

ECOVIS PYC & ASSOCIATES

DOING BUSINESS IN NEPAL



Member of



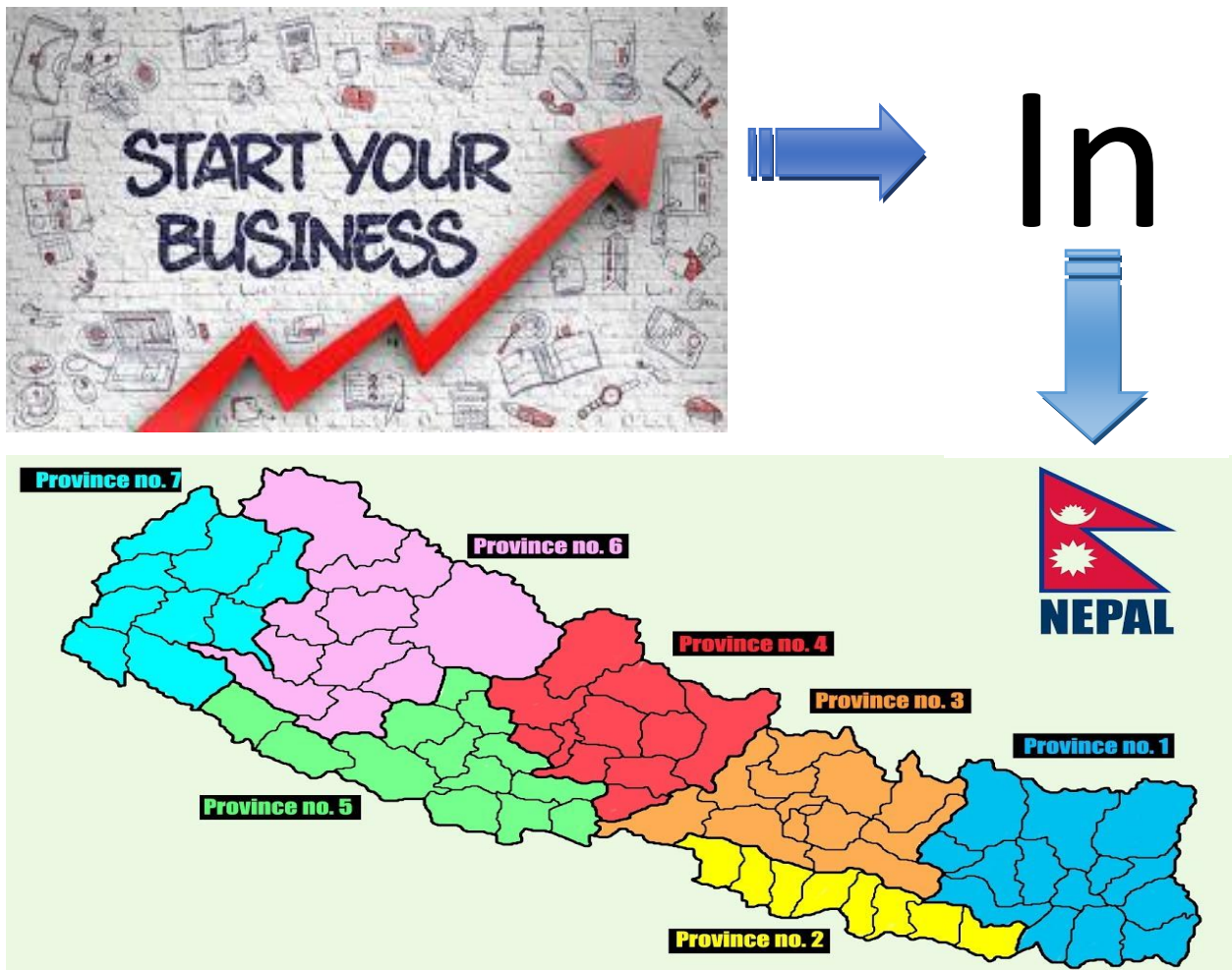
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Introduction

Nepalese economy has historically been characterized as a small economy geographically sandwiched between two of the world's largest economy i.e. India and China. Lack of sea route has traditionally served as a major humdrum in the trade business in Nepal. A liberal financial policy implemented by the Government prioritizing the major economic sector has largely peppered the default cracks to sustain the progress steps undertaken by Nepalese economy. New and more relevant Industrial Enterprise Act more encouraged the foreign investors to invest in Nepal. In addition, priorities in capital intensive projects like infrastructures, hydropower, lavish tourism has broadened the investment horizon in Nepal. In order to further encourage foreign investment, tax rebates of various kinds are being granted by the Government and works are in progress to further streamline the business and protect the investments of the investors in Nepal.

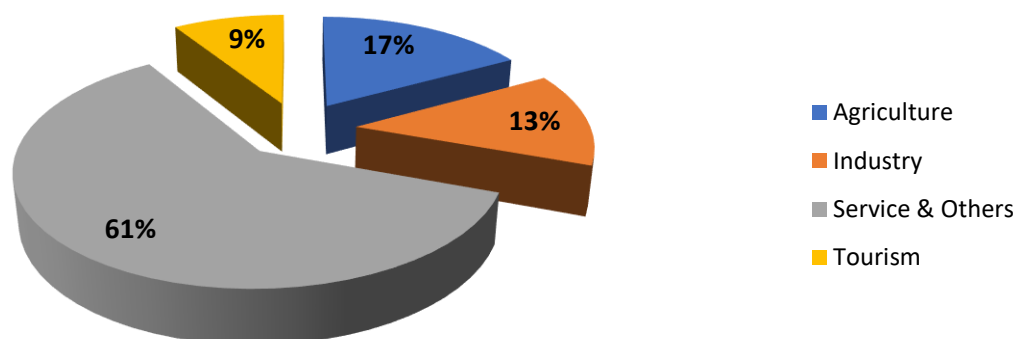
As far as the business prospects and trade relations are concerned, Nepal has healthy relations with both India and China. Trade route from China is from the Northern side border with customs office facilitating the two-way trade. Trade route from India is from the Eastern, Southern and Western borders. The open border between Nepal and India has made made trading activities more hassle-free. There are dry-ports and storage areas near the borders which have made the trade work more convenient.



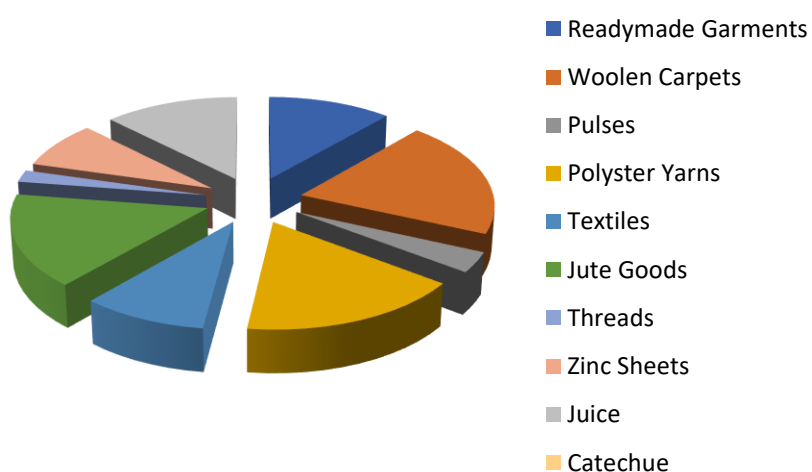
Nepal & its peculiarities

Population	Approximately 26.49 million
GDP	NPR 3,464 billion (28.35 billion USD)
GDP per capita	1,034 USD
World output growth rate	6.30%

Sector-wise GDP Composition



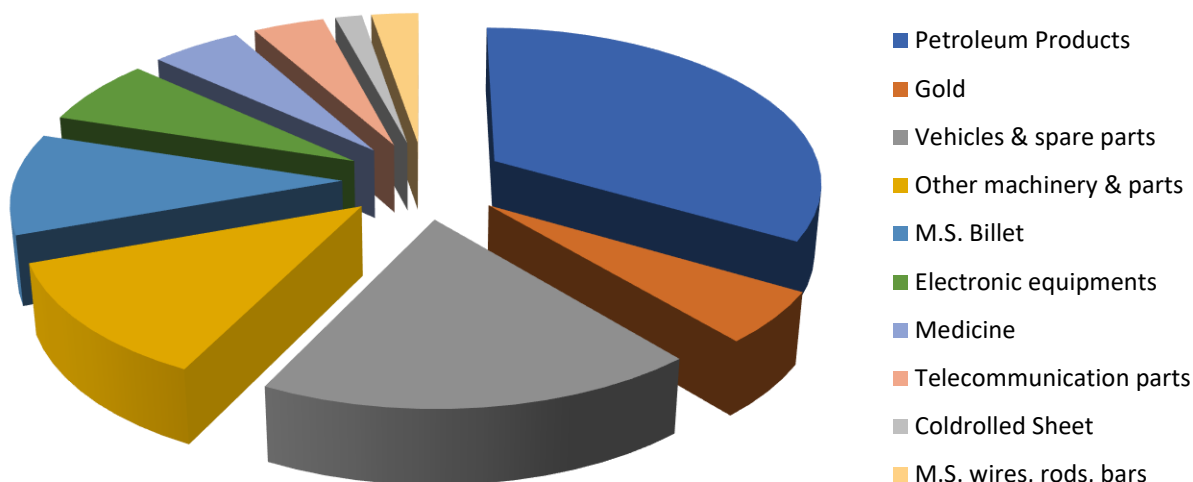
Major Exports F.Y. 2018-19



FY	Amount (NPR million)
2015-16	30,080.00
2016-17	30,250.30
2017-18	32,308.10
2018-19*	36,467.20

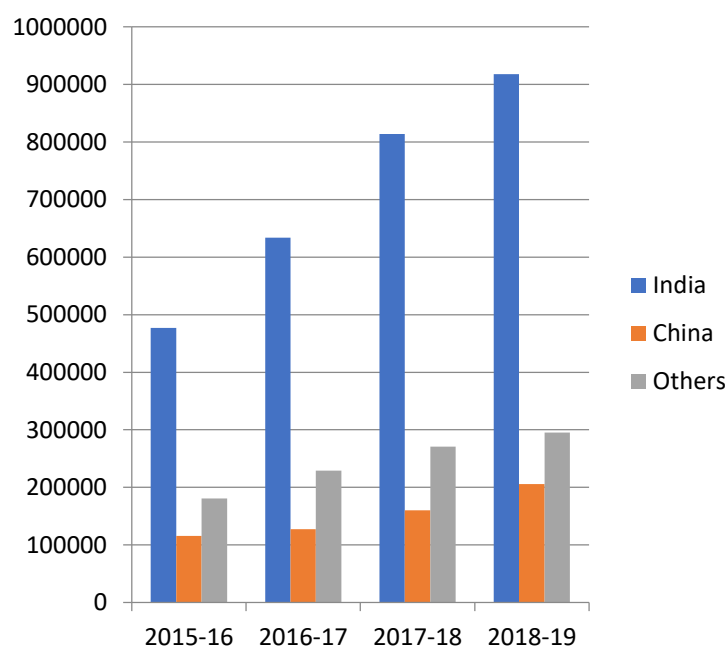
**Provisional data based on data from Research Department of Central Bank of Nepal*

Major Imports F.Y. 2018-19



Import Data

FY	Amount (NPR million)
2015-16	306,481.00
2016-17	429,049.70
2017-18	576,857.20
2018-19*	645,787.70



Imports from major countries

**Provisional data based on data from Research Department of Central Bank of Nepal*

Currency	Nepalese Rupees (NPR) Exchange rates are regulated by Central Bank of Nepal
Land Area	147,181 Sq. Km.
Location	26° 22' North to 30° 27' North and 80° 4' East to 88° 12' East
Capital City	Kathmandu
Government	Republic with President as the head of state and Prime Minister as the head of executive
Geo-political state	There are seven provinces with each province having a capital. The states have a governor and a chief minister for their functioning

Name of State	Capital	No. of districts
Province no. 1	Biratnagar	14
Province no. 1	Janakpur	8
Bagmati Province	Hetauda	13
Gandaki Province	Pokhara	11
Province no. 5	Butwal	12
Karnali Province	Birendranagar	10
Sudurpaschim Province	Godawari	9

Legal system	Nepal has its own constitution that largely governs the overall operation. For business, there is Companies Act, Contract Act, Income Tax Act, Value Added Tax Act, Customs Act, Excise Duty Act, Partnership Act, Industrial Enterprises Act and such other Acts, Rules & Regulations. The main judicial power is vested with the Supreme Court. There are District Courts and High Courts too in each district & province respectively. For business disputes, solution can be sorted via arbitration through Arbitration Act whose ruling is equivalent to as that of Court of Law.
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Major Industries	Agriculture, manufacturing, wholesale & retail trade, finance & insurance, construction, education, hydropower, health & community, transportation service, real estate
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Major Consumption	<p>Food & Beverage: cereal grains & their products, pulses & legumes, vegetables, meat & fish, milk products & eggs, ghee & oil, fruits, sugar & sugar products, spices, alcoholic/non-alcoholic drinks, tobacco products, restaurants & hotel.</p> <p>Non-food & services: clothing & footwear, housing & utilities, furnishing & household equipments, health, transport, communication, recreation & culture, education, miscellaneous goods & services.</p>
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Natural Environment

Nepal is rich in terms of bio-diversity and one can experience the cold mountains, moderate hills and humid plains. Being the home of Mt. Everest, the largest mountain of the world, Nepal has caught eye of adventurous tourism. Native flora and faunas, national parks, rain shadow regions have added to the natural environment in Nepal.

Governmental policies

The government of Nepal has been encouraging the exploration of natural resources with minimum exploits. Natural resources here include minerals, herbs, high current rivers, high current wind and similar other resources with high potential. The Government has also been providing several rebates on investment and operation of such resources.

Legal bodies

Some of the major legal bodies looking after business and economic activities in Nepal are Company's Registrar Office, Department of Industries & Commerce, Inland Revenue Department, Central Bank etc. There are several federations such of Federation of Nepal Chamber of Commerce, Hotel Association of Nepal etc. which are informally support respective industries in Nepal.

Way of life

Nepal has a long history of tradition and culture. Nepal is a secular state and abodes people of several religion and ethnic background. The immigration for investors and industrialists is more flexible. Nepalese society has been adopted the modern life changes keeping their respective core cultural and ethnic values intact. Religious, ethnic and cultural tolerance has always been the main strength Nepalese society.



Foreign Investment

A. Foreign Investment Regulation

Foreign investment in Nepal is regulated by Foreign Investment & Transfer Technology Act, 2019. The Act covers both the monetary investment as well as technology transfers by foreign investors. Foreign investments are either of following investments made by foreign investors in Nepal:

- (1) Share investment in foreign currency,
- (2) Re-investment in an industry of dividends derived from foreign currency or shares,
- (3) Lease financing,
- (4) Investment made in venture capital fund,
- (5) Investment made in listed securities through secondary securities market,
- (6) Investment made by purchasing shares or assets of a company incorporated in Nepal,
- (7) Investment received through the banking channel after issuing securities in a foreign capital market by an industry or company incorporated in Nepal,
- (8) Investment made through technology transfer. Here, technology transfer means any transfer of technology to be made under an agreement between an industry and foreign investor on following matters:
 - (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.
- (9) Investment maintained by establishing and expanding an industry in Nepal

There are separate set of provisions in the Act for each of the aforementioned foreign investment arrangements. There are no ceilings on foreign investment in Nepal and the foreign investor can repatriate the returns generated from such foreign investments to their native country. Similarly, a foreign investor desiring to withdraw investment may do so as per the laws Nepal.

Before introducing making foreign investment in Nepal, a foreign investor must obtain necessary approvals. The approval limits are as follows:

Approval limits	Approving authority
Up to NPR 6 billion (<i>USD 50 million approx.</i>)	Department of Industries
Above NPR 6 billion (<i>USD 50 million approx.</i>)	The Investment Board of Nepal

B. Single Stop Service Centre

There is a Single Stop Service Centre as well which shall avail necessary exemptions and facilities to foreign investors in accordance with Act and other prevailing laws. The Single Stop Service Centre shall in addition provide following services:

- (1) Registration and administration of industries,
- (2) Approval of foreign investment and location,
- (3) Registration and administration of companies,
- (4) Labor permit,
- (5) VISA facility,
- (6) Testing and control of quality of goods produced by industries,
- (7) Approval of environment study report,
- (8) Energy and infrastructure development, and necessary coordination for that purpose, as well as focal point among other bodies,
- (9) Exemptions, facilities to which industries are entitled,
- (10) Provision of permanent account number,
- (11) Foreign exchange approval,
- (12) Similar other services for easiness of foreign investor(s).

C. Stay Facility

Foreign investors in Nepal shall be availed with following stay facility in Nepal:

Condition	Stay Facility
Foreign citizen who visits Nepal to make a study, research or survey for foreign investment	Non-tourist VISA not exceeding a period of six months
Foreign investment up to 1 million USD	Business VISA to foreign investor or one authorized representative of him/her and the family member of such foreign investor or representative till the foreign investment in maintained.
Foreign investment above 1 million USD	Residential VISA to foreign investor or one authorized representative of him/her and the family member of such foreign investor or representative till the foreign investment in maintained.

D. Investment Assurances

For ensuring the safety of foreign investors, following protections shall be provided to the industry promoted by foreign investor:

- (1) The industry, enterprise with foreign investment shall be accorded the same treatment as accorded to any industry of the same nature with investment made by a Nepali citizen.
- (2) The industry, enterprise with foreign investment shall be free to determine the price of goods and services, subject to the prevailing law.
- (3) No industry, enterprise with foreign investment shall be prevented from doing trade, as prescribed, being limited to that industry.
- (4) No industry, enterprise with foreign investment shall be restricted to repatriate profit, investment, pay interest of, and repay the principal of its loan.
- (5) No industry with foreign investment shall be nationalized.
- (6) Foreign investor shall be facilitated with necessary grievance handling enabling to put forth their grievances and queries to the Department of Industries or Ministry. The Department or Ministry shall address such grievances.
- (7) Foreign investor may make joint agreements with Nepalese investors for investment. In case of any disputes, there shall be procedures for dispute settlement including arbitration based on the consent of disputing parties.

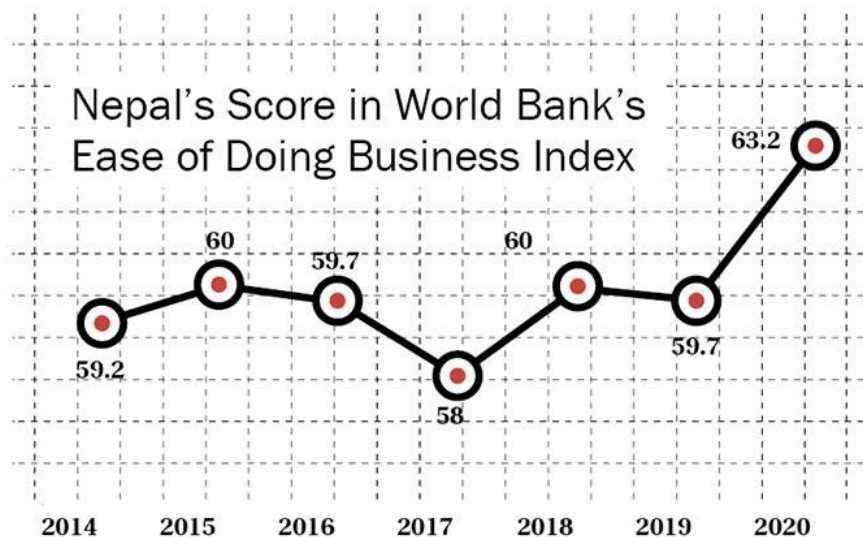


Structure of Entities

There may be different business structures available in Nepal with most common being:

- ✓ Proprietorship Firm
- ✓ Partnership Firm
- ✓ Company
- ✓ Trust
- ✓ Joint Venture

Companies in Nepal can be Private Companies or Public Companies. Private companies are most common form of incorporating business in Nepal. Companies in Nepal are governed by Companies Act, 2007. For listing in stock exchange, company must be a public limited company. Foreign entities that are incorporated in Nepal that desire to carry on business in Nepal must register a branch office in Nepal. Provided, however, that making investment in shares in any company established pursuant to law, lending moneys to such company or participating in the operation or management of such company does not require registration or branch office.



Note: Measured on a scale from 0 to 100, with 0 representing the lowest and 100 representing the best performance on ease of doing business

Source: The World Bank Group's Doing Business Report



WORLD BANK GROUP		
DB 2019 Score	DB 2020 Score	
82.1	81.7	▼ 0.4
57.9	67.3	▲ 9.4
58.3	60.9	▲ 2.6
64.7	63.6	▼ 1.1
50	75	▲ 25
58	58	0
52.7	47.1	▼ 5.6
80.4	85.1	▲ 4.7
45.3	46	▲ 0.7
47.2	47.2	0

Starting a Company in Nepal

Setting up business in Nepal

Step: 1 Obtain approvals

Obtain necessary approvals from the relevant ministries/departments/bodies for permit/license to conduct business.

Some of the relevant departments are:

- **Department of Industry:** For starting up industry (*including service industry*)
- **Company Registrar's Office:** For establishing new company
- **Department of Electricity:** For starting up hydropower projects
- **Nepal Rastra Bank (Central Bank of Nepal):** For engagement in banking or financial transactions or any foreign currency transactions
- **Department of Agriculture:** For starting up agro-based industry
- **Insurance Board:** For starting insurance business

Step: 2 Register a company

Investors will need to register an appropriate form of company in the company registrar's office. Any investor desiring to establish a company must serve an application to Office of the Company Registrar along with proposed name in electronic form. On approval of application, investors are required to submit following minimal documents to Office of the Company Registrar for the registration of the company.

- The memorandum of association of the proposed company.
- The articles of association of the proposed company.
- In case of a public company, a copy of the agreement, if any, entered into between the promoters prior to the incorporation of the company.
- In case of private company, a copy of the consensus agreement, if any, entered into.
- Where prior approval or license has to be obtained from anybody under the prevailing law prior to the registration of a company carrying on any particular type of business or transaction pursuant to the type of business or transaction pursuant to the prevailing law, such approval or license.

- Where the promoter is a Nepalese citizen, a certified copy of the citizenship certificate and where a corporate body is a promoter, a certificate of registration of incorporation, decision of the Board of such company.
- Where the promoters is a foreign person, license to carry out business in Nepal.
- Where the promoters is a foreign person, a document proving the country of his citizenship.
- Where the promoter is a foreign company or body, a certified copy of the incorporation of such company or body and major documents relating to such incorporation.

Step: 3 Register with Tax Office

Following company registration, investors will need to obtain Permanent Account Number (PAN) and shall also register for Value Added Tax (VAT) if the business attracts VAT. Such registration numbers shall be obtained from the Inland Revenue Department/Office. PAN is a unique identification number used for filling each income tax returns. Same number shall be used for VAT as well as Excise Duty purpose.

Step: 4 Open bank account

The company must open a bank account for conducting its business. Foreign investors will need to open a foreign currency account at Nepal Rastra Bank, the central bank of Nepal.

Cost of setting-up business in Nepal

The initial cost (*tentative*) for starting-up business by registering company in Nepal for each activity is presented as below:

S.N.	Procedure	Estimated time to complete	Estimated cost
1	Verify the uniqueness of the proposed company name To check whether the proposed company name is available and acceptable, the company must submit an application to the Office of the Registrar of Companies.	1 day	No cost
2	A professional verifies and certifies the memorandum and articles of association	5 days	NPR 10,000 depending on the professional's charges
3	Buy a stamp to be	1 day	NPR 5

S.N.	Procedure	Estimated time to complete	Estimated cost
	attached to registration form		
4	<p>File documents with the Company Registrar's Office, Department of Industry</p> <p>To register a company, the promoter must submit an application as prescribed by the Ministry of Industry, Commerce, and Supplies.</p>	15 days	<p>The registration fee is based on the company's authorized capital:</p> <ul style="list-style-type: none"> - Up to NPR 100,000 (authorized capital): NPR 1,000. - NPR 100,001 to NPR 500,000: NPR 4,500. - NPR 500,001 to NPR 2,500,000: NPR 9,500. - NPR 2,500,001 to NPR 10,000,000: NPR 16,000. - NPR 10,000,001 to NPR 20,000,000: NPR 19,000. - NPR 20,000,001 to NPR 30,000,000: NPR 22,000. - NPR 30,000,001 to NPR 40,000,000: NPR 25,000. - NPR 40,000,001 to NPR 50,000,000: NPR 28,000. - NPR 50,000,001 to NPR 60,000,000: NPR 31,000. - NPR 60,000,001 to NPR 70,000,000: NPR 34,000. - NPR 70,000,001 to NPR 80,000,000: NPR 37,000. - NPR 80,000,001 to NPR 90,000,000: NPR 40,000. - NPR 90,000,001 to NPR 100,000,000: NPR 43,000. - Over NPR 100,000,000: NPR 43,000 + NPR 30 for each additional NPR 100,000
5	Make a company rubber stamp	1 day	NPR 275
6	<p>Register for VAT and income Tax with the Inland Revenue Office, the Ministry of Finance</p> <p>The company must disclose the office address and withhold 15% tax of the rent for at least 3 months and deposit it to the tax office. If the company's objectives include goods or services subject to VAT, both registrations (VAT and income tax) should be obtained simultaneously.</p>	5 days	No charge
7	<p>Enroll the employees in the Provident Fund</p> <p>From the basic salary of each employee, 10</p>	1 day	No charge

S.N.	Procedure	Estimated time to complete	Estimated cost
	<p>percent is deducted each month, and a matching contribution is made by employer.</p> <p>The contribution is made to the provident fund and released on employee retirement. The employer also has to pay gratuity on retirement of an employee at the rate prescribed by labor regulation. Both of these rules are applicable only if the company appoints 10 or more employees.</p>		
8	Register at the Local Ward and pay business registration tax	2 days	NPR 2,000 (<i>minimum</i>)

Synopsis of Tentative Cost

To check whether the proposed company name is available and acceptable



Time - 1 day; Cost - NPR 5

A professional verifies and certifies the memorandum and articles of association



Time - 5 days; Cost – NPR 10,000

Buy a stamp to be attached to registration form



Time - 1 day; Cost – NPR 5

Promoter must submit an application as prescribed by the Ministry of Industry, Commerce, and Supplies.

Registration fee on the basis of authorized capital:

Up to 1 crore: NPR 15,000

1 to 10 crore: NPR 40,000.

10 to 20 crore: NPR 70,000

20 to 30 crore: NPR 100,000

30 to 40 crore: NPR 130,000

40 to 50 crore: NPR 160,000

> 50 crores: NPR 160,000 + NPR 3,000 for each additional 1 crore



Time-15 days; Cost –NPR 4,500

Make a company rubber stamp



Time - 1 day; Cost – NPR 275

Register for VAT and income Tax with the Inland Revenue Office

The company must disclose the office address and withhold 15% tax of the rent for at least 3 months and deposit it to the tax office. If the company's objectives include goods or services subject to VAT, both registrations (VAT and income tax) should be obtained simultaneously.



Time - 5 days; Cost – No charges

Enroll the employees in the Provident Fund

From basic salary of each employee, 10 % is deducted each month, and matching contribution is made by employer. The employer has to pay gratuity on retirement of an employee as prescribed by labor regulation. Both of these rules are applicable only if the company appoints 10 or more employees.

Time - 1 day; Cost – No charges

Cost of setting-up Construction and Mineral Based Business in Nepal

As large foreign investments are expected to flow for construction and mineral based industry, the initial mandatory cost must be clarified. Since, the construction and mineral based industries are directly linked with use of natural resource, the initial process may become difficult. Basically, the minimal procedures and costs associated with construction and mineral based industry in Nepal after the incorporation of the company are as follows:

S.N.	Procedure	Estimated time to complete	Estimated cost
1	Obtain soil study report <i>(The Village Development, Urban Planning & Building Relating Fundamental Construction Standards 2015 provides that building falling under category A and B are required to conduct soil test as per the Soil Test Directive of the Ministry of Urban Development.)</i>	32 days	NPR 137,500
2	Obtain a topographical map <i>(Topographic Surveys are used to identify and map the contours of the land plot. Its purpose is to serve as a base map for the design of a building. It also shows the boundary lines and is used by designers to accurately show the required setbacks. The new bylaws state that buildings up to 10m high have to leave a minimum of 1.5m set back from the border of the land plot.)</i>	5 days	NPR 20,500
3	Obtain a cadastral extract from the Survey Office <i>(The cadastral extract is obtained at the Land Revenue Office prior to applying for the building permit.)</i>	1 day	NPR 100
4	Request and obtain temporary building permit <i>(The Kathmandu Metropolitan City (KMC) has implemented an online system the Electronic - Building Permit System (E-BPS), allowing for building permit and all design plans and relevant documents to be submitted online. The applicant has the option of tracking the status of their application online.)</i>	30 days	NPR 282,500
5	Receive an on-site inspection from Ward Office	1 day	no charge
6	Conduct plinth inspection from local authority	4 days	no charge
7	Request and obtain the permanent construction permit from local authority	21 days	no charge
8	Request and receive final inspection from the local authority.	5 days	no charge
9	Obtain completion certificate	10 days	no charge
10	Request water and sewage connection	1 day	no charge
11	Receive inspection from the Drinking Water and Sewerage Offices	1 day	no charge
12	Obtain water and sewage connection	14 days	NPR 23,550

Setting up Partnership/Proprietorship Firm in Nepal

A. For Proprietorship Firm

Starting Sole proprietorship firm in Nepal

Heading	Procedures	Associated Cost										
Concerned Department for registration	Sole proprietorship firm needs to be in registered either: a. Department of Commerce, Supply and Consumer Protection in case of commerce related firm, b. Department of Cottage and Rural Industry in the case of cottage and rural industry c. Department of Industry for any other industry.											
Submitting Application and Registration.	Application should be submitted to the concerned department along with following information/documents in the prescribed format: a. Name of the Private Firm b. Address of the Firm c. Objectives, functions and the particulars of goods or commodity to be transacted by the private firm. d. Name and address of the owner, and the name of his/her father, mother and grandfather, grandmother. e. Other documents as prescribed by Nepal Government from time to time. Certified copy of the Citizenship Certificate needs to be presented along with other essential documents for the registration of the private firm.	<table><tr><th>Capital (NPR)</th><th>Registration Fee (NPR)</th></tr><tr><td>Up to 10 lakh</td><td>1,000</td></tr><tr><td>From above NPR 10 lakh to NPR 50 lakh</td><td>5,000</td></tr><tr><td>From above NPR 50 lakh to NPR 1 Crore</td><td>10,000</td></tr><tr><td>From above NPR 1 Crore to NPR 10 Crore</td><td>50,000</td></tr></table>	Capital (NPR)	Registration Fee (NPR)	Up to 10 lakh	1,000	From above NPR 10 lakh to NPR 50 lakh	5,000	From above NPR 50 lakh to NPR 1 Crore	10,000	From above NPR 1 Crore to NPR 10 Crore	50,000
		Capital (NPR)	Registration Fee (NPR)									
		Up to 10 lakh	1,000									
		From above NPR 10 lakh to NPR 50 lakh	5,000									
		From above NPR 50 lakh to NPR 1 Crore	10,000									
		From above NPR 1 Crore to NPR 10 Crore	50,000									
<i>*Rebate of fifty percent shall be granted on registration fee if the proprietor of the private firm is female or people from marginalized community</i>												

अनुसूची - १

(नियम ३ सँग सम्बन्धित)

श्री महानिर्देशक,

उद्योग, वाणिज्य तथा आपूर्ति मन्त्रालय

उद्योग वाणिज्य विभाग,

महोदय,

तल लेखिए बमोजिम उद्योग व्यापार व्यवसाय गर्न निम्न लिखित नामको प्राइभेट फर्म मेरो/ हाम्रो नाममा रजिष्ट्रेशन गराउन इच्छुक भएकोले यो निवेदनपत्र पेश गरेका छु/छौं । लेखिएको व्यहोरामा कुनै कुरा भुट्ठा ठहरे प्रचलित नेपाल कानून बमोजिम सहुंला वभाउँला ।

१. फर्मको पूरा नाम:-
२. फर्मको पूरा ठेगाना:-
३. उद्देश्य:-
४. पूँजी:-
५. कारोबार गर्ने चीज तथा कामको विवरण:-
६. प्राइभेट फर्मका धनी वा साभेदारहरुको तीन पुस्ते नाम, थर, वतन र हिस्साको अंक यो फर्मको काम नोक्सानी भएमा घर घरानाबाट व्यहोर्ने राजी हुने (हुनेहरु) :-

दरखास्तवाला (दरखास्तवालाहरु) को लेखात्मक र रेखात्मक दुवै औठाको सहिछाप

दा.

वा.

B. For Partnership Firm

Starting Partnership firm in Nepal

Heading	Procedures	Associated Costs	
Concerned Department for registration	Partnership firm needs to be registered in either: d. Department of Commerce, Supply and Consumer Protection in case of commerce related firm, e. Department of Cottage and Rural Industry in the case of cottage and rural industry f. Department of Industry for any other industry.		
Submitting Application and Registration	Application in format as per should be submitted to concerned department within a period of Six months from the date of partnership agreement along with the following information/documents: a. Full Name of the firm b. Principal place of business of the firm, c. Objectives of firm including the short description of the nature of the goods or services, as the case may be, which the firm intends to run the business, d. Full name& permanent address of partners e. Matter of restriction imposed on power of partner f. Types of partners &capital subscribed by them. g. Name of partner or partners, who represent firm, h. Mode to share profit and loss among partners, i. Mode to calculate profit of firm. j. Any other subjects that are prescribed by concerned department.	Capital (NPR)	Registration Fee (NPR)
		Up to 1 lakhs	600
		From above NPR 1 lakh to NPR 3 lakh	2,000
		From above NPR 3 lakh to NPR 5 lakh	4,000
		From above NPR 5 lakh to NPR 10 lakh	7,500
		From above NPR 10 lakhs to NPR 50 lakhs	10,000
		For above NPR 50 Lakh	15,000
		Other documents	For conducting special transactions, following additional documents must also be submitted: a. For firm’s intending to engage in transactions using manager’s cheque, approval from the Central Bank. b. For firm’s intending to carry out transaction of medicines, license from Department of Drugs.
Register at the Local Ward	Business must then be registered at the local ward office by submitting the following documents: a. Rental agreement b. Citizenship certificate c. Two pp size photo of the business owner.		

*अनुसूची १ (क)

फर्म दर्ताको निमित्त दिने दरखास्तको ढाँचा

श्रीमान् महा-निर्देशकज्यू,
उद्योग/वाणिज्य मन्त्रालय,
उद्योग/घरेलु तथा साना उद्योग/वाणिज्य विभाग,
काठमाण्डौ, नेपाल ।

महोदय,

हामीहरूले साभेदारी फर्म खोली तपसीलमा लेखिए बमोजिमको व्यवसाय चलाउन मञ्जूर गरेकोले मञ्जूरीको कागत समेत सामेल राखी निवेदन गर्न आएको छौं । लाग्ने सरकारी दस्तुर लिई तल लेखिएको नामको फर्म हामीहरूका नाममा दर्ता गरी पाउँ । लेखिएको व्यहोरामा कुनै कुरा भुटा ठहरे कानूनबमोजिम सहुला बुझाउँला ।

तपसील

१. हिस्साको अंक
२. साभेदारहरूको तीन पुस्ता नाम, थर र वतन ।

साक्षी :

दरखास्तवालाको माथि लेखिए बमोजिमको
नाम, थर, वतन ठीक दुरुस्त छ भनी सनाखत गर्ने :

भवदीय,

दरखास्तवालाको सहीछाप

Taxation Overview

Nepal has applied both direct and indirect tax system. The tax laws can be little complicated due to insufficient explanations in which case professional taxation advice should always be obtained prior to commencing business in Nepal. Direct and Indirect tax both are levied by the State Government and Local Government. Some of the major categories of tax are:

- | | | |
|-------------------------------------|---|---------------------------------|
| • Income Tax | - | levied by Nepal Government |
| • Capital Gain Tax | - | levied by Nepal Government |
| • Withholding Tax | - | levied by Nepal Government |
| • Value Added Tax | - | levied by Nepal Government |
| • Custom Duty | - | levied by Department of Customs |
| • Excise Duty | - | levied by Nepal Government |
| • Rent tax (if owner is individual) | - | levied by Local Authority |
| • Rent tax (if owner is entity) | - | levied by Nepal Government |
| • Land tax | - | levied by Land Revenue Office |
| • Stamp duty | - | levied by Nepal Government |

About ECOVIS PYC & Associates

ECOVIS PYC & Associates was founded by Mr. Yuddha Raj Oli over a decade ago. Today the firm is run by two partners and has a total staff of 50 among them 12 CPAs. The team of ECOVIS PYC & Associates is offering audit, tax, accounting and consulting services. Client portfolio consists of a variety of industries including banking and financial institutions, insurance companies, non-profit organizations, I/NGOs', government organizations, manufacturing and trading organizations and individuals from its inception.

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