

Amount and Governmental Contract Arrangement Act, 2020(1963)

Date of Royal Seal and Publication:

2020.4.32(16-8-1963)

Amending Acts:

1. Contract and Governmental Contract Arrangement (First Amendment) Act, 2025(1968) 2025.5.27(11-9-1968)
2. Act Amending Some Nepal Acts Relating to Finance, 2047(1990) 2047.8.27(13-12-1990)

Date of Authentication and Publication

3. Republic Consolidation and Some Nepal Acts Amendment Act, 2066 2066.10.7 (21-1-2010)

Act Number 7 of the year 2020

.....¹

An Act Made to Amend and Consolidate the Prevailing Nepal Law Relating to Arrangement of Amount, Recovery of Money and Governmental Contracts

Whereas, it is expedient to amend and consolidate the prevailing Nepal law relating to the arrangement of Amount, recovery of money and governmental contracts for the economic interests of the general public;

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

1. Short title and commencement: (1) This Act may be called as the amount and Government Contracts Arrangement Act, 2020.

(2) This Act shall extend to the whole of Nepal.

¹ Deleted by Republic consolidation and some Nepal Acts Amendment Act. 2066(2010)

(3) This Act shall commence on the first day of Bhadra of the year 2020.

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

- (a) “Amount” means the arrangement of contracts made or to be made by the Government of Nepal pursuant to Section 3.
- (b) “Contract” means a contract to be awarded by the Government of Nepal pursuant to this Act and other prevailing Nepal law.
- (c) “Tender” means an application sent by a bidder, which clearly sets out the terms and conditions of the bidder, and sealed with an undertaking to take the contract on such terms and conditions.
- (d) “Auction or Dutch auction” means an auction or Dutch auction made upon having bidding by the persons who are interested to obtain a contract for the arrangement of Contract pursuant to this Act.
- (e) “Bid” means the figure of cash or kind undertaken in relation to a contract by the person who intends to obtain the contract in the course of making an auction or Dutch auction.
- (f) “Letter of authorization” means a license issued with authority to commence work or implement the Contract in accordance with the terms and conditions of the Contract prior to obtaining the lease.
- (g) “Bond” means a deed of consent executed by a contractor undertaking to take the contract in accordance with the terms and conditions concluded between the Government of Nepal and the contractor and setting out the terms and conditions, subject to this Act and the other prevailing Nepal laws.
- (h) “Lease’ means a license issued by the Government of Nepal to a contractor setting out the terms and conditions concluded between the Government of Nepal, thereby authorizing the contractor to

carry out the work of contract in accordance with such terms and conditions, subject to this Act and the other prevailing Nepal laws.

- (i)² “Citizen of Nepal” includes a corporate body or firm, all or majority of which shares are owned by the citizens of Nepal, and a body corporate owned by the Government of Nepal.
- (j)³ “Prescribed” or “as prescribed” means prescribed or as prescribed in the rules under this Act.

3. Power of the Government of Nepal to Make Arrangement of

Contract: (1) The Government of Nepal may, pursuant to this Act and the rules framed under this Act, make Arrangement of Contract to collect wholly, produce, sell, distribute or store or produce and distribute any specific goods or do any or all of such acts throughout Nepal or in any specific place and grant exclusive right to collect fees or charges determined by the Government of Nepal in relation to any act or work.

(2) No one shall do or cause to be done any act in a manner to cause an adverse effect on the right or facility obtained by a contractor from the contract arranged under Sub-section (1).

(3) No one except the Government of Nepal shall make any arrangement of contract.

4. To make invitation for tender or auction or Dutch auction: If the Government of Nepal has to make any arrangement of amount or arrange for the contract of any other work, the arrangement shall be made by making an invitation for tender or auction or Dutch auction.

5. To publish notice: (1) If the Government of Nepal has to make any arrangement of amount or arrange for the contract of any other work, it shall publish a notice setting out the following matters in a local

² Clause (i) was made Clause (j) and clause (j) was Inserted by First Amendment.

³ Clause (i) was made Clause (j) and clause (j) was Inserted by First Amendment.

newspaper and by posting it in various places in advance of at least three months after the date of commencement of contract:

- (a) If the contract was arranged previously, matters indicating the moneys or terms and conditions of contract, and
- (b) The terms and conditions on which now the contract is to be made.

(2) Where a tender is invited for making arrangement of contract, the notice as referred to in Sub-section (1) shall also set out the following matters, in addition to the matters set forth in the said sub-section:

- (a) Manner of sending tender,
- (b) Office or authority or official whom tender has to be sent to,
- (c) Fees for tender,
- (d) Time and date within which tender has to be submitted,
- (e) Time, date and venue for opening tender.

(3) Where auction or Dutch auction is to be made for making the arrangement of contract, the notice as referred to in Sub-section (1) shall also set out the following matters, in addition to the matters set forth in the said sub-section:

- (a) Office or any other place where auction or Dutch auction is to be made,
- (b) Time and date when auction or Dutch auction is to be made, and
- (c) Other necessary matters.

(4) Notwithstanding anything contained in Sub-section (1), where the Government of Nepal has to make the arrangement of any contract casually or thinks it necessary to make re-invitation for tender or

re-making an auction or Dutch auction despite that tenders have been submitted or auction or Dutch auction made by publishing a notice once or has to make re-arrangement of a contract that discontinued in the meanwhile, a notice may be published by giving a time-limit of at least seven days.

- 6. To furnish deposit:** (1) The person who makes a tender or makes a bid in an auction or Dutch auction pursuant to a notice published under Section 5 shall make a deposit in a sum to be set by five per cent of the amount bid by him or her if he or she is a citizen of Nepal and by ten per cent of the amount bid by him or her if he or she is not a citizen of Nepal with his or her nearby governmental revenue office or customs office or bank in the name of the office or authority publishing such a notice in such a manner as prescribed, and send the original receipt thereof within a draft or note tender if the draft or note tender has been made and where a bid is made, the same has to be deposited with the office or authority inviting for a bid.

(2) Except in cases where a deposit is to be forfeited pursuant to section 13 or other prevailing Nepal law, the deposit furnished pursuant to Sub-section (1) shall be returned to the person who has furnished it within thirty days after the date of rejection of the tender or bid made or undertaken by that person.

(3) Where the deposit of any person is not returned within the time as referred to in Sub-section (2) except for any reasonable reason, the person who has furnished the deposit may also claim an annual interest by ten percent of the figure of the deposit.

- 7. Action relating to tender:** (1) No consideration or action shall be taken in relation to a contract on any tender that does not meet the requirements as set forth in a notice published under Section 5 or that has not been submitted to the office or authority specified in such a notice within the

time or date specified in that notice or is in contravention of this Act or the rules framed under this Act.

(2) After a tender has been submitted pursuant to a notice published under Section 5, the tender shall be opened at such time, date and place specified in that notice in presence of the concerned employee and tenderer or his or her attorney.

Provided that nothing contained in this Sub-section shall be deemed to bar the opening of any tender upon taking action as prescribed despite that the tenderer or his or her attorney is not present at that time or place.

8. **Not to recognize auction or Dutch auction:** No consideration or action shall be taken in relation to a contract on any bid that has been made after the time or date specified in a notice published under Section 5 for an auction or Dutch auction or made in any place other than the place specified in the notice for that act or made by post, phone or telegraph.
9. **Power of Government of Nepal to or not to award contract:** (1) The Government of Nepal may, with or without showing any reason, accept or reject any tender or all tenders submitted or any bid or all bids made pursuant to a notice published under Section 5.

Provided that in making arrangement for any contract:

- (a) Despite that one who has undertaken to pay the money in cash in consideration for the amount has undertaken to pay as a tariff less by one and half percent than that by one who has undertaken to pay by installments and less by up to three percent than that by one who has undertaken to pay by installments, in accepting the tender or bid pursuant to this sub-section, priority shall be given to the tender or bid that undertakes to the same as a tariff.

(b) Except as set forth in Clause (a), despite that one who has undertaken to pay the money as an installment by counting the same has undertaken to pay less by up to one and half percent than one who has undertaken to pay the same by installments, in accepting the tender or bid pursuant to this sub-section, priority shall be given to the tender or bid that undertakes to pay in counting installments as compared to that undertaking to pay by the said installments.

(1a)⁴ Notwithstanding anything contained in proviso Clauses (a) and (b) of Sub-section (1), despite that in relation to any contract any citizen of Nepal has undertaken to pay the money for a contract in any manner out of counting tariff, counting installment of installment, no priority as referred to in the said proviso Clauses shall be given to a non-Nepalese citizen who bids the contract in a figure that is equal to or less than the bid made by the citizen of Nepal.

(2) Where all tenders or bids are rejected pursuant to Sub-section (1), the Government of Nepal may make arrangement of contract by re-inviting tender or making auction or Dutch auction.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Government of Nepal may, if it considers reasonable, may make re-invitation for tender or auction or Dutch auction by retaining the tenders or bids of those who have submitted or made the same earlier, and may make arrangement for contract with any earlier or later tenderer or bidder taking into consideration of the tenders or bids so submitted or made for another time and earlier tenders or bids. Provided that where decision has been made to so make re-invitation for tender or make re-auction or Dutch auction, a notice shall be issued, with specification of a reasonable time also estimating the time required for journey, to the effect that any person who has made a tender or bid earlier is not satisfied with

⁴ Inserted by First Amendment.

that decision may make an application for the cancellation of his or her tender or bid; and if an application is made by any person within the time out of such time or the time of up to the day specified for the submission of a tender or making of auction or Dutch auction, whichever is the longer, the tender or bid of such a person has to be cancelled, and where such cancellation is made, the deposit has to be returned as if such a tender or bid were rejected. Any tenderer or bidder who does not make such an application within that time shall be deemed to have consented to the retaining of his or her tender or bid even for the next time.

10. Disqualification relating to contract: No governmental contract or contract of another work shall be awarded to any of the following persons nor shall such a person take the contract:

- (a) A person who has been held an offender of the offense of theft, robbery, burglary, forceful theft, secret theft, forgery, fraud or homicide and sentenced for the same, or
- (b) A person who has been unable to repay loan to creditors and become insolvent, or
- (c) A person who has not been able to repay governmental dues.

11. Specification of term of contract and installments: (1) In arranging for the contract of any amount pursuant to this Act, it shall be arranged for a period of three years.

Provided that if it appears necessary from the viewpoint of economic benefit or public interest, nothing contained in this Sub-section shall be deemed to bar the arranging by the Government of Nepal of such a contract for a period less than that or for any period whatsoever in excess thereof.

(2) In arranging a contract of any amount pursuant to this Act, terms and conditions shall be so specified that the amount of contract

agreed to make payment by a contract has to be paid in any one mode out of counting tariff, counting installment or installment.

Provided that if it appears appropriate from the viewpoint of economic benefit or public interest, nothing contained in this Sub-section shall be deemed to prevent the Government of Nepal from specifying any other terms and conditions in relation to the mode of payment of the amount of contract instead of such terms and conditions.

(3) In making arrangement of contract of any other governmental work except an amount, the terms agreed between the Government of Nepal and the contract in relation to the period of contract and payment of money shall apply.

12. Mode of payment of counting tariff, counting installment and installment money:

(1) Where a contractor has undertaken to pay the money required to be paid to the Government of Nepal by the contractor in accordance with the terms and conditions of the contract in counting tariff, counting installment or installment, yearly installments shall be set by dividing the money to be paid into equal installments for each year on pro rata of that year and paid in accordance with the provisions set forth in sub-sections (2) and (3). The contract shall not use the amount until the first installment required to be paid pursuant to the said sub-sections is paid.

(2) Where a contract has undertaken to pay the money for contract as a counting tariff, the yearly installment to be set pursuant to Sub-section (1) for the first year has to be paid within seven days after the date of receipt of information that his or her tender or bid has been accepted and thereafter the yearly installment of each year has to be paid in advance of at least one month of the commencement of the year.

(3) Where a contract has undertaken to pay the money for contract as a counting tariff or installment, the money of yearly installment to be set pursuant to Sub-section (1) for each shall be again

divided into four equal installments if the contractor is a citizen of Nepal and into three equal installments if the contractor is not a citizen of Nepal, and the first installment of the first year has to be paid within seven days after the date of receipt of information that his or her tender or bid has been accepted and thereafter each installment has to be paid within the following time-limit:

- (a) In the event of an undertaking to pay the money for contract as a counting tariff, the second installment of the first year and each subsequent installment in advance of at least one month of the commencement of the period of that installment, and
- (b) In the event of an undertaking to pay the money for contract by way of installment:
 - (1) In the event of the contractor being a citizen of Nepal, the second installment of the first year within five months after the date of payment of the first installment, and each subsequent installment and other subsequent installment within three months after the date payment of the previous installment.
 - (2) In the event of the contractor not being a citizen of Nepal, the second installment of the first year within seven months of the payment of the first installment, and other subsequent installment within four months after the date payment of the previous installment.
 - (4) Notwithstanding anything contained in sub-sections (2) and (3), if a contractor fails to pay within the time-limit set forth in the said sub-sections the money of any other installment except the first installment and the last installment of the

expiration of contract and requests for the extension of the time-limit, the authority arranging the said contract or the prescribed authority may grant the time extension of a maximum of one month and the Government of Nepal may grant the time extension of a maximum of two months; and where the time-limit is so extended, the contractor shall pay the installment along with an interest by ten percent per annum for the period so extended.

(5) Where the time extension has been granted to the contract pursuant to Sub-section (4), a wealth guarantee shall be taken from the contractor for the installment in respect whereof the time extension has been granted and for the interest thereon as referred to in the said Sub-section except in cases where a guarantee has been taken pursuant to Sub-section (1) of Section 14. The contractor shall pay such a wealth guarantee to the authority arranging the contract or any other prescribed authority within seven days after the date of time extension.

12A.⁵ Termination of contract: If a contractor fails to pay the money to be paid to the Government of Nepal as mentioned in sub-sections (2), (3) and (4) of Section 12 within the extended time-limit if any extended pursuant to Sub-section (4) of Section 12, and where such time extension has not been granted, within the time-limit set forth in sub-sections (2) and (3) of the said Section of fails to furnish a wealth guarantee pursuant to Sub-section (5) of the said Section, his or her contract shall be terminated, and Section 27 shall apply in this respect as if the contractor failed to perform the work as per his or her undertaking.

13. Forfeiture of deposit: Where any tender or bid is accepted pursuant to this Act for the arrangement of contract, if a person who has submitted the tender or made bid fails to obtain a letter of execution or to take over

⁵ Inserted by First Amendment.

the lease, the deposit furnished by that person pursuant to Section 6 shall be forfeited and devolved on the Government of Nepal.

Provided that such a letter of execution or lease has not been issued to such a person despite that the person has appeared to obtain the letter of execution or lease, his or her deposit shall not be forfeited pursuant to this sub-section.

14. To take guarantee or deposit: (1) In making arrangement of contract of any amount in installment, the arrangement of contract shall be made only after taking a deposit as follows from the person undertaking to take the contract:

(a) In the event of the person undertaking the contract being a citizen of Nepal, by taking a guarantee of immovable property within⁶.....Nepal or national bond or a deposit in cash rupees in a sum that is equal to one portion of four portions of the total rupees of contract required to be paid by him or her.

(b) In the event of the person undertaking the contract being a non-Nepalese citizen, by taking a guarantee of immovable property within⁷.....Nepal or national bond or a deposit in cash rupees in a sum that is equal to one portion of three portions of the total rupees of contract required to be paid by him or her.

(2) In making arrangement of contract of any other governmental work except an amount, the terms agreed upon between the Government of Nepal and the contract in relation to the taking and furnishing of guarantee shall apply.

(3) In valuating any immovable property for the purposes of this Section, the valuation of that property shall be made as per the

⁶ Deleted by Republic Consolidation and Some Nepal Acts Amendment Act, 2066.

⁷ Deleted by Republic Consolidation and Some Nepal Acts Amendment Act, 2066.

valuation of the property, if any, by the tax office and by setting the reasonable price thereof through the Village Development Committee or Municipality where such valuation has not been made.

Provided that if the employee taking the guarantee is of the opinion that the valuation so made is not correct, the employee may ask for additional guarantee by executing a memorandum along with the reason for the same.

(4) In taking guarantee from any governmental employee in relation to any contract to be arranged on behalf of the Government of Nepal, the guarantee shall not be so taken as to deduct the money of remuneration received by the employee from the Government of Nepal.

15. To give lease and execute bond: (1) After a decision has been made to accept any contract to award it to any person on behalf of the Government of Nepal pursuant to this Act, the office or authority making arrangement of contract shall issue a notice thereof in the name of the person whom the contract has been so accepted to be awarded within seven days. If the office or authority accepting the contract and making arrangement of contract is not one and the same, the time limit of seven days for the issuance of notice shall commence only after the office or authority making arrangement of contract has got information of the acceptance of contract.

(2) In issuing a notice pursuant to Sub-section (1), a time-limit of seven days excluding the time required for journey shall be given, and the notice shall be served clearly indicating that if the tenderer or bidder fails to appear to execute a bond as per his or her undertaking within the said time-limit, the contract shall be awarded to another tenderer or bidder.

(3) If the person appears and agrees to execute a bond within the time-limit of the notice issued pursuant to sub-sections (1) and (2), the office or authority accepting the contract and making arrangement of

contact shall immediately cause him or her to execute a bond and give a letter of execution or lease to him or her. If such a person does not either appear or refuse to execute a bond as per his or her bidding, the arrangement of contract may be made by issuing a notice as referred to in Sub-section (2) by giving priority to the other tenderer or bidder next to him or her in order of the second, third etc.

(4) If the office or authority accepting the tender or bidding and making arrangement of contact is not one and the same, the office or authority making arrangement of contact shall make a submission to the office or authority accepting the tender or bidding within three days of the opening of the tender or making of bid for sanction to or not to accept the tender or bid; and the office or authority shall make sanction of whether the tender or bidding has been accepted within thirty days after the receipt of such submission. If any loss or damage is caused to the Government of Nepal because of failure to make such a submission or sanction, the loss or damage shall be recovered from the employee the delay or recklessness of whom has resulted in the failure to make submission or sanction within the time-limit.

- 16. To send copy of lease bond to receive money:** In a contract arranged on behalf of the Government of Nepal pursuant to this Act, the contractor shall send a duly executed copy of the lease bond or clearance slip within seven days after the taking of the lease or clearance slip upon executing a bond.
- 17. Prohibition on terminating or giving up contract:** Except where act has been done in contravention of any terms of the lease bond or any act required to be done pursuant with such terms has not been done or the contract has been terminated pursuant to Section 12A., after a lease bond has already been executed pursuant to this Act, no contract may be terminated or given up in the meantime prior to the expiration of the term

of contract without consent of both the Government of Nepal and the contractor.

18. Liability of contract taken in partnership or jointly: (1) Where in making arrangement of contract, two or more persons take a contract in partnership, no person out of them may be detached from the partnership thereby terminating his or her liability prior to the expiration of the term of the contract.

(2) Where in making arrangement of contract, two or more persons jointly take a contract, the rights and liabilities of such persons in relation to the contract shall be as follows:

- (a) If the portion or share of such persons in the contract has been specified by executing a deed, as per pro rata of the deed, and
- (b) Failing such a deed as per equal sharing (pro rata basis).

(3) Notwithstanding anything contained in Clause (b) of Sub-section (2), if, in recovering any dues recoverable by the Government of Nepal on pro rata basis as referred to in that Clause, such dues cannot be recovered from any person out of them, the dues yet to be recovered shall be recovered on pro rata basis from the rest persons out of them; and if the dues cannot be recovered even upon such pro rata basis, the dues shall be kept on being recovered from the other rest persons on pro rata basis, and action shall be carried out accordingly until the recovery of dues is made in full.

19. Liability of guarantor: If a contractor is not able to pay the amount/money required to be paid by him or her on any government contract and such amount/money remains due and payable, the remaining due recoverable from the contractor shall be recovered from his or her guarantor in accordance with the other prevailing laws.

- 20. Liability of coparcener in joint family:** If a person who is authorized under the prevailing Nepal law to carry out transactions from the property in common that has not been partitioned has taken any contract pursuant to this Act in a manner to have bearing on the property in common, all copartners shall have rights and liabilities in relation to such contract in accordance with the prevailing law.

Provided that where, in making arrangement of contract, coparceners have taken a contract upon being agreed to be involved therein, and any other coparcener out of such coparceners, being not agreed to take the contract, gives a notice in writing to the office or authority making arrangement of contract within two months after the date of taking lease or execution slip, such a coparcener shall have no right or liability in relation to that contract.

- 21. Liability of person taking contract in insider manner:** No person shall take or perform a government contract in an insider manner without showing himself or herself but in the name of another person. If any person so takes or performs a contract, the person shall be liable to a fine by ten percent of the total money undertaken in the contract, and the dues if any shall also be recovered from him or her.

- 22. Appointment of sub-contractor by contractor:** (1) Any contractor taking a government contract may perform the contract by appointing a sub-contractor on his or her behalf subject to the terms and conditions agreed on while taking the contract, and where a sub-contractor has been so appointed, a duly executed copy of the lease bond executed between the contractor and the sub-contractor or the deed of terms and conditions thereon has to be submitted or sent to the office or authority making arrangement of contract within fifteen days.

(2) If any contractor performing a contractor by appointing a sub-contractor pursuant to Sub-section (1) dies, the Government of Nepal shall not be bound to award the contract to the sub-contractor.

(3) Notwithstanding that any contractor has appointed a sub-contractor pursuant to Sub-section (1), the liability of the contractor towards the Government of Nepal in relation to that contract shall not cease but shall exist as previously.

23. Arrangement of contract in event of death of contractor or termination or giving up of contract by contractor prior to expiration of term of contract:

(1) If any contractor taking a government contract dies prior to the expiration of the term of the contract and his or her heir or wealth guarantor makes an application within thirty days to the office or authority making arrangement of contract covenanting that he or she shall take over the contract, the contract shall be awarded to such an applicant for the remainder of term, subject to this Act and the rules framed under this Act.

(2) If application is made by both the heir and the guarantor for taking over a contract pursuant to Sub-section (1), priority shall be given to the heir.

(3) If any contractor gives up or terminates a contract prior to the expiration of the term of the contract and the guarantor of the contractor, being agreed to take over the contract on such terms and conditions as previously agreed upon, makes an application within thirty five days, the contract shall be awarded to the guarantor.

(4) If a contract is awarded to a guarantor pursuant to Sub-section (1) or (3) or any other person pursuant to Sub-section (5), the previous contractor or his or her heir shall have no right and liability on any matters relating to that contract after that date.

(5) If any person who is in a position of being awarded a contract pursuant to Sub-section (1), (2) or (3) does not make an application to take the contract accordingly, the arrangement of another contractor may be made for the remainder of the term subject to this Act or the rules framed under this Act.

- 24. Contract work to be carried out through forced account:** If the arrangement of contract cannot be made in relation to any government amount or work or despite the arrangement of contract being made, it appears that work of contract cannot be performed due to the death or going away of the contractor, the Government of Nepal may carry out the work of such contract through the forced account or order the concerned office or authority to accordingly carry out the work.
- 25. To recover such money of other's share as required to be paid by one:** If any person pays the money of other's share pursuant to Sub-section (3) of Section 18 or if a sub-contractor has not paid the money required to be paid by the sub-contractor pursuant to the deed and the contractor has to pay such money pursuant to Sub-section (3) of Section 22 or dues and arrears have been recovered from the guarantor pursuant to Section 19, the person who has paid the money or the sharer, contractor or guarantor who has paid the dues shall be entitled to have recovery, through the court, of that money as paid by him or her from such sharer, sub-contractor or guarantor, respectively, who has liability to pay the money.
- 26. Punishment for violation of legal restriction of amount:** If any person does any act in violation of Sub-section (2) or (3) of Section 3, the person shall be punished in accordance with the special provision, if any, set forth in the other prevailing Nepal law, and failing such a special provision, with a fine equal to the sum of amount in question, if such amount in question is involved, along with the recovery of such amount in question, and if any amount in question is not involved, with a fine not exceeding five hundred rupees.
- 27. Recovery of loss:** (1) If any loss caused to the Government of Nepal from the failure of any contractor to act in accordance with the bond executed by him or her or from the giving up or termination of the contract by the contractor prior to the expiration of the term of contract

and dues recoverable by the Government of Nepal from the contractor and interest thereon by ten percent cannot be recovered from the deposit furnished by the contractor, the same shall be recovered from him or her and his or her guarantor in accordance with law.

Provided that where the contractor could not perform the work of contract owing to a circumstance beyond his or her control, the Government of Nepal may grant remission of such figure from the figure to be so recovered as it may considers reasonable.

(2) If the Government of Nepal violates any terms of the lease or execution slip awarded to a contractor upon making arrangement of contract or breaks the contract prior to the expiration of the term of contract, the Government of Nepal shall bear any loss and damage caused thereby to the contractor.

27A.⁸ Facility not to be given in event of being proved as non-Nepalese citizen: Where any person, who has taken contract saying that he or she is a citizen of Nepal, is subsequently proved to be a non-Nepalese citizen, he or she shall not be entitled to such facilities as may be available to a citizen of Nepal; and this Act shall not bar the imposing of punishment, as well, on such a person if such a person is liable to such punishment in accordance with the prevailing Nepal law.

28. Exemption to informer: (1) If any person, out of the persons who has committed or caused the commission of theft, misrepresentation or concealment on a government contract, makes a report thereof to the prescribed authority prior to the filing of a complaint or petition of that matter, such a person shall be exempted from any action or punishment pursuant to this Act.

⁸ Inserted by First Amendment.

Provided that where any amount in question has to be recovered from such a person, this Sub-section shall not be deemed to bar the recovering of such amount.

(2) Where the prevailing Nepal law provides for the giving of a commission to a person who makes a report on the commission of theft, misrepresentation or concealment on a government contract, half of such commission shall also be given to the informer as referred to in Sub-section (1).

28A.⁹

29. **Delegation of powers:** The Government of Nepal may, as required, delegate the powers conferred to it pursuant to this Act to any office or authority subordinate to it.

30. **This Act to prevail:** The matters contained in this Act or the rules framed under this Act shall be governed by the Act or the rules accordingly, and the other matters shall be governed by the prevailing Nepal law and the contract related deed concluded between the Government of Nepal and the contractor subject to such law.

31. **Power to frame rules:** The Government of Nepal may frame rules as required and from time to time to implement the objectives of this Act.

⁹ Repealed by Act Amending Some Nepal Acts Relating to Finance, 2047(1990).