduct remittance with foreign firm, company or institution shall be automatically expired if remittance agreement with such foreign firm, company or institution is not renewed within the validity date.

Sincerely,

.....
 (.....)
 Assistsnt Director

.....
 (.....)
 Deputy Director

Schedule-14
Relating to Sub-bylaw (3) of Bylaw 13

Format of application for renewal of remittance licence
(Except for bank and financial institution)

Date:

Nepal Rastra Bank
Foreign Exchange Management Department
Central Office, Baluwatar

Subject: Application for Licence Renewal of Foreign Currency Remittance Company

Dear Sir/Madam,

As this company has enclosed documents as per Schedule-15 of Bylaws along with this application for renewal of foreign currency remittance transaction (Inward Remittance), I/we would like to request for renewal of foreign currency remittance licence.

- 1) Name of Company (in Nepali):
- 2) Name of Company in English (BLOCK LETTER):
- 3) Company's Address: Province..... District.....
Rural Municipality/Municipality/Sub-Metropolitan/Metropolitan City.....
Ward No....Tole.....
- 4) Company's Phone No..... Fax No.....
- 5) Company's Email Address:
- 6) Company's Website
- 7) Name of Authorized Person: Mobile No.....
- 8) Date of company's registration in Office of the Company Registrar.....Registration No...
- 9) Date of PAN Registration..... Registration No.....
- 10) Category willing to be classified: Category as per clause (a) or (b) of sub-clause (1) of bylaw 6.
- 11) Amount deposited in *Na. No. Aa. Hi. Futkar* Account for licence renewal fee (including late fee, if applicable), Rs..... Voucher No.....Date.....
- 12) If security amount is deposited as cash in Rastra Bank's security account, Rs.....Voucher No.....Date.....
- 13) If security amount is guarantee issued by bank and financial institutions:
 - a) Name of Bank/Financial Institution:
 - b) Amount Rs.....
 - c) Validity period.....Date.....from.....to.....
- 14) Name of landlord as per rental agreement.....
Agreement date.....Agreement valid date.....
Full address of rented space (compulsory):.....
- 15) Name and address of the bank, with which foreign currency account is to be opened
.....Account No.....
- 16) Company Stamp.....

Applicant (Authorized Person),

Signature:

Name.....

Designation.....

Schedule-15
Relating to Sub-bylaw (3) of Bylaw 13

Documents to be submitted for renewal
(Except for bank and financial institution)

- 1) Application in the format of Schedule-14 of Bylaws.
- 2) Original voucher of amount deposited as licence renewal fee (including late fee, if applicable) in *Na.No.Aa.Hi. Futkar* account of Rastra Bank.
- 3) Audited financials of latest fiscal year.
- 4) Proof of tax clearance of latest fiscal year or filing of tax returns for current fiscal year.
- 5) Original of licence provided by Rastra Bank for previous period.
- 6) Original voucher of amount deposited in Rastra Bank for cash security or original guarantee issued by bank and financial institutions for guarantee.
- 7) Copy of rental agreement as per prevailing rental Act.
- 8) Three generation details of landlord and copy of citizenship certificate/copy of company registration certificate in case of institution.
- 9) Proof of payment of rental tax.
- 10) Proof from Credit Information Bureau of Nepal stating that the shareholder and office-bearer is not blacklisted (without elapse of six months while submission of the application with all documents).
- 11) Documents to be submitted for changes only:
 - a) Copy of updated share registry certificate from Office of the Company Registrar,
 - b) Copy of memorandum of association and articles of association, for changes in section,
 - c) Copy of citizenship photocopy of shareholder/office-bearer, if changed,
 - d) One each photo of shareholder/office-bearer, if changed,
 - e) Proof from Credit Information Bureau of Nepal stating that the shareholder and office bearer is not blacklisted (without elapse of six months while submission of the application with all documents), if changed, along with copy of personal tax clearance certificate,
 - f) Bio-data of shareholders/office-bearers, if changed,
- 12) Details of service fee to be levied to customers for remittance transaction.
- 13) Self-declaration that the applicant, shareholder and office-bearer of remittance company are Nepali citizen over 18 years of age; have sound mental state; have not been declared bankrupt; if blacklisted for any dealings with any bank or financial institution, at least three years have passed since removal from such list; have paid tax liabilities as per prevailing laws; if convicted of any moral turpitude by the court, at least five years have passed since serving the sentence; if convicted of corruption or fraud, at least five years have passed since serving the sentence; do not hold any position in government, public, bank, or financial institution service; have not been proven to have dishonest or mal-intention in dealing with bank or financial institution; and have not been convicted of any offense related to money laundering or terrorism financing activities.
- 14) If criminal record is shown in police report, proof that five years have elapsed after serving the sentence (without elapse of six months while submission of the application with all documents).
- 15) No objection letter from concerned supervision department relating to licence renewal.
- 16) Other additional documents required for foreign exchange transaction, specified by the department.

Schedule-16
Relating to Sub-bylaw (4) of Bylaw 13

Format of application to be submitted for renewal of remittance licence
(For bank and financial institution)

Date:

Nepal Rastra Bank
Foreign Exchange Management Department
Central Office, Baluwatar

Subject: Application for Renewal of Foreign Currency Remittance Licence

Dear Sir/Madam,

As this company has enclosed documents as per Schedule-17 of Bylaws along with this application for renewal of foreign currency remittance transaction (Inward Remittance), I/we would like to request for renewal of foreign currency remittance licence as per Section 3 of Foreign Exchange (Regulation) Act, 1962.

1. Name of Bank or Financial Institution (in Nepali):
In English (BLOCK LETTER) :
2. Address of Bank or Financial Institution: Province..... District.....
Rural municipality/Municipality/Sub-Metropolitan/Metropolitan City.....
Ward No. ...Tole...
3. Phone No. of Bank or Financial Institution..... Fax No.....
4. Email address of Bank or Financial Institution.....
5. Website of Bank or Financial Institution.....
6. Name of Authorized Person..... Mobile No.....
7. Date of Registration in Office of the Company Registrar..... Registration No.....
8. PAN Registration Date.....Registration No.....
9. Amount deposited in *Na. No. Aa. Hi. Futkar* Account for licence renewal fee (including late fee, if applicable), Rs..... Voucher No.....Date.....

Applicant,

Signature:
Name.....
Designation.....

Schedule-17
Relating to Sub-bylaw (4) of Bylaw 13

Documents to be enclosed along with application for renewal of remittance licence
(For bank and financial institution)

- 1) Application in the format of Schedule-16 of Bylaws.
- 2) Original of remittance licence provided by Rastra Bank for previous period.
- 3) Original voucher of amount deposited as renewal fee (including late fee, if applicable).
- 4) Details of service fee to be levied to customers for remittance transaction.
- 5) No objection letter from the concerned supervision department regarding licence renewal.
- 6) Other additional documents specified by the department, if required.

**Schedule-18
Relating to Sub-bylaw (1) of Bylaw 32**

(NAME AND ADDRESS OF REMITTANCE COMPANY)
STATEMENT OF REMITTANCE
For the Month of

S.N.	Date	Name of remitter or sender	Foreign Currency (For e.g. USD, JPY, INR etc.)	Remittance amount in FCY	Remittance amount in equivalent NRs.	Remitting country	Name of agent/ principal in remitting country, if any	Name of beneficiary	Address of beneficiary (province & local level)

Authorised Signature:

Name:

Designation:

Telephone/Cell No.:

Email:

Date:

Seal/Stamp:

Schedule-19
Relating to Bylaw 39
Delegation of Authority

S.N.	Subject Title	Authorized Official
1.	Approval of call for application to conduct remittance transaction	Governor
2.	Approval to conduct additional fit and proper test	Department Chief
3.	Approval of in-principle consent	Deputy Governor
4.	Approval for on-site inspection of physical infrastructure (except for bank and financial institution)	Department Chief
5.	Approval of licence (except for bank and financial institution)	Governor
6.	Approval to provide new licence by revoking old licence as per sub-bylaw (5) of bylaw 7.	Department Chief
7.	Approval of licence (for bank and financial institution)	Department Chief
8.	Provision relating to duration of maintaining foreign currency in remittance company's account with bank and financial institution	Governor
9.	Approval to open branch office in Nepal (except for bank and financial institution)	Department Chief
10.	Decision relating to functions as per clause (c) of sub-bylaw 1 of bylaw 11.	Governor
11.	Approval of agreement with foreign institution	Department Chief
12.	Renewal of licence	Department Chief
13.	Approval relating to sub-bylaw (5), (6) and (7) of bylaw 13	Department Chief
14.	Approval of revocation of licence as per sub-bylaw (8) of bylaw 13	Governor
15.	Provision relating to waiver of renewal fee as incentive as per sub-bylaw (9) of bylaw 13	Governor
16.	Approval to publish public notice regarding automatic revocation of licence as per sub-bylaw (9) of bylaw 13	Governor
17.	Approval to undertake action as per bylaw 15	Governor
18.	Punishment and fine as per bylaw 16 and 17	As per Nepal Rastra Bank Remittance Transactions Inspection and Supervision Bylaws, 2022 (except for bank and financial institution) and Nepal Rastra Bank Inspection and Supervision Bylaws, 2017 (for bank and financial institution)
19.	Approval of in-principle consent and annulment/revocation of in-principle consent for merger or acquisition.	Deputy Governor
20.	Approval as per sub-bylaw (5) of bylaw 24	Deputy Governor
21.	Decision to ask for additional details/documents as per sub-bylaw (2) of bylaw 27	Department Chief
22.	Final approval of merger or acquisition	Governor
23.	Approval for change in location of transaction	Department Chief
24.	Approval for change in share ownership structure	Deputy Governor
25.	Approval for closure of transaction as per bylaw 31	Deputy Governor
26.	Decision to ask for details as per bylaw 33	Department Chief and Executive Director of Concerned Supervision Department
27.	Decision relating to bylaw 34 and 35	Governor
28.	Approval to open branch/representative office/subsidiary company abroad	Governor
29.	Provision relating to electronic inflow of remittance	Governor