

Non-resident Nepali Act, 2064

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Act Number 15 of the Year 2064

An Act designed to provide for the Legal provisions relating to

Non- resident Nepali

Preamble:- Whereas, it is expedient to provide for the legal provision to motivate non-resident Nepalis to take part in all round development of Nepal by enhancing their attachment towards Nepal,

Be it enacted by the Legislature -Parliament.

1. **Short title and Commencement:** (1) This Act may be called "Non-Resident Nepali Act, 2064".

(2) This Act shall come into force immediately.

2. **Definition:** Unless the subject or context otherwise provides, in this Act;
 - (a) "Non-resident Nepali" means a foreign citizen of Nepalese origin and this term also includes a Nepalese citizen residing abroad.
 - (b) "Foreign citizen of Nepalese origin" means a person who him/herself or whose father, mother grandfather or grandmother was a citizen of Nepal at any time and has subsequently acquired the citizenship of any other foreign country other than a member country of the South Asian Association of Regional Co-operation (SAARC).
 - (c) "Nepali citizen residing abroad" means a Nepali citizen who has been residing in any foreign country for at least Two years by doing any profession, occupation, business and employment except a Nepalese citizen residing in a member country of SAARC or Serving in a diplomatic mission or consulate situated in a foreign country under the assignment of

the government of Nepal and doing study in an academic institution situated in a foreign country

- (d) "Identity card" means an identity card of Non-resident Nepali issued pursuant to Section 4.
 - (e) "Investment" means an investment made for any industry or business in order to earn profit and this term also includes any act, to transfer of technology related right, specialization, formula, process, patent, trademark or technical know-how of a foreign origin, or to provide the service of foreign technical consultant or management service under an agreement to be concluded between an industry or business and Non-resident Nepali.
 - (f) "Family" means husband, wife, father, mother, son/ daughter, grandfather, grandmother and mother- in -law or father- in -law.
 - (g) "Close relative" means the relative mentioned in clause (w) of Section 2 of the Income tax Act, 2058.
 - (h) "Convertible foreign currency" means the convertible foreign currency pursuant to clause (1) of Section 2 of the Nepal Rastra Bank Act, 2058.
 - (i) "Prescribed" or "as Prescribed" means prescribed or as prescribed in Rules made under this Act.
3. **Recording of Non-resident Nepali:** (1) if a Non-resident Nepali or his/her family intends to register his/her name in such status shall submit an application before the prescribed authority with the fees as prescribed
- (2) If an application is submitted pursuant to sub-section (1) the prescribed authority shall, upon making necessary inquiry into an application, keep the record of non-resident Nepali in the format as prescribed.
4. **Issuing Identity card:** (1) if a non-resident Nepali, whose name has been registered in the record pursuant to Section 3, intends to take an identity card shall submit an application before the prescribed authority.
- (2) If an application is submitted pursuant to sub-section(1) the prescribed authority may, upon making necessary inquiry in to an application, issue an identity card of non-resident Nepali to the applicant upon collecting the fees as prescribed.

(3) The identity card issued pursuant to Sub-section (2) shall be valid, for not exceeding ten year in the case of a foreign citizen of Nepalese origin subject to visa acquired by him/her, and for a period up to two years if he/she is a Nepalese citizen residing abroad.

Provided that, an identity card may be issued, to a Nepalese citizen who is permitted to reside abroad for more than Two years by respective foreign state, for such period.

(4) A non-resident Nepali, who intends to renew his/her identity card, shall submit an application before the prescribed authority prior to expiry of the valid period.

(5) If an application is submitted pursuant to sub-section (4) the prescribed authority shall, upon collecting the fee as prescribed, renew the identity card subject to Sub-section (3).

5. **The Status of non-resident Nepali shall be continued:** Notwithstanding anything contained elsewhere in this Act, a Nepalese citizen residing abroad shall not lose his/her status of non-resident Nepali when he/she has made an investment in Nepal pursuant to this Act and in the course of an operation of such industry or business he/she has resided in Nepal in a capacity of a director or high ranking official of management.
6. **Right to open an account in convertible foreign currency:** A non-resident Nepali who has acquired identity card may open and operate an account for the amount earned by him/her in convertible currency, in any commercial Bank or financial institution which is licensed by the Nepal Rastra Bank to carry on financial transaction.
7. **Investment may be made in convertible foreign currency:** (1) A non-resident Nepali or a foreign company in which more than Fifty percent share investment is made by a non-resident Nepali, may invest the amount earned by him/her/it in abroad in foreign country, for any industry or business which is opened, pursuant to the prevailing law for foreign investment, or by government of Nepal upon publishing a Notification in Nepal gazette for the investment to be made by non-resident Nepali.

(2) The amount to be made investment by non-resident Nepali or a company pursuant to Sub-section (1) shall be received through any commercial

bank or financial institution which is licensed by the Nepal Rastra Bank (central Bank of Nepal) subject to the prevailing law for financial transaction.

(3) The source of money received pursuant to Sub section (2) shall be disclosed in a condition as provided by law.

8. **Duty to inform**: If a non-resident Nepali makes investment in Nepal, shall inform thereof to the prescribed authority upon mentioning prescribed particulars.

9. **Money may be repatriated**: Notwithstanding anything contained in prevailing law, a non-resident Nepali may repatriate the investment and the amount equivalent to the profit earned there from, in convertible foreign currency in the manner as prescribed.

10. **Facility and concession for foreign citizen of Nepalese origin**: (1) Notwithstanding anything contained in the prevailing law, a foreign citizen of Nepalese origin may, subject to prescribed condition, purchase the prescribed land or other property in order to reside within Nepal for him/herself or his/her own family.

(2) A foreign citizen of Nepalese origin may, subject to prevailing law, assign (transfer) the property purchased pursuant to sub-section (1), to anyone.

(3) If, the inheritance of a foreign citizen of Nepalese origin takes place due to his/her death and he/she has any property in Nepal, such property shall devolve to his/her heir who is a foreign citizen of Nepalese origin having identity card, and in the absence of such heir it shall be decided as provided by the prevailing law.

11. **Provision relating to visa**: (1) Notwithstanding anything contained in the prevailing law, a non-residential visa may be issued for a period not exceeding Ten years to the foreign citizen of Nepalese origin or his/her family who has made investment in Nepal and who has acquired identity card;

(2) The period of visa issued pursuant to Sub-section (1) may be extended as per necessity.

12. **No tax to be levied**: Notwithstanding anything contained in the prevailing law, the following shall be in relation to following thing:-

(a) No tax shall be levied on the capital amount at the time of investment made by a non-resident Nepali;

- (b) No tax shall be levied upon the amount at the time of reception which is sent to his/her close relatives, who is a Nepalese citizen, by a non-resident Nepali for individual use of such person in a sum not exceeding Fifteen Million Rupees in a fiscal year through any commercial bank or financial institution licensed by the *Nepal Rastra Bank* (central Bank of Nepal) for financial transaction;
- (c) No tax shall be levied upon the amount at the time of reception which is sent to, any social religious, academic, cultural, charitable, sports or natural calamities rescue related institution established without taking goal of profit, by a non-resident Nepali through any commercial bank or financial institution licensed by the *Nepal Rastra Bank* (central bank of Nepal).
13. **Right to run industry or business:** A foreign citizen of Nepalese origin who has made investment pursuant to the prevailing law is entitled to run any industry or business as good as a citizen of Nepal.
14. **Right to get facilities pursuant to the prevailing law:** A foreign citizen of Nepalese origin, who has made investment pursuant to this Act, shall be entitled to get the facilities which are provided to any foreign national for his/her investment in Nepal in convertible foreign currency pursuant to the prevailing law.
15. **An Advisory Board may be constituted:** (1) The government of Nepal may, upon publishing a Notification in the Nepal Gazette, constitute an Advisory Board to be represented including the association of non-resident Nepalese in order to advise the government of Nepal, to make timely provision relating to foreign investment policy and laws, in the matter relating to motivate the non-resident Nepali to make investment in Nepal and to maintain the good relationship among non-resident Nepalis.
- (2) Other functions, duties, powers and procedures of the advisory board pursuant to Sub-section (1) shall be as prescribed.
16. **Provision relating to the union of non-resident Nepalis:** (1) Notwithstanding anything contained in the prevailing law non-resident Nepalese shall be entitled to form a union of non-resident Nepalis within Nepal for the purpose of enhancing mutual co-operation and good will among non-resident Nepalis.

(2) The registration and other provisions of the union of non- resident Nepalis shall be as prescribed.

17. **Cancellation (Revocation) of Identity card:** (1) Notwithstanding anything contained elsewhere in this Act, if a Nepalese citizen residing abroad acquires the citizenship of a foreign country, the identity card obtained by him/her pursuant to this Act shall, *ipso facto*, be cancelled.

(2) If an identity card is cancelled pursuant to sub-section (1) the concerned Nepalese citizen residing abroad shall not be entitled to get any facility and concession in that status pursuant to this Act.

18. **Power to make Rules:** the government of Nepal may make necessary Rules in order to implement the objectives of this Act.

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