

## Repatriation of Capital and Dividends

Foreign investors are authorized to repatriate capital and income earned from their operations in Nepal, provided all taxes mandated by Nepalese laws are fully paid. Repatriation must be conducted via bank transfer or transfers in the currency of the original investment and requires prior and explicit approval from the relevant authorities.

The following amounts are eligible for repatriation, subject to rigorous compliance with regulatory requirements:

1. **Sale of Shares:** Proceeds from the sale of shares held in a foreign investment.
2. **Profits or Dividends:** Income earned as profits or dividends from the foreign investment.
3. **Liquidation or Cancellation:** In cases of company liquidation or cancellation, the remaining amount after settling all legal and financial obligations.
4. **Royalty Payments:** Royalties received from technology transfer agreements, except for industries producing liquor or liquor-based products (unless 100% of such products are exported), where repatriation is limited to the prescribed cap.
5. **Lease Rentals and Compensation:** Lease rental payments and amounts received as compensation following the resolution of legal disputes or arbitration.
6. **Auction Proceeds:** Proceeds from the auction of property in Nepal accepted as collateral for loans to an industry or company, in the event of loan default.
7. **Other Amounts:** Any additional amounts explicitly permitted under prevailing Nepalese laws.

## Procedure for Repatriation

### Step I: Application to the Department of Industry (DOI) for Repatriation Approval

A formal application for repatriation approval must be submitted to the DOI, accompanied by the following mandatory, fully authenticated documents:

1. Application in the prescribed format, meticulously completed.
2. Certified copy of the Board of Directors' resolution explicitly authorizing repatriation.
3. Updated Shares and Directors Register, certified by the Office of the Company Registrar (OCR).
4. Latest Audited Financial Statements and Tax Clearance Certificate, verifying full tax compliance.
5. Endorsement letter from Nepal Rastra Bank (NRB), confirming the foreign investment's recording in NRB's records.
6. Approved Share Sale/Purchase Agreement, legally executed and authenticated.
7. Approval letter for the share sale/purchase from the DOI or OCR.
8. Proof of payment of all required taxes, verified by the concerned tax office.
9. Board of Directors' and Annual General Meeting (AGM) decisions approving dividend and bonus allocations, for repatriation of dividend income.
10. Proof of bonus distribution to employees as mandated by the Bonus Act, for repatriation of dividend income.

11. In cases of liquidation, a Tax Clearance Certificate and proof of residual amounts after settling all obligations.
12. A professionally prepared Share Valuation Report, compliant with regulatory standards.
13. Approved Technology Transfer Agreement (TTA) documents, including fee calculations, and approved TTA/lease rent agreement for repatriation of TTA fees.
14. Letter of approval for the loan agreement, for repatriating principal and interest on foreign loans approved by the DOI.
15. Credit Information Bureau (CIB) Report, confirming the company is not blacklisted.
16. Any additional documents required by the DOI, submitted promptly and in full compliance.

**Step II: Obtain Approval Letter from DOI**

Secure the official approval letter from the DOI, confirming eligibility for repatriation based on the submitted documentation and full compliance with regulatory requirements.

**Step III: Application to Nepal Rastra Bank (NRB) for Final Repatriation Approval**

Submit a formal application to the NRB for final repatriation approval, including the DOI approval letter and all documents previously submitted to the DOI. All documents must be complete, authenticated, and fully compliant with NRB's rigorous standards.

**Step IV: Execute Repatriation**

Upon receiving final approval from the NRB, repatriate the approved amounts (sale proceeds, loan repayments, income, or other eligible funds) via bank transfer in the currency of the original investment, strictly adhering to the terms of the approval.