

Act Restricting Investment Abroad, 2021(1964)

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Amending Act:

Date of Authentication and Publication

Republic Strengthening and Some Nepal Laws 2066.10.7(21-1-2010)

Amendment Act, 2066(2010)¹

Act Number 11 of the year 2021 (1964)

.....²

An Act Made to Provide for Restriction on Making Investment Abroad

Preamble:

Whereas, it is expedient to provide for restriction on making investment abroad in order to maintain economic interest of the general public;

Now, therefore, His Majesty King Mahendra Bir Bikram Shah dev has, on the advice and with the consent of the National Panchayat, made this Act.

1. Short title, extension and commencement: (1) This Act may be called as the "Act Restricting Investment Abroad, 2021 (.....)."

(2) It shall apply to all citizens of Nepal whether they reside within or outside ³.....Nepal and to corporate bodies established within ⁴.....Nepal.

¹ This Act came into force on 15 Jesta 2065(....).

² Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010).

³ Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010).

(3) It shall come into force at once.

2. Definitions: Unless the subject or context otherwise requires, in this Act:

(a) "Investment" means any investment made in the following:

- (1) Foreign securities,
- (2) Partnership of a foreign firm,
- (3) Foreign bank account;
- (4) Real estate situated abroad,
- (5) Any other kind of cash or in-kind investment whatsoever made abroad except that as specified by the Government of Nepal by a notification in the Nepal Gazette.

(b) "Foreign securities" means the securities created or issued abroad and the securities of which principal or interest is to be paid or payable in any foreign currency or abroad.

(c) "Securities" means shares, stocks, bonds, debentures, debenture stocks and government securities, receipts of deposits of securities and units or sub-units of unit trusts, and this term also includes the certificate of entitlement to securities.

3. Restriction on making investment abroad: (1) No one shall make any kind of investment abroad after the commencement of this Act.

(2) Notwithstanding anything contained in sub-section (1), in relation to any specific kind of investment, the Government of Nepal may, by a notification in the Nepal Gazette, grant exemption from the restriction

⁴ Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010).

set forth in that sub-section, and specify the kind, extent, period of the investment so exempted and other necessary terms pertaining thereto.

4. **Punishment:** (1) If any person does any act in violation of this Act or any notice, order or direction issued under this Act, the person shall be liable to the punishment of fine equal to the amount in question or imprisonment for a term not exceeding six months or both.

Explanation: For the purposes of this Section, the term "amount in question" means the amount of investment made abroad in violation of this Act or any notice, order or direction issued under this Act.

(2) If a person who has been punished for any offense punishable under sub-section (1) continues any act constituting the offense even after the receipt of a notice of the order of that punishment, the person shall be liable to the fine of fifty rupees for each such day.

5. **To be state case:** The Government of Nepal shall be plaintiff in cases relating to the offense punishable under this Act.