

Extract from the Foreign Exchange (Regularization)
Act, 2019 (1962)

(With Second Amendment)

1. Short title and commencement : (1) This Act may be cited as (the) Foreign Exchange (Regularization) (Second Amendment) Act, 2058 (2001).

(2) This Act shall be applied through out the Kingdom of Nepal and it shall be applied to all Nepalese citizen residing outside the Kingdom of Nepal and firm, company, institution and also to the branch offices and agencies of such firm company or institution located outside the Kingdom of Nepal.

(3) This Section shall come into effect forthwith and other Sections shall come into effect in the areas as prescribed by His Majesty's Government in a notification published in the Nepal Gazette and from the date as prescribed in the same notification.

- 4B. Payment for selling goods and providing services to the foreigner : In receiving payment for selling any good or providing service to any foreigner, firm, company or institution by the person, firm, company or institution located in the Kingdom of Nepal, the same shall have to be received in convertible foreign currency unless otherwise provided by publicizing and broadcasting public notice from the Bank.

- 6 (1). His Majesty's Government may order to the Nepalese citizen creditor (owner) of the foreign exchange to do as below with the foreign exchange laid in their possession by a notification published in the Nepal Gazettee

in a situation when the country suffers with foreign exchange due to finance and monetary crisis.

(a) To deposit or cause to deposit by the person having foreign exchange prescribed in such a notice for sale at the rate determined by the bank to the person authorized by the Bank for such act or in the Bank in the name of His Majesty's Government.

(b) To transmit the right by the person authorized to transmit the same obtained for foreign exchange prescribed in such a notice upon receiving the value fixed at the rate determined by the bank in the name of His Majesty's Government.

7 (1) Any person, having the right to receive foreign exchange from out side of the Kingdom of Nepal or payment in Nepalese currency, is not allowed to do any work to receive the payment by late or not to receive the payment of such foreign exchange or Nepalese currency fully or partly without obtaining the permission of the Bank.

9 (1) Payment of price for the exported goods : (1) His Majesty's Government may prohibit export of goods as indicated in a notification published in the Nepal Gazettee to any place out side the Kingdom of Nepal except as per the provision as referred to in sub-section (2).

(2) For the purpose of this Section His Majesty's Government may frame necessary rules or issue direction or order upon holding consultations with the Bank.

9A. To receive payment of value of exported goods : (1) The exporter shall have to declare before the Customs Officer that he will bring the payment

of declared value within the period in the approved foreign exchange as prescribed by the Bank by filling up the said details in the export declaration form as prescribed by the bank.

(2) If there occurs a condition to receive the payment in excess or less than the value as declared in the declaration from before receiving the payment for exported goods, the exporter shall have to submit an application before the Bank along with the evidence of such fact and if such fact is found justifiable the Bank may give permission to receive the payment in such excess or less amount.

(3) If the exporter does not receive the payment of price of the exported goods within the time limit as prescribed under sub-section (1), it shall be deemed that he has violated this Act.

(4) Notwithstanding any thing contained in sub-section (3), if the exporter submits an application to the Bank setting out the reasonable reason of being failed to receive the payment of price of the exported goods within the time limit as prescribed in sub-section (1) and if the Bank believes the said matter, it may issue the following order to the concerned exporter setting out the next time limit:-

- (a) To bring the payment, if the goods have been already sold,
- (b) If the goods have not been sold, to bring the payment by selling or return back such goods to Nepal.

Provided, however, that if an application has been submitted to the Bank setting out the reasonable reason of being unable to bring the

payment for exported goods due to the condition of beyond own control of the exporter, the Bank may, upon necessary secretiny, give concession not to return back such goods or bring payment fully or partly.

(5) If the Bank desires to certify the consent that the payment of the price declared in the Declaration Form shall be made within the prescribed time limit and mode, it may cause to submit the agreement and other evidence relating to the same concluded between the exporter and the foreign byer.

(6) The Bank may issue an order to do as below in relation with all or any particular type of goods to be exported or all or any particular exporter in order to manage the provision to receive the payment of total value of the exported goods:-

- (a) Unless His Majesty's Government otherwise prescribed, the payment for the exported goods has to be received through the means of Letter of Credit and other means as prescribed.
- (b) In order to certify covenanting that the price as declared in the Declaration Form as referred to in sub-section (1) is the real price for export, it is required to submit the said Declaration Form to the authority or institution as prescribed by the Bank.

9 B. Works not to do by the exporter : The exporter shall have not to do the following works :-

- (a) To receive payment for the exported goods through other mode except as prescribed.
- (b) To arrange the payment for the exported goods delayed than the period as prescribed.
- (c) To do any work in order not to receive payment for total value of the exported goods.

16. To take approval of the Bank in opening the account : (1)

(2)

(3)

(4) In order to open bank account, operate and utilize the same by any-Nepali citizen residing in the Kingdom of Nepal or any firm, company or institution registered in the Kingdom of Nepal shall be as prescribed by the Bank in a notification and broadcast of a public notice.

17. Punishment : (1) If any person does any work contrary to this Act or Rules framed thereunder or Order or direction or circulation or notification or any Procedure as prescribed by the Bank, the foreign exchange related with the offence shall be forfeited and such person shall be fined additionally from claimed money to three fold of such claimed money.

Provided, however, that in relation with the offences where the foreign exchange related with such offence could not be forfeited, the claimed money for foreign exchange related with such offence shall be

fixed and fined additionally from claimed money to three fold of such claimed money.

(2) In fixing the claimed money pursuant to sub-section (1) if the amount of claimed money can not be set out or cause to set out, a fine upto Rupees two hundred thousand, as per the magnitude of offence, shall be charged.

(3)

(4) If the offence to be punished pursuant to this Act have been committed by any firm, company, institution the director, office-bearer, employee or agent taking responsibility of such firm, company, institution of the work related with such offence shall be liable for punishment.

Provided, however, that if there is a condition where such director, office-bearer, employee or agent may not be informed about the occurrence of such offence or if they submit an evidence that they have done their best to prevent such offence, they shall not be liable to bear the punishment pursuant to this sub-section.

(5)

(6) The exporter, who has committed an offence in contrary to Section 9A., 9B, and 9C shall be charged additionally a fine from the claimed amount of the exported goods upto two fold of the claimed money.