

**[THE] KATHMANDU VALLEY DEVELOPMENT AUTHORITY  
ACT, 2045 B.S. (1988)**

Date of the Royal Seal and Publication

2045/8/1 B.S. (November 16, 1988)

**Amending Acts:**

1	The Judicial Administration Act, 2048 B.S. (1991)	2048/02/16 (30 May, 1991)
		<u>Date of Authentication and Publication</u>
2	Act for the Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 B.S. (2010) ♦	2066/10/7 (21 January 2010)
3	Act for the Amendment of Some Acts of Nepal, 2072 B.S. (2016)	2072/11/13 (25 February, 2016)

Act No. 23 of the Year 2045 B.S. (1988)

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**An Act to Provide for the Establishment and Management of Kathmandu  
Valley Development Authority**

**Preamble:** Whereas, it is expedient to establish and make arrangements for, a Kathmandu Valley Development Authority to provide essential services and facilities to the general public and to maintain health facilities and economic interests of the general public by reconstructing, expanding and developing as well

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♦ This Act came into force on the 15th of the month of Jestha of the year 2065 B.S. (May 28, 2008)  
✂ Deleted by the Act for the Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 B.S. (2010)

as by physically developing in a planned way the cities built in the context of increased population and urbanization in the Kathmandu Valley,

His Majesty Birendra Bir Bikram Shah Dev has, with the advice and consent of Rastriya Panchayat, made this Act.

**1. Short Title and Commencement:**

1.1 This Act may be called as “[The] Kathmandu Valley Development Authority Act, 2045 B.S. (1988)”.

1.2 This Act shall come into force on such date as the Government of Nepal may, by notification published in the Nepal Gazettee, specify. ■

**2. Definitions:**

2.1 Unless the subject or the context otherwise requires, in this Act,-

2.1.1 "Authority" means the Kathmandu Valley Development Authority established pursuant to section 3.

2.1.2 "Physical Development Plan" means a physical development plan drawn up pursuant to section 5 and approved by the Government of Nepal.

2.1.3 "Planed Zone" means the Kathmandu Valley Development Planed Zone as referred to in the schedule.

2.1.4 "Board" means the Kathmandu Valley Physical Development Board constituted pursuant to section 13.

2.1.5 "Board of Directors" means the Board of Directors constituted pursuant to section 14.

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■ This Act came into force on 2069/1/1 ( 13 April, 2012) by notification published in the Nepal Gazette on 2068/12/13 (26 March, 2012)

2.1.6 "Development Commissioner" means the Development Commissioner appointed pursuant to sub-section 17.1 of section 17.

2.1.7 "Appellate Committee" means the Appellate Committee as referred to in section 23.

2.1.8 "Land" means and includes any land and any house, structure, lake, pond located permanently on such land.

2.1.9 "Building" means a building or house built for residential, official, industrial, commercial or any other use.

2.1.10 "Sites Services" means any road, way, open area, park, place of recreation, playground, water, electricity, telephone, sewerage, school, hospital and so on.

2.1.11 "Prescribed" or "as prescribed" means prescribed or as prescribed in the rules or bye-laws made under this Act.

**3. Establishment of the Authority:** The Kathmandu Valley Development Authority is hereby established for drawing up a physical development plan and implementation thereof to provide essential services to the general public by developing the Kathmandu Valley in a planned manner

**4. Authority to be a Corporate Body:**

4.1 The Authority constituted pursuant to section 3 shall be an autonomous and corporate body having perpetual succession.

4.2 The Authority shall have a separate seal of its own.

4.3 The Authority may, as a person, acquire, use, sell or dispose otherwise of any movable or immovable property.

4.4 The Authority may, as a person, sue on its behalf or may be sued against it in that capacity.

**5. Drawing Up and Approval of Physical Development Plan:**

5.1 The Authority shall have the power to draw up a plan to carry out all or any of the following objectives for the physical development of the Kathmandu Valley:–

5.1.1 To develop the Kathmandu Valley as the main administrative, touristic, cultural and economic hub of Nepal ✂.....

5.1.2 To reconstruct, expand and develop the existing city and to build new cities,

5.1.3 To fix the land use area for physical development,

5.1.4 To make available essential services to the general public,

5.1.5 To perform other functions relevant to the above functions.

5.2 Any physical development plan drawn up by the Authority pursuant to sub-section 5.1 shall be required to be approved by the Government of Nepal.

5.3 The Authority shall implement the physical development plan approved by the Government of Nepal pursuant to sub-section 5.2.

**6. Functions, Duties and Powers of the Authority :**

6.1 The Authority shall, in addition to the functions, duties and powers set forth elsewhere in the Act, have the following functions, duties and powers:–

6.1.1 To divide the planning zones into various land-use areas,

6.1.2 To fix the terms and conditions necessary for the physical development in land use areas and fix the procedures of the conditions of construction to be carried out in such areas,

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✂ Deleted by the Act for the Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 B.S. (2010)

- 6.1.3 To develop and implement projects for the proper development and maintenance of any religious, cultural or historical heritage in planned zones subject to the existing laws of Nepal relating to ancient monuments,
  - 6.1.4 To fix the terms and conditions in relation to any construction to be carried out in any forest and jungle, rivers and streams, crematorium and water area and other activities for the natural and environmental protection of a planned zone and to do and cause to be done accordingly,
  - 6.1.5 To prevent the use of natural resources in any adverse manner,
  - 6.1.6 To develop land development programmes and buildings construction projects and implement them in land use areas and outlined by the physical development plan.
  - 6.1.7 To perform other functions as directed by the Government of Nepal from time to time in accordance with the physical development plan.
- 6.2 It shall be the duty of the Authority to act in coordination with the entities concerned of the Government of Nepal and other entities concerned while performs functions in accordance with this Act.

**7. Power to Impose Restrictions:**

- 7.1 The Authority may, from time to time, by publishing public notices in a conspicuous manner impose restrictions on physical alteration or fragmentation of any kind of immovable property, located in any planning zone as specified in the notice for such period as specified in the notice and for a period not exceeding three years.
- 7.2 The Authority shall forward to the registration office concerned the notice of the restrictions imposed pursuant to section 7.1.

7.3 In cases where a registration office receives a notice as referred to in sub-section 7.2, it shall not register such immovable property in such manner as to get the property fragmented.

**8. Power to Regulate, Control or Prohibit:**

8.1 The Authority may, for the purpose of implementing a physical development plan, by publishing a public notice in a conspicuous manner and from time to time, regulate, control or prohibit, as may be required, the following activities in areas designated as such within the planning area by such notice and nobody without the prior approval of the Authority shall be allowed to carry out or cause to be carried out the activities so regulated, controlled or prohibited:–

8.1.1 To possess and use the natural resources, architectural, religious, historical sites, unregistered land and immovable property,

8.1.2 To possess or use the cultivated and uncultivated public lands according to the land use plan,

8.1.3 To construct a building of any sort or expand already constructed building,

8.1.4 To set up any dwelling or settlement or set up or establish any recreational site, town, market, industry and so on,

8.1.5 To carry out any activity that may adversely affect the natural resources, touristic sites or public health or pollute the environment in any manner,

8.1.6 To use the roads or rivers, bridges, means of transport, water, lamps, telephone lines etc.

- 8.2 The Authority may, while imposing restrictions of any kind on the possession of any immovable property pursuant to section 7 or sub-section 8.1, do so only if it is useful for the general public taking into account the public interest and while making a decision or issuing a notice or order relating to such restrictions, it shall be mandatory to clearly mention the public interest it may entail.
- 8.3 The Authority may or may not, while giving approval for the purpose of sub-section 8.1, give approval in whole or in part or may specify the terms and conditions, as may be required.
- 8.4 The Authority shall have the absolute right to enter into any land or interrogate the person concerned for collecting data or carrying out a survey of any immovable property of the planned zones.

**9. Stoppage or Demolition:**

- 9.1 In cases where a person, carries out, without the prior approval of the Authority, any activity being regulated, controlled or prohibited by the Authority under section 8 or carries out any activity in violation of the terms and conditions specified by the Authority while giving approval, the Authority may order to stop the activity forthwith and if any thing was constructed in the course of carrying out such activities, the Authority may, by giving a notice of thirty five days, order the person concerned to demolish or remove the part so constructed without approval or in violatoin of the terms and conditions.
- 9.2 A person not satisfied with the order issued by the Authority pursuant to sub-section 9.1 to demolish or remove any part of any structure may file a complaint to the appellate committee within thirty five days from the date of receipt of such order. The appellate committee shall

make decision on the complaint within thirty days of the filing of the complaint and such decision shall be final.

9.3 In cases where a complaint has been filed pursuant to sub-section 9.2 and decision has been made by the Appellate Authority to demolish or remove the part of the structure, the person concerned shall demolish or remove the part of the structure within thirty five days of such decision and if no complaint has been filed, within thirty five days from the date of the issue of the order issued by the Authority pursuant to sub-section 9.1.

9.4 If a person concerned does not demolish or remove the part of the structure with the time period stipulated in sub-section 9.3, the Authority may demolish or remove it on its own and any cost involved in such demolition or removal shall be recovered from the person concerned.

## **10. Power to Carry Out Land Development Programme:**

10.1 The Authority may, while developing the Kathmandu Valley in a planned manner, carry out land development activities in the following manner to make arrangements for residential plots of land and other urban activities to fulfill the basic residential needs of the persons of various income category:

10.1.1 To develop projects on services in any part of the planned zone with the participation of the local land owners and tenants and to carry out guided land development programmes to be invested by the entity concerned of the Government of Nepal, any corporate body or municipality or the local people for carrying out activities in line with such projects.



10.1.2 To make arrangements for services in conformity with the physical development plan in the plots of land by way of land pulling of the different plots of land located in any part of the planned area, and to recover the cost incidental to such services by selling the sites so developed and return the rest of the sites so developed to the existing land owners or tenants on a proportional basis,

10.1.3 To develop and sell plots of land by making arrangements for sites and services on its own by the Authority by causing the Government of Nepal to acquire the land of any part of the planned zone pursuant to section 11.

10.1.4 If the land area of the maximum unit of the sites being pulled or acquired for carrying out the land development programme as per the above sub-sections is lesser than the area fixed by the land development programme a site of the minimum unit will be made available to such land owner by giving the cost involved.

11. **Acquisition of Land:** The Government of Nepal may acquire the land required for the implementation of physical development plans in accordance with the existing laws of Nepal and provide it to the Authority.
12. **Power to Secure Financial Resources:** The Authority may, with the prior approval of the Government of Nepal, take loans, receive grants or secure otherwise financial resources required for the smooth conduct of its business.

**13. Constitution and Functions, Duties and Power of Kathmandu Valley Physical Development Board:**

13.1 There shall be constituted a Kathmandu Valley Physical Development Board consisting of the following members for the development of Kathmandu Valley:

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|---------|--|------------|
| 13.1.1  | Minister for Housing and Physical Planning           | – Chairman |
| 13.1.2  | Minister for Works and Transport                     | – Member   |
| 13.1.3  | Minister for Tourism                                 | – Member   |
| 13.1.4  | Minister for Education and Culture                   | – Member   |
| 13.1.5  | Assistant Minister for Housing and Physical Planning | – Member   |
| 13.1.6  | Secretary, National Planning Commission              | – Member   |
| 13.1.7  | Secretary, Ministry of Finance                       | – Member   |
| 13.1.8  | Secretary, Ministry of Housing and Physical Planning | – Member   |
| 13.1.9  | Secretary, Ministry of Local Development             | – Member   |
| 13.1.10 | Secretary, Ministry of Land Reforms and Management   | – Member   |
| 13.1.11 | Secretary, Ministry of Forests and Soil Conservation | – Member   |
| 13.1.12 | Secretary, Ministry of Communications                | – Member   |
| 13.1.13 | Secretary, Ministry of Health                        | – Member   |
| 13.1.14 | ✂.....   |            |
| 13.1.15 | President, Kathmandu District Development Committee  | – Member   |

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✂ Deleted by the Act for the Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 B.S. (2010)

- 13.1.16 President, Lalitpur District Development  
Committee – Member
- 13.1.17 President, Bhaktapur District Development  
Committee – Member
- ☛ 13.1.18 Chief, Kathmandu Metropolitan – Member
- ☛ 13.1.19 Chief, Lalipur Sub-Metropolitan – Member
- ☛ 13.1.20 Chief, Bhaktapur Municipality – Member
- 13.1.21 Development Commissioner – Member-Secretary
- 13.2 The Government of Nepal may, if it deems necessary, increase or decrease or change the number of the members referred to in sub-section 13.1 by notification published in the Nepal Gazette.
- 13.3 The procedure of the meetings of the Board shall be as prescribed.
- 13.4 The functions, duties and powers of the Board shall be as follows:
- 13.4.1 To determine the policy related to the development and implementation of the Physical Development Plans,
- 13.4.2 To give final touch to the Physical Development Plans,
- 13.4.3 To review and evaluate the progress of the programmes carried out under the Physical Development Plans,
- 13.4.4 To endorse the annual budget and bye-laws of the Authority,
- 13.4.5 To give directives to the Board of Directors, as required.

**14. Constitution of the Board of Directors :**

- 14.1 There shall be constituted a Board of Directors for conducting, overseeing and managing the business of the Authority,
- 14.2 The Board of Directors shall, under the genral guidance of the Board, exercise all the powers and comply with the duties provided to the

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☛ Amended by the Act for the Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 B.S. (2010)

Authority by this Act and the Rules and Bye-laws made under this Act.

14.3 The Board of Directors constituted pursuant to sub-section 14.1 shall consist of the following members:

14.3.1 Development Commissioner – Chairman

☞ 14.3.2 Chief, Kathmandu Metropolitan – Member

☞ 14.3.3 Chief, Lalipur Sub-Metropolitan – Member

☞ 14.3.4 Chief, Bhaktapur Municipality – Member

14.3.5 Chiefs of the following offices looking after the Kathmandu Valley Programmes – Member

14.3.5.1 Department of Buildings

14.3.5.2 Department of Archaeology

14.3.5.3 Department of Roads

14.3.5.4 Department of Survey

14.3.5.5 Department of Tourism

14.3.5.6 Department of Housing and Urban Development

14.3.5.7 Drinking Water and Sewerage Corporation

14.3.5.8 Nepal Electricity Authority

14.3.5.9 Centre for Solid Waste Management and Resources Mobilization

14.3.5.10 Trust Corporation

14.3.5.11 Nepal Telecommunications Corporation

14.3.6 The ☞ Chariman of any Village Executive within the Kathmandu Valley as designated

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☞ Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 B.S. (2010)  
☞ Amended by Act for the Amendment of Some Acts of Nepal, 2072 B.S. (2016) .

by the Government of Nepal – Member

- 14.4 An employee of the Authority designated by the Board of Directors shall act as the Secretary of the Board of Directors.
- 14.5 The Government of Nepal, if it deems necessary, increase or decrease or change the members referred to in sub-section 14.3 by notification published in the Nepal Gazette.
- 14.6 The Board of Directors may, if it deems necessary, invite any national or foreign expert or consultant to its meeting.

**15. Procedures Relating to the Meetings of the Board of Directors:**

- 15.1 The meeting of the Board of Directors shall be held at least once in two months.
- 15.2 The presence of fifty percent of the total members of the Board of Directors shall constitute the quorum of the meeting of the Board of Directors.
- 15.3 The chairman of the Board of Directors shall preside over its meeting, and in his absence the meeting shall be presided over by a member designated in that capacity from among its members.
- 15.4 Decisions of the meetings of the Board of Directors shall be made on the basis of majority and in case of a tie, the person presiding over the meeting shall have the casting vote.
- 15.5 The secretary of the Board of Directors shall convene the meeting of the Board of Directors on such date and at such time and venue as fixed by the Chairman.
- 15.6 The Secretary of the Board of Directors shall get the decisions of the meeting of the Board of Directors authenticated by the presiding person and keep them updated.

15.7 The Board of Directors shall determine on its own the other procedures relating to its meetings.

**16. Power to Form Sub-Committee:** The Board of Directors may, for the smooth conduct of its business, form sub-committees, as may be required.

**17. Provisions Relating to Employees:**

17.1 The Government of Nepal may appoint a person, who has been working or has already worked in the position of special class or above or is an outstanding person in the concerned field, as the Development Commissioner of the Authority to act as its chief executive. His term of office will be for a maximum period of five years and the Government of Nepal may, if it so wishes, extend his terms of office for a maximum period of another five years.

17.2 Notwithstanding anything contained in sub-section 17.1, the Government of Nepal may relieve the Development Commissioner of his office before the expiration of his term if the Government of Nepal so wishes.

17.3 The Authority may appoint other employees as may be required.

17.4 The remuneration, terms and conditions of service of the Development Commissioner and those of the other employees of the Authority shall be as prescribed.

17.5 The Development Commissioner may delegate his power to any subordinate employee under his watch and responsibility.

**18. Restrictions on Members and Employees:** No Board or Board member or employee or consultant shall be a shareholder, directly or indirectly, in any contract concluded with the Authority.

**19. Fund of the Authority:**

19.1 The Authority shall have a separate fund. The fund shall consist of the following amounts:

19.1.1 Grants received from the Government of Nepal,

19.1.2 Any amount received from any international or foreign institution through the Government of Nepal,

19.1.3 Any amount accrued from the movable and immovable property,

19.1.4 Any other amount received by the Authority

19.2 All amounts of the Authority shall be deposited in its name in the Nepal Rastra Bank or any Banijya Bank.

19.3 All expenses to be borne on behalf of the Authority shall be borne from the fund referred to in sub-section 19.1.

19.4 The Accounts of the Authority shall be operated as prescribed.

**20. Accounts and Auditing of the Authority :**

20.1 The Books and Accounts of the Authority shall be maintained as per the existing format and method of the Government of Nepal,

20.2 The audit of the Authority shall be carried out by the Comptroller General's Office.

20.3 The Government of Nepal may, if it so wishes, examine or cause to be examined the Books and Accounts related documents and cash and goods in kind at any time.

**21. Punishment:**

21.1 In cases where a person is involved, without the prior approval of the Authority, in any act that has been regulated, controlled or prohibited by the Authority under section 8 or acts in contravention of the terms and conditions fixed by the Authority at the time of giving approval,

the Authority may impose a fine on such person in an amount not exceeding fifty thousand rupees.

21.2 In cases where a person obstructs any activity carried out or being carried out by the Authority in accordance with this Act or the Rules made under this Act, the Authority may impose a fine on such person in an amount not exceeding five thousand rupees.

21.3 In cases where a person acts in contravention of any order or instructions issued by the Authority in accordance with this Act, the Authority may impose a fine on such person in an amount not exceeding twenty five thousand rupees.

21.4 In cases where a person carries out any activity other than those referred to in above in contravention of this Act or the Rules made thereunder, the Authority may impose a fine on such person in an amount not exceeding one thousand rupees.

**22. Appeal:** A person not satisfied with the order of punishment given by the Authority pursuant to section 21 may file an appeal to the Appellate Committee within thirty five days of receipt of such order of punishment.

**23. Appellate Committee:**

23.1 There will be an Appellate Committee to hear the cases of appeal filed against the order given by the Authority pursuant to section 9 or 21.

23.2 The Appellate Committee shall consist of the following members:

23.2.1 A judge of the <sup>☪</sup>High Court – Chairman

23.2.2 Two persons designated by the  
Government of Nepal – Member

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<sup>☪</sup> Amended by the Act for the Amendment of Some Acts of Nepal, 2072 B.S. (2016) .



23.3 The Appellate Committee shall have the power as that of a court of law in matters of examination of witnesses and evidences, production of witnesses, statements and documents to be produced.

23.4 The Appellate Committee may apply appropriate procedures in its proceedings.

24. **Savings of the Acts Performed in Good Faith** : In cases where any damage has been caused due to any action taken or being taken in good faith by the Committee or a Board Member or an employee of the Authority in the discharge of his duties in accordance with this Act or the Rules or Bye-Laws made thereunder, such member or employee shall not be responsible personally for the damage so caused.

Provided that if a person has acted with the intention of giving trouble, pain or hassle to any person, the person concerned shall be responsible for that action.

25. **Delegation of Power** : The Board of Directors shall have the power to delegate all or any of its powers to any Board Member of the sub-committee constituted pursuant to section 16 or to any officer-level employee of the Authority.

26. **Power of the Government of Nepal to Give Instructions** : The Government of Nepal may give the necessary instructions to the Authority on matters of drawing up and implementation of a physical development plan.

27. **Power of the Government of Nepal:**

27.1 In cases where the Authority acts or is about to act in breach of this Act, the Government of Nepal may issue an order to stop such activity.

- 27.2 The Government of Nepal may, if it deems necessary in the public interest, repeal, in whole or in part, any order issued by the Authority pursuant to this Act.
- 27.3 In cases where the Government of Nepal decides that the Authority has already achieved its mission, has failed to comply with its functions, duties and instructions or it is not necessary to retain it, it may dissolve the Authority at any time.
- 27.4 In cases where the Authority is dissolved pursuant to sub-section 27.3, its assets and liabilities shall be transferred to the Government of Nepal.
- 28. Contact With the Government of Nepal:** The Authority shall be required to maintain contact with the Government of Nepal through the Ministry of Housing and Physical Planning.
- 29. Power to Make Rules and Bye-Laws:**
- 29.1 The Government of Nepal may, for carrying out the objectives of this Act, make Rules, as may be required.
- 29.2 The Authority may, subject to the Act and the Rules made thereunder, make Bye-Laws as may be required.
- 30. Dissolution:**
- 30.1 The Municipal Development Committee under the Municipal Development Act, 2045 (1988) shall be automatically dissolved after the commencement of this Act.
- 30.2 After the dissolution of the Municipal Development Committee pursuant to Sub-Section 30.1, the business carried out by the Committee and its assets and obligations shall be transferred to the Authority.

31. **Pending Cases to be Transferred:** After the commencement of this Act, pending cases being entertained by the Municipal Development Committee constituted under the Municipal Development Act, 2045 (1988) shall be transferred to the Authority.
32. **Power to Make Changes in the Schedule:** The Government of Nepal may, by notification published in the Nepal Gazettee, make changes in, or increase or reduce the number of, the schedule as may be required.

**Note:** 1. Words that are replaced by the Village Development Committee Act, 2048 (1991) :-

"Village Development Committee" instead of "Village Assembly" or "Village Panchayat"

2. Words that are replaced by the Village Development Committee Act, 2048 (1991) :-

(a) "District Council" instead of "District Assembly"

(b) "District Development Committee" instead of "District Panchayat"

3. Words that are replaced by Some Laws of Nepal Amending Act, 2063 (2006) :-

"Government of Nepal" instead of "His Majesty Government"

4. Words that are replaced by the Consolidation of Republic and Some Laws of Nepal Amending Act, 2066 (2010) :-

"Municipality" instead of "Town Panchayat"

## **Schedule**

### **(Relating to Sub-Section 2.1.3 of Section 2)**

#### **Boundaries of Planning Zone**

East: Upto the headends of the Manchuri High Mountain point and Chipu Hill passing through the headends of Rohini Pass and Kirtike Pass via the eastern sloppy land that allows water flow away from Amaldole as well as through the headends of Godavari Pass, Triveni Hill and Pati Pass.

West: Upto the sloppy land of the northern side of Chakhel passing through Simpani, Kaji Village, Bhattarchaur, Dakshinkali, Taluk and Gurdam Stream; upto Bhudkhu and Panchmane Pass via the sloppy land of the eastern side of Masini Village of Chandragiri Simbhanjyang, Dahachowk Hill, Manjuwa Village, the eastern side or the sloppy land of Bhimdhunga Thumki.

North: Upto Bolang and Chipu Hill passing through the headends of Panch Mane Pass and Shivapuri High Mountain point.

South: Upto Simpani passing through the Bagmati River via sloppy land of Dhungakhani stream through the headend of Godavari Pass, and Deurali Point and Babia Village via the headend of Lele Pass.