An Act Made for the Enhancement of Circulation of the Nepalese Currency

Whereas, it is expedient to enhance the circulation of the Nepalese currency throughout Nepal for the purpose of consolidating and balancing the economy of the country on the basis of the same currency;

Now, therefore, His Majesty the King has, on the advice of the Council of Ministers, made and issued this Act.

1. Short title, extension and commencement: (1) This Act may be called as the Act Enhancing the Circulation of the Nepalese Currency, 2014.

(2) This Act shall commence in such area and on such date as may be specified by the Government of Nepal by a notification in the Nepal Gazette.2

1 Repealed by Republic strengthening and some Nepal Laws Amendment Act, 2066(2010)
2. **Definitions:** Unless the subject or the context otherwise requires, in this Act:

(a) “Nepalese currency” means currency notes issued by the Government of Nepal or the Nepal Rastra Bank and Mohars, Rupees, Rechaki or Paisas issued by the Government of Nepal.

(b) “Foreign currency” means any currency other than the Nepalese currency.

3. **Value or fee wage etc. amount may be paid in the Nepalese currency:** If a person, while paying any amount in consideration for the value of purchase or sale of any goods to another person or fee wage, remuneration, fare or similar other amounts to another person in a place where this Act has come into force, tenders such payment in the Nepalese currency or if such person tenders the Nepalese currency at the exchange rate specified by the Nepal Rastra Bank on the day of making such payment despite that such payment has been specified as to be payable in a foreign currency, such payment has to be received.

Provided that this Section shall not apply to any transaction and dealing with the Government of Nepal.

4. **Payment of amount of transaction made in foreign currency in Nepalese currency:** If a person who has to make payment in relation to

---

2 Place and date of commencement of the Act:

(1) Commencement on 2017.1.1 in the Kathmandu Valley, east 1, 2, 3, and 4 numbers, west 1, 2, 3 and 4 numbers, Dhankuta, Palpa, Baglung, Salyan, Jumla and Dailekh Districts (Nepal Gazette dated 2017.1.27).

(2) Commencement on 2018.3.1 in Ilam and Baitadi Districts (Nepal Gazette dated 2018.2.32).

(3) Commencement on 2018.5.1 in Doti District (Nepal Gazette dated 2018.4.30).

(4) Commencement on 2022.9.1 in all the rest Districts (Nepal Gazette dated 2022.8.30).
any transaction made in a foreign currency immediately in any place where this Act has come into force tenders such payment in the Nepalese currency at the rate prevailing in the Nepal Rastra Bank on the day of tendering of such payment, such payment has to be received.

5. **Saving:** The foregoing Sections 3 and 4 shall not apply to the Government of Nepal and those persons or organizations and dealings authorized by the Government of Nepal.

6. **Punishment:** If any person does not receive the Nepalese currency tendered for payment by a person pursuant to Section 3 or 4, that person shall be liable to punishment of fine of Rs. 100 (one hundred rupees) to Rs. 1,000.00 (one thousand rupees).

7. **Power to frame rules:** The Government of Nepal may frame rules to implement the objectives of this Act.