

Foreign Investment Policy

Nepal has opened the doors to foreign investment in comparatively recent time. Within a short period, however, 399 foreign investment projects with the total project cost of Rs. 53.3 billion have been registered.

The foreign investment in these projects amounts Rs. 11.6 billion. These foreign investment projects are mainly in hydro power, mineral exploitation, chemicals, tourist hotels and restaurants, specialized services and in food and beverage industries. These investments have come mainly from India, Japan, USA, China, S. Korea, Germany, France, Hongkong, UK, Switzerland, Thailand, Pakistan, Austria, Singapore, Bermuda, Netherlands and Taiwan.

Foreign Investment

Permission will not be granted for foreign investment in the industries specified in Annexure 6 for rest of the industries a permission is required.

Foreign investments will be permitted up to 100 percent except the negative list. Permission can be granted to use foreign technology in the industries specified in Annexure 6.

Repatriation is allowed in the following cases:

- + The amount received by sale of the whole or any part of the equity,
- + The amount received as benefits or as dividends against foreign investment,
- + The amount received as payment of principle and interest on any foreign loan,
- + The amount received under the agreement for the transfer of technology in such currency asset forth in the concerned agreement, 15 percent income tax will be levied on royalty, technical and management service fees.
- + Income tax will not to be levied on export income.
- + Priority will be given in supplying electricity to the industries.
- + No Intervention will be made in fixing prices of the products of any industry.
- + Business visas shall be granted to foreign investors or their dependent family members or authorised representatives and their dependent family members to stay in the kingdom of Nepal so long as they maintain their foreign investment.
- + Provided that a Foreign Investor, who makes a lump sum investment of at lest US\$ 100,000, or an equivalent amount in any convertible foreign currency, and his dependent family members shall be granted residential visas so long as he maintains his investment.