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Part 3

Nepal Government

Notification of Ministry of Industries

Special Economic Zone Regulation, 2074
(Translated)

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Special Economic Zone Regulation, 2074

The following Rules have been framed by Nepal Government upon exercising the rights vested pursuant to Section 59 of the Special Economic Zone Act, 2073.

Chapter – 1

Preliminary

1. Short Title and Commencement:

- (1) The title of the Rules shall be “Special Economic Zone Regulations, 2074.”
- (2) The Regulation shall commence immediately.

2. Definition:

In this Regulation, unless the subject or context otherwise requires:

- (a) “Act” shall denote the Special Economic Zone Act, 2073.
- (b) “Executive Director” shall denote the Executive Director of the Authority appointed pursuant to Section 22 of the Act.

- (c) “Project” shall denote the establishment, operation and management of special economic zone by joint participation of Nepal Government and Private Sector pursuant to Section 6 (1) of the Act and shall also denote the management or project related to the development of the infrastructure.

- (d) “Project Agreement” shall denote the agreement entered pursuant to Rule 15 between Nepal Government and private sector investors for the operation of the project pursuant to Rule 3.

- (e) “Proposer” shall denote the letter of intent provided pursuant to Rule 7 or the investor submitting the proposal pursuant to Rule 12.

- (f) “Person Receiving Letter of Approval” shall denote individual, firm, company or organized institutions receiving letter of approval for the establishment, operation and management of the special economic zone or for the development of the infrastructure of such zone.

- (g) “Letter of Approval” shall denote the letter of approval provided pursuant to sub-rule (6) of Rule 19 for the establishment, operation and management of special economic zone by private sector or for the development of the infrastructure.

Chapter – 2

Establishment, Operation and Management of Special Economic Zone

3. Procedure of Private Investment in the Project:

The project shall be implemented jointly by Nepal Government and private sector through any of the following:

- (a) Development of infrastructure by private sector on the land provided by Nepal Government,
- (b) Joint investment on the project by Nepal Government and private sector,
- (c) Operation and management by private sector on the special economic zone established by Nepal Government,
- (d) Through any other means as prescribed by Nepal Government on the recommendation of the Authority.

4. Shall Recommend for Approval:

- (1) Provided, any project pursuant to Rule 3 is deemed appropriate to be implemented, the Authority shall along with a detailed description regarding the implementation of project shall send its recommendation to the Ministry.
- (2) The following matters shall be provided in the description provided pursuant to Sub-rule (1):
 - (a) Site for establishment of special economic zone and area of land,
 - (b) Survey report pursuant to Section 4 of the Act regarding the site of establishment of special economic zone,
 - (c) Procedure of joint participation of Nepal Government and private sector,
 - (d) Estimated amount of investment to be made by Nepal Government and private sector and the result in lieu of such investment,
 - (e) Nature of industries that can be operated in the special economic zone,

- (f) Procedure relating to operation and management of special economic zone upon development of infrastructure,
- (g) Infrastructure to be developed at the special economic zone and management of services and facilities to be provided therein,
- (h) Other description deemed necessary as determined by the Ministry.
- (3) While studying the recommendation received pursuant to Sub-rule (1), provided it is deemed appropriate to implement any project through joint participation of Nepal Government and private sector, the Ministry submit a proposal to the Nepal Government for approval.

- (4) Provided, the proposal submitted pursuant to Sub-rule (3) is deemed appropriate, Nepal Government shall provide its approval for matters relating to implementation of the project.

5. Determination of Conditions and Procedures of Implementation of Project:

- (1) Provided, pursuant to Rule 4, approval to proceed with the implementation of the project is received from Nepal Government, the Authority shall prepare a report regarding the implementation of the project with the following particulars:
 - (a) Share of investment of Nepal Government and private sector in the project, area, limitation or nature,
 - (b) Procedures relating to operation and management of project,

- (c) Amount to be invested in the project,
 - (d) Qualification and capacity of investors implementing the project,
 - (e) Principal condition of the agreement with the investor regarding implementation of project,
 - (f) Provided, the project is to be implemented in the land provided by Nepal Government, the period when such project shall be handed over to Nepal Government,
 - (g) Benefits to be accrued from the project and procedures relating to its distribution,
 - (h) Other matters as determined by the Ministry.
- (2) Provided, report pursuant to Sub-rule (1) is prepared, the Authority shall submit the same to the Ministry.
 - (3) Provided, upon studying the report received pursuant to Sub-rule (2), it is deemed appropriate to implement the project, the Ministry shall determine appropriate conditions and procedures and shall provide its approval to the Authority to call for the letter of intent and proposal.
 - (4) Prior to providing approval pursuant to Sub-rule (3), provided, the Ministry deems it necessary to seek additional information in the report, the Ministry shall correspond to the Authority to submit the same.
6. **Shall Prepare Documents for Calling for Letter of Intent and Proposal:**
- (1) Provided, approval pursuant to Rule 5 has been obtained, the Authority shall for the purpose of letter of intent and

- call for proposal shall prepare documents with detailed descriptions.
- (2) On the document pursuant to Sub-rule (1), in addition to the particulars prescribed in Rule 4 and 5, the letter of intent and proposal along with the qualification of the investor, and matters relating to grounds for evaluation of letter of intent and proposal shall also be mentioned.
- 7.
- II Call for Letter of Intent:**
- (1) Provided, document pursuant to Rule 6 is prepared, the Authority shall provide a minimum of twenty-one days for interested investor to submit their letter of intent. Such notification shall be published in national newspaper which shall be published in Nepali and English language and such information shall be maintained in the website of the Ministry and Authority.
 - (2) The following matters shall be provided in the notice published pursuant to Sub-rule 1:
 - (a) Short description of the project,
 - (b) Financial and technical capacity of investor submitting the letter of intent,
 - (c) Name and address of investor submitting the letter of intent,
 - (d) Name of office where document relating to letter of intent can be purchased and fee in lieu of such purchase,
 - (e) Procedure of sending letter of intent, last date, time and venue,

- (f) Date, time and venue where letter of intent shall be made public,
 - (g) Grounds for selection of letter of intent,
 - (h) Approximate date of decision on letter of intent,
 - (i) Any other matters deemed necessary by the Ministry.
- (3) Provided, any investor is desirous to submit the letter of intent within the period prescribed under Sub-rule (1), shall provide the letter of intent to the Authority with the following particulars:
- (a) Name and address of investor,
 - (b) Financial and technical capacity and experience of investor in implementing the project,
 - (c) Commercial plan of implementation of project,
 - (d) Financial management deemed necessary for implementation of project,
 - (e) Any other descriptions deemed necessary by the Authority.

8. Selection of Letter of Intent:

- (1) 100 shall be deemed to be the full figure for selection of letter of intent, and the figure shall be divided as follows:
- | | |
|-----------------------------------|----|
| (a) In lieu of technical capacity | 40 |
| (b) In lieu of financial capacity | 40 |
| (c) In lieu of experience | 20 |
- (2) Technical and financial capacity and experience pursuant to Sub-rule (1) shall be evaluated as follows:
- (a) While evaluating the technical capacity of the proposer submitting the letter of intent, the evaluation shall be based on the availability of kind of machineries,

- equipment or manpower available with the proposer required for implementation of the project,
- (b) While evaluating the financial capacity of the proposer submitting the letter of intent, evaluation shall be based on the survey of the project, financial capacity deemed necessary for operation and management of the project and the amount to be borne for the project or provided any loan has been obtained, the amount of loan obtained therein and the procedure followed for obtaining the loan.
- (c) While evaluating the experience of the proposer submitting the letter of intent, the evaluation shall be based on the experience of the proposer in construction of infrastructure and as to whether or not the proposer has any experience in implementation of other project similar to the projects called in the letter of intent.
- (d) Evaluation shall also be done based on other grounds relating to evaluation approved by the Authority prior to calling of letter of intent.

- (3) Proposer submitting the letter of intent and obtaining a minimum figure of 60 in accordance to the evaluation done pursuant Sub-rule (2) shall be selected. Provided, a minimum of two proposer obtaining 60 marks cannot be selected, other proposer receiving fifty marks shall be selected.

9. Shall Recall Letter of Intent:

- (1) Provided, letter of intent pursuant to Rule 7 has been called and provided only one letter of intent is received or while

evaluating the proposer pursuant Rule 8 provided a minimum of two proposer cannot be selected, the Authority shall recall for submission of another letter of intent.

- (2) Provided, letter of intent pursuant to Sub-rule (1) is called, the letter of intent of proposer selected pursuant to Rule 8 shall be maintained if so desired by the proposer.

10. Shall Prepare a Short Roster:

- (1) Provided, the period of submission of letter of authority pursuant to Rule 7 expires, the Authority within thirty days of such expiry, shall pursuant Rule 8 evaluate the letter of intent received therein and select the letter of intent deemed appropriate and shall prepare a short roster.

- (2) The Authority while evaluating the proposal pursuant to Sub-rule (1) shall if deemed appropriate take assistance of experts of related matters.

- (3) Provided, short roster pursuant to Sub-rule (1) is prepared, the Authority within three days of preparation of such roster shall in writing provide the information to the proposer submitting the letter of intent.

11. Shall call for Proposal:

- (1) The Authority for the purpose of selecting the appropriate proposer through competitive basis shall from among the proposers' whose letter of intent has been included in the roster pursuant to Sub-rule (1) of Rule 10 shall call for proposal by providing a minimum of forty-five day notice

published in the national daily in Nepali and English language with the following particulars:

- (a) Venue of purchase of documents relating to proposal and its fees,
(b) Procedure of submission of proposal,
(c) Venue, date and time for submission of proposal,
(d) Last date of submission of proposal,
(e) Venue, date and time of opening proposal,
(f) Approximate date of decision on the proposal,
(g) Grounds of evaluation and selection of proposal,
(h) Mark sheet of technical and financial evaluation of proposal,
(i) That financial proposal shall be evaluated upon evaluation of the technical proposal,
(j) Pass mark required for proposer in technical proposal,
(k) Any other matters deemed necessary.

- (2) Information pursuant to Sub-rule (1) shall be posted in the website of the Ministry and Authority.

- (3) Rupees ten thousand shall be levied in lieu of purchase of documents relating to the proposal pursuant to Sub-rule (1).

12. Shall Submit Proposal:

- (1) Provided, proposal pursuant to Sub-rule (1) of Rule 11 has been called, the proposer submitting the letter of intent and whose name has been included in the roster pursuant to Rule 10 shall submit the proposal within the prescribed period and in the prescribed place with the following particulars:

- (a) While evaluating the technical capacity of the proposer submitting the letter of intent, the evaluation shall be based on the availability of kind of machineries, equipment or manpower available with the proposer required for implementation of the project,
 - (b) While evaluating the financial capacity of the proposer submitting the letter of intent, evaluation shall be based on the survey of the project, financial capacity deemed necessary for operation and management of the project and the amount to be borne for the project or provided any loan has been obtained, the amount of loan obtained therein and the procedure followed for obtaining the loan.
 - (c) While evaluating the experience of the proposer submitting the letter of intent, the evaluation shall be based on the experience of the proposer in construction of infrastructure and as to whether or not the proposer has any experience in implementation of other project similar to the projects called in the letter of intent.
 - (d) Evaluation shall also be done based on other grounds relating to evaluation approved by the Authority prior to calling of letter of intent.
- (2) While submitting proposal pursuant to Sub-rule (1), the proposer shall purchase the documents relating to the proposal that shall have the seal of the Authority and signature of the concerned officer and shall provide the particulars prescribed in the document and shall separately seal the technical and financial proposal and shall seal both the proposals in one envelope and submit the same.

13. Shall Amend the Particulars:

- (1) Provided, the Authority deems necessary to amend any particulars in the letter of intent issued pursuant to Rule 7 or proposal called pursuant to Rule 11, the Authority prior to the expiry of the period of submission of letter of intent or proposal shall publish a notification in the national daily and shall amend the particulars therein.
- (2) While publishing the information relating to amendment of letter of intent or proposal pursuant to Sub-rule (1), a maximum period of fifteen days shall be provided.

- (3) Prior to publication of call for proposal pursuant to Sub-rule (1), provided any person has already submitted the letter of intent or proposal and provided the proposer is desirous to amend the proposal pursuant to the notified amendment, the letter of intent or proposal submitted therein shall be returned for amendment or shall be allowed to submit a supplementary letter of intent or proposal.

14. Evaluation and Selection of Proposal:

- (1) The Authority within three days of expiry of the date of submission of proposal shall constitute an Expert Committee that shall evaluate and select the appropriate proposals received pursuant to Rule 12 and recommend the same to the Authority.

- (2) The Expert Committee constituted pursuant to Sub-rule (1) shall open the technical proposal and shall evaluate the

proposal on the following grounds and shall select those technical proposals receiving a minimum of 60 percent marks:

- (a) Financial status of the proposer,
- (b) Technical capacity and experience and skilled manpower and experience of proposer,
- (c) Organizational provisions and implementation work schedule regarding execution of the project,
- (d) Engineering design of project,
- (e) Management of financial resources relating to execution of project and its subsequent plans,
- (f) Any other grounds determined by the Authority prior to calling of proposals.

(3) Provided, technical proposal pursuant to Sub-rule (2) is selected, the Expert Committee shall specify the date, time and venue for opening the financial proposal and shall inform the same to the proposers of the technical proposal.

(4) Proposer whose technical proposal had not been selected pursuant Sub-rule (2) shall be informed by the Authority to collect their financial proposal. Provided, the proposer comes within three days of such notification, the Authority shall hand over the proposal to the concerned proposer.

(5) Pursuant to the date, time and venue prescribed under Sub-rule (3), the Expert Committee shall open the financial proposal in the presence of the concerned proposer or his/her representative.

Provided, the concerned proposer or representative is not present shall not be a reason for not opening the financial proposal.

(6) While opening the financial proposal pursuant to Sub-rule (4), the Expert Committee shall verify as to whether or not the proposal has been submitted pursuant to the rule and shall draw an affidavit with the signatures of the proposer or the representative present therein.

(7) Expert Committee constituted pursuant to Sub-rule (1) shall evaluate the financial proposal on the following grounds:

- (a) Sustainability of execution of project,
- (b) Commercial plan of execution of project,
- (c) Causing minimum damage to the environment,
- (d) Rental fee to be obtained from industry established and operated in the special economic zone,
- (e) Facilities and modern infrastructure to be provided to the industries established and operating in the special economic zone,
- (f) Rate of service fees proposed to be provided to the Authority,
- (g) Any other grounds determined by the Authority prior to issuing the notification for calling of proposal.

(8) Provided, the financial proposal pursuant to Sub-rule (7) has been evaluated, the financial proposal of proposers obtaining a minimum of sixty percent shall be selected.

(9) Marks obtained on the technical proposal pursuant to Sub-rule (2) and marks obtained on the financial proposal pursuant to Sub-rule (8) shall be added and the Expert Committee constituted pursuant to Sub-rule (1) shall submit the name of the proposer obtaining the highest number along with its recommendation and report to the Authority within thirty days from the date of commencement of work. While recommending the names, the Committee shall prioritize any other proposals deemed appropriate and shall recommend those names as alternates.

(10) Provided, recommendation and report of Expert Committee pursuant to Sub-rule (9) is received, the Authority shall study the report and provide its opinion regarding the selected proposers and send its recommendation to the Ministry for approval. The Authority prior to sending its recommendation shall conduct dialogue deemed necessary with the proposers selected and recommended therein.

(11) On the basis of the recommendation made by the Authority pursuant to Sub-rule (10), provided, the Ministry deems it appropriate to execute the project with the participation of Nepal Government, the Ministry shall include conditions investment agreement and shall submit the same to Nepal Government for approval.

(12) Prior to preparing the conditions pursuant to Sub-rule (11), the Ministry shall conduct a dialogue with the

recommended proposers on matters relating the execution of the project.

15. Agreement of Project and Tenure:

(1) Provided, proposal submitted pursuant Sub-rule (11) of Rule 14 is approved by Nepal Government, the Authority within five days of such notification shall notify the selected proposers to submit a guarantee pursuant to Rule 16 and appear to sign the project agreement within fifteen days.

(2) Provided, the selected proposer appears within the period prescribed under Sub-rule (1) to sign the project agreement, the Executive Director shall within ninety days enter into an agreement with the proposer.

(3) The project agreement entered pursuant to Sub-rule (2) shall in addition to other matters contain the following:-

- (a) Name and address, telephone, fax number of the Parties to the agreement and point of contact of person for execution of the project agreement,
- (b) Work schedule regarding execution of the project,
- (c) Share of investment between Nepal Government and Private Sector and distribution of benefits,
- (d) Description of amount to be invested by the Parties to the Project Agreement and the period of investment,
- (e) Infrastructure and facilities at the Special Economic Zone and matters relating to its management,
- (f) Provided, infrastructure has been developed by the Private Sector on the land provided by Nepal Government, the process of such project,

- (g) Provided, management and operation of Special Economic Zone established by the Government is to be performed by the Private Sector, the conditions of operation therein,
- (h) Mechanism relating to resolution of dispute,
- (i) Conditions relating to annulment of Project Agreement and management of obligations created thereafter,
- (j) Tenure of Project Agreement and matters relating to extension of the tenure.
- (4) The tenure of the Project Agreement shall not be more than thirty years and shall be as prescribed in the Agreement.
- (5) Provided, tenure pursuant to Sub-rule (4) expires, the private Party to the Project Agreement if so desires to extend the tenure shall submit an application to the Authority by stating its reasons and grounds thereof.
- (6) Provided, application pursuant to Sub-rule (5) is obtained, the Authority upon inquiry and if deemed appropriate to extend the tenure of the Project Agreement, the Authority shall recommend the same to the Ministry by stating its reasons and grounds thereof.
- (7) Provided, the recommendation received pursuant to Sub-rule (6) is deemed appropriate, the Ministry shall recommend Nepal Government to extend the Project Agreement for a period of ten years.

16. Shall Submit Performance Bond:

- (1) The proposer while entering into a Project Agreement pursuant to Sub-rule (2) of Rule 15 shall submit 0.1 percent of the total cost of the project or a bank guarantee equivalent to the said amount as performance bond to the Authority.
- (2) Provided, bank guarantee in lieu of performance bond is to be submitted pursuant to Sub-rule (1), the bank guarantee shall be issued by "A" Class bank in Nepal recognized by the Authority.
- (3) Performance bond submitted pursuant to Sub-rule (1) shall be seized, provided, the proposer without appropriate reason fails to commence the project work within the period prescribed in the Project Agreement or fails to meet the achievements of the execution of the project or the indicators therein.
- (4) Other than the seizure pursuant to Sub-rule (3), the performance bond submitted pursuant to Sub-rule (1) shall be released on the date the concerned project is completed and commercial transaction of the project comes into operation.

17. Work to be Performed Pursuant to the Project Agreement:

- (1) Parties to the Project Agreement shall execute the project pursuant to the Agreement.
- (2) For the purpose of execution of the Project Agreement provided, the Project Agreement stipulates that Nepal

Government or the Authority shall provide land or shall make any other provisions, Nepal Government or the Authority shall perform pursuant to the conditions of the Agreement.

(3) Provided, there is an appropriate ground and reasons for not implementing the works pursuant to the Project Agreement immediately, the Party executing the project shall inform the Authority in writing with the grounds and reasons thereof.

(4) Provided, the matters stated pursuant to Sub-rule (3) is deemed appropriate, the Ministry on the recommendation of the Authority shall take decisions deemed necessary in relation to the execution of the Project.

(5) Provided, any Party to the Project Agreement fails to execute the Agreement, the other party shall terminate the Agreement.

18. Shall Handover the Project:

(1) Provided, the tenure of the Project Agreement expires, the land and house, machine, equipment and the infrastructure constructed and the properties connected with the project shall be handed over pursuant to the Project Agreement free of cost to Nepal Government in tenatable condition.

(2) Nepal Government shall have ownership of the infrastructure and the land handed over to Nepal Government pursuant to Sub-rule (1).

(3) The project handed over pursuant to Sub-rule (1) shall be operated and managed by the person nominated by Nepal Government on the recommendation of the Authority.

19. Approval relating to Establishment, Operation and

Management of Special Economic Zone by Private Sector:

(1) Provided, any investor pursuant to Section 6 (1) of the Act is desirous to establish, operate and manage Special Economic Zone in any place, the investor shall submit an application before the Authority with the following details and pursuant to the format prescribed in Schedule -1:-

(a) Site for establishment of Special Economic Zone and area of land required along with the four boundaries,

(b) As to whether or not infrastructure and facilities deemed necessary for establishment of Special Economic Zone pursuant to Section 4 (2) of the Act is available,

(c) Description of nature of industry at the Special Economic Zone, its approximate number and export processing sector, export promotion center or any other sectors to be included,

(d) Services, facilities and infrastructures available at the Special Economic Zone,

(e) Lease amount proposed to be obtained from the industry in lieu of use of services, facilities and infrastructure provided to the Special Economic Zone,

(f) Security provision of Special Economic Zone,

(g) Proposed service fee to be provided to the Authority in lieu of service provided at the Special Economic Zone,

- (h) Description of financial and technical capacity for development, operation and management of Special Economic Zone,
 - (i) Proposed amount to be invested at the Special Economic Zone,
 - (j) Any other description prescribed by the Authority.
- (2) Provided, pursuant to Sub-rule (1) application for establishment, operation and management of Special Economic Zone in any area is received, the Authority pursuant to Section 4 (1) of the Act shall conduct a survey so as to determine as to whether or not such place would be deemed appropriate to be prescribed as a Special Economic Zone. Cost for survey shall be borne by the applicant.
- (3) Provided, survey pursuant to Sub-rule (2) is carried out and is deemed that necessary infrastructure for operation of Special Economic Zone by private sector is functional and provided it is deemed that the applicant has the financial and technical capacity to establish, operate and maintain the Special Economic Zone, the Authority shall recommend to the Ministry for letter of approval.
- (4) Provided, recommendation pursuant to Sub-rule (3) is received and pursuant to the recommendation made therein, provided it is deemed appropriate to issue the letter of approval to the applicant for the establishment, operation and maintenance of the Special Economic Zone, the Ministry shall recommend the same to Nepal Government.

- (5) Prior to submitting the proposal pursuant to Sub-rule (4), the Ministry shall if deemed necessary demand additional documents or description from the applicant.

- (6) Provided, on the basis of the proposal submitted pursuant Sub-rule (4), Nepal Government approves for the development, operation and maintenance of the Special Economic Zone, the Authority shall acquire rupees ten thousand as fees from the applicant and shall prescribe necessary conditions for the establishment, operation and maintenance of the Special Economic Zone and shall provide the letter of acceptance pursuant to the format prescribed in Schedule - 2.

20. Shall Enter into Agreement on Matters Relating to Service

Fee:

While providing letter of acceptance pursuant to Rule 19, the Authority shall enter into an agreement with the concerned Party on matters relating to fees to be obtained from the investor in lieu of service and facilities to be provided to the investor by the Authority.

21. Shall Follow the Standards:

- (1) Person obtaining the letter of approval and the investor shall perform pursuant to the standards determined by the Authority, this Regulation, Special Economic Zone Establishment, Operation and Management Act.

- (2) Provided, person obtaining the letter of approval and investor is desirous to lease the building and land located

at the Special Economic Zone to an industry, an agreement shall be drawn between the industry and the investor. Provided, the licensed person is desirous to establish the industry and operate the same in the Special Economic Zone, the provision of this Sub-rule shall not be applicable.

(3) Format of the agreement to be entered with the industry pursuant to Sub-rule (2) shall be approved by the Authority.

(4) Lease amount, fee to be obtained by the licensed person and investor in lieu of land, building, services or facilities provided to the industry in the Special Economic Zone shall be pursuant to the standards determined by the Authority.

(5) Licensed person and investor shall make proper arrangements relating to the security of the Special Economic Zone.

Chapter - 3

Provision Relating to License

22. Industry to be Established in the Special Economic Zone:

(1) List of industries to be established at the Special Economic Zone shall be prepared by the Authority pursuant to Section 5 (1) of the Act and shall be made public through mediums deemed appropriate.

(2) While preparing the list pursuant to Sub-rule (1), the Authority shall include those industries prescribed in Schedule - 3.

23. Minimum Capital Investment for Industry:

(1) Person desirous to obtain license to establish industry in the Special Economic Zone, the person shall invest a minimum of two crore as fixed capital in the industry.

(2) Notwithstanding anything contained in Sub-rule (1), provided, any investor desirous to obtain a license to establish any industry in the Special Economic Zone pursuant Sub-section (3) of Section 8 of the Act, the investor shall have to invest minimum of thirty million as fixed capital in the industry.

24. Shall call Application for License:

(1) The Authority shall publish notification in the national daily and shall call for applications to investors desirous to establish industry in the Special Economic Zone.

(2) The notification pursuant to Sub-rule (1) shall mention the kind of industry to be set up at the Special Economic Zone, available infrastructure, minimum rental charge, and venue for submission of application and final date for submission of application.

(3) Notwithstanding anything contained in Sub-rule (1) and (2), provided, the industry is established, operated and managed by the license-holder, it shall be pursuant to the provisions prescribed by the license-holder.

25. Shall submit Application for License:

- (1) Investors desirous to establish industries in the Special Economic Zone shall submit an application to the Authority pursuant to the format prescribed in Schedule - 4.
- (2) Investor desirous to establish industry in the Special Economic Zone established by a license holder shall submit an application pursuant to Sub-rule (1) and the recommendation of the license holder.

26. Grounds of Priority:

- (1) Provided, more than one investor submit application for establishment of more than one industry of similar nature in the Special Economic Zone and provided, it is not possible to provide license to all the investors, the Authority shall prioritize the following investors:
 - (a) Investors having higher fixed capital,
 - (b) High quantity of import,
 - (c) Create high rate of employment,
 - (d) Use of local raw materials or materials and having high value addition,
 - (e) Industry having higher capacity,
 - (f) Provision relating to application of new technology,
 - (g) Any other grounds deemed appropriate by the Authority.

- (2) Notwithstanding anything contained in Sub-rule (1), provided, industry established in the Special Economic Zone that is established, operated and managed by the license-holder, then in such cases for license to establish industry in such Special Economic Zone, it shall be

pursuant to the recommendation made by the license-holder.

- (3) While recommending for license pursuant to Sub-rule (2), the license holder shall take the grounds prescribed in Sub-rule (1).

27. Shall Provide License:

- (1) Provided, application pursuant to Rule 25 is received, the Authority shall conduct an inquiry and provided the Authority deems it appropriate to issue a license pursuant to the Act and this Regulation for establishment of industry in the Special Economic Zone, the Authority within seven days of receiving the application and upon receiving rupees twenty-five thousand as fees shall issue a license pursuant to the format prescribed in Schedule - 5.

- (2) While conducting an inquiry pursuant to Sub-rule (1), the Authority if deemed necessary shall call for additional information, description or documents from the applicant.

- (3) While conducting an inquiry pursuant to Sub-rule (1), provided, the Authority deems it inappropriate to issue a license; the Authority shall state the reason thereof and shall inform the applicant within seven days from the date of receiving the application.

28. Renewal of License:

- (1) License holder desirous to renew the license shall submit an application before the Authority pursuant to the format prescribed in Schedule - 6.

(2) While conducting an inquiry on the application received pursuant to Sub-rule (1), provided, the Authority deems that the license holder has fulfilled the conditions of the Act, this Regulation and conditions of the Agreement, the Authority shall obtain ten thousand rupees and for application submitted for renewal pursuant to Sub-section (3) of Section 9 of the Act, the Authority shall receive additional ten thousand rupees in lieu of late fees and shall renew the license within fifteen days from the date of receiving the application.

(3) While conducting an inquiry pursuant to Sub-rule (2), provided the Authority deems that the license cannot be renewed, the Authority within seven days of receiving the application shall inform the concerned license holder with reasons thereof.

29. Shall Acquire Consent:

(1) Provided, the license holder is desirous to change or amend the objective of the industry pursuant to the prevailing law shall acquire consent from the Authority.

(2) Provided, the license holder increases the fixed or current capital, the same shall be informed to the Authority within fifteen days.

(3) Provided, information pursuant to Sub-rule (2) is obtained, the Authority shall mention the same particulars in the license of the license holder and certify it.

30. Shall Maintain a Periodic Record of License:

The Authority shall maintain a record of the name, address of the license holder, tenure of license, renewal, and particulars relating to annulment of license and shall periodically maintain such record.

31. Shall Register Industry:

(1) License-holder shall within seven days of receiving the license register such industry pursuant to the prevailing law and provided there is any foreign investment in the industry, the license-holder shall for approval of such investment provide necessary documents, descriptions and fee pursuant to the prevailing laws and shall pursuant to Section 33 of the Act, submit an application through one door unit.

(2) Provided, application pursuant to Sub-rule (1) is received, the one door unit shall coordinate with the concerned government unit and shall register the industry within the period prescribed by the prevailing law and provided approval of foreign investment is deemed necessary, the unit shall provide certification of approval to the applicant.

32. Shall Enter into an Agreement:

(1) Provided, registration of industry pursuant to Rule 31 is completed, the license-holder shall within fifteen days and pursuant to Section 11 of the Act enter into an agreement with the Authority regarding the establishment and operation of the industry.

(2) In addition to the matters prescribed in Section 11 of the Act, the agreement entered pursuant to Sub-rule (1) shall contain the following matters:

- (a) Name and address of the industry,
- (b) Investment plan,
- (c) Privilege and facility to be obtained by the license-holder for operation of the industry,
- (d) Tenure and renewal of license,
- (e) Insurance of the industry,
- (f) Fees to be submitted to the Authority and payment process,
- (g) Conditions of breach of agreement and annulment of agreement,
- (h) Conditions and standards to be followed while establishing, operating and managing the industry,
- (i) Provided, the industry has non-Nepali worker or employee, work plan relating to making Nepali citizen skilled and replacing non-Nepali workers shall also be included,
- (j) Transfer of industry outside the Special Economic Zone,
- (k) Any other matters deemed necessary.

Chapter - 4

Facility to Be Provided to Industry in Special Economic Zone

33. Shall Sell Produced Goods or Services in the Internal

Market:

- (1) License-holder from the industry established in the Special Economic Zone shall under the following conditions sell

twenty-five percent of total production or service in the internal market of Nepal:

- (a) Provided, import is being replaced,
- (b) Provided there is a decline in production from industry or demand for services in the foreign or international market and export cannot be done,
- (c) Unable to export due to force majeure.

Explanation: "Force majeure" shall denote situations such as earthquakes, floods, landslides or any such disaster that prohibits export of goods of the industry.

- (2) Provided, the license-holder is desirous to sell any material or service pursuant to Sub-rule (1) in the internal market, the reasons and grounds and evidence or descriptions therein shall be provided to the Authority for approval.

- (3) Provided, application and evidence and description pursuant to Sub-rule (2) is received and upon inquiry, provided it is deemed appropriate, the Authority within the ambit of Sub-rule (1) shall provide its approval to the applicant to sell any material or service in the internal market.

- (4) Provided, approval from the Authority pursuant to Sub-rule (3) to sell any material or service in the internal market is obtained, the license-holder pursuant to the Act shall not receive any rebate in the tax or facility for that fiscal year.

34. Custom Fee shall be Refunded:

- (1) Provided, any importer with the purpose of exporting goods to foreign countries from Special Economic Zone sells any raw materials deemed necessary for production of goods, or sells subsidiary raw materials or packaging shall have the custom fee refunded.
- (2) Provided, import is done pursuant to Sub-rule (1), the importer for the purpose of having the custom fee refunded, the importer shall within sixty days of selling such goods attach the following documents and submit an application to the office of such custom office from where the goods were imported:
 - (a) Bill, letter of credit and cash receipt of materials imported,
 - (b) Agreement between purchaser industry and seller importer regarding selling and purchasing of such goods,
 - (c) Bill of goods sold,
 - (d) A certified copy of purchase account of goods purchased by the purchaser industry,
 - (e) Evidence of receiving payment from the purchaser industry,
 - (f) Bank guarantee equivalent to the levy incurred in such goods issued in the name of the concerned custom office by the purchaser industry or seller.
- (3) Upon inquiring the application received pursuant to Sub-rule (1), provided it is deemed appropriate to refund the custom fee, the custom office within thirty days of the

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submission of the application shall refund such fees to the applicant.

- (4) While inquiring pursuant to Sub-rule (3), provided it is deemed appropriate not to refund the custom fee, the same shall be stated and the applicant shall be informed in writing within seven days.
- (5) Provided, the industry upon using the goods sold pursuant to Sub-rule (1), submits certification of receiving foreign currency by exporting goods to foreign countries, the bank guarantee maintained pursuant to Part (f) of Sub-rule (2) shall be released.
- (6) Notwithstanding anything contained Sub-rule (1), provided, the seller while importing any goods has included the custom levy on the import value and has sold the goods, the custom levy paid while importing shall not be refunded.

35. Shall Determine the Quantity of Product:

- (1) The industry in the Special Economic Zone pursuant to Sub-section (2) of Section 37 shall for the purpose of determining the quantity of its product every fiscal year shall submit the following descriptions to the Authority:
 - (a) Total production capacity of the industry and description as to whether or not there has been any alteration in the capacity,
 - (b) Description of raw materials imported,
 - (c) Consumption of raw materials,

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- (d) Description of goods produced,
- (e) Any other description deemed necessary by the Authority.

- (2) The Authority on the basis of the description received pursuant to Sub-rule (1) shall determine the quantity of the goods produced which shall be done as follows:

Total Quantity of Production	Total Quantity of
<u>When Industry in Full Operation</u>	<u>X</u> <u>craw materials consumed</u> = <u>Quantity</u>
Total quantity of raw materials required while fully operating the industry	of Goods produced

- (3) Provided, pursuant to Sub-rule (2), if it is difficult to determine the quantity of the goods produced, the Authority shall state the grounds and reasons thereof, and shall determine the quantity of the goods in any other appropriate manner.

Chapter -5

Facilities and Condition of Service of Members of the Committee

36. Facility of Members of the Committee:

- (1) Members of the Committee shall receive allowance and transportation expenses in lieu of participation in meetings which shall be as prescribed by the Authority and approved by the Ministry of Finance.

Provided, transportation is provided by Nepal Government or by the Authority, transportation expense therein shall not be provided.

- (2) Provided, meeting of Sub-committee constituted pursuant to Section 53 of the Act, other than the officials of the Authority present, the convener of the Sub-committee, member or invited guest shall receive meeting allowances and transportation facilities as prescribed by the Ministry of Finance.

- (3) Daily travel allowance provided to Members of the Committee shall be pursuant to the Financial Bi-law of the Authority.

37. Shall Inform of Private Concern or Interest:

- (1) Members who have been nominated to the Committee pursuant to Part (1), (m), (n), (o) and (p) of Sub-section (2) of Section 19 of the Act, shall prior to participating in the first meeting of the Committee, inform the Authority in writing in the following as to whether they have any personal concern or interest in the industry established in the Special Economic Zone:
 - (a) As to whether or not the Member or member of his/her family is a Party to any contracts relating to public purchase or contracts with the Authority,
 - (b) As to whether or not the Member or member of his/her family has any share in the in the investment relating to the establishment, operation or management of industry in the Special Economic Zone, investment in

the construction of infrastructure in the Special Economic Zone or shares in the industry established in the Special Economic Zone.

- (2) For the purpose of Sub-rule (1), provided discussion or decision on any of the following matters is taken and provided any Member or any member of his/her family has any kind of interest, rights or concerns therein, it shall be deemed to be the private concern of such Member.
 - (a) Matters relating to joint investment of Nepal Government and Private Sector or participation or establishment, operation and management of Special Economic Zone by private sector and matters relating to development of infrastructures,
 - (b) Matters relating to license regarding establishment and operation of industry in the Special Economic Zone,
 - (c) Matters relating to agreements with the Authority for establishment and operation of industry in Special Economic Zone,
 - (d) Matters relating to monitoring of industry,
 - (e) Any other matters where he/she has private concern or interest on any matters to be decided by the Authority.
- (3) Provided, information pursuant to Sub-rule (1) is provided, the Executive Director shall authenticate the matter and shall maintain a record.

38. Shall not Participate in Decision-making Process:

- (1) Provided any Member has any private concern or interest in the agenda to be submitted to the Authority for decision, the Member shall not participate in the decision-making process.
- (2) Provided, decision contrary to Sub-rule (1) is made, the decision shall be void and Member participating in such decision-making process shall be punished pursuant to the prevailing law.

39. Shall Maintain Privacy:

- (1) Members of the Committee, employees of the Authority or officials, advisors, experts or person invited to the meetings by the Authority shall not disclose any information known to them during their assignment with the Authority or shall not provide unauthorized information to any other person or shall not use such information for the benefit and interest.
- (2) Provided, Member of the Committee, employees of the Authority or any official, advisor, expert or person invited to the meeting performs any task contrary to Sub-rule (1), it shall be deemed to contrary to the official conduct.
- (3) Members of the Committee, employees of the Authority or officials, advisors, experts or persons invited to the meeting by the Authority who fails to perform pursuant to Sub-rule (2) shall be punished pursuant to the prevailing law.

Chapter – 6

Executive Director and Employees of the Authority

40. Remuneration, Facility and other Conditions of Service of

Executive Director:

- (1) Monthly remuneration and other facility of the Executive Director shall be as determined by Nepal Government.
- (2) Work Performance Agreement with the Executive Director shall be entered by the Ministry that shall contain the remuneration, facility and other condition of service.
- (3) Other provisions relating to the conditions of service of the Executive Director shall be as prescribed by the Bi-law.

41. Functions, Duties and Rights of Executive Director:

In addition to the functions, duties and rights prescribed in the Act, the other functions, duties and rights of the Executive Director shall be as follows:

- (a) Shall draft annual plan and program of the Authority and shall submit the same to the Committee for approval,
- (b) Shall maintain and control the fund of the Authority,
- (c) Shall conduct internal and final audit of the Authority,
- (d) Shall protect the assets of the Authority and shall or shall cause to periodically maintain the assets or property of the Authority,
- (e) Shall function as a contact officer for Nepal Government, Authority and other Units,
- (f) Other than what is prescribed in the Act or this Regulation, shall perform all work on behalf of the Authority,

- (g) Shall use other function, duties and rights as prescribed by the Committee.

42. Provision Relating to Employee:

- (1) Posting, number of employees in the Authority and the organizational structure shall be pursuant to the consent of the Ministry of Finance and approved by the Authority.

Provided, employees pursuant to the approved posting of the Authority are not employed, the Ministry upon the request of the Authority shall depute or shall make provisions to depute employees of Nepal Government or employees of any organization under the ownership of Nepal Government. Remuneration, allowance and facilities shall be provided from the Authority.

- (3) Appointment, remuneration, allowance, facility and other provisions relating to conditions of service shall be as prescribed by the Employee Bi-law.

43. Shall be Employee of the Authority:

- (1) During the commencement of the Act, employee appointed in permanent posting of the Special Economic Zone Development Committee shall ipso facto be deemed to be employee of the Authority upon the commencement of this Regulation.

- (2) Provided, permanent employee under Nepal Civil Service or under institution having ownership of Nepal Government who at the time of commencement of the Act have been deputed to Special Economic Zone

Development Committee are desirous to convert their service to the Authority shall within one month from the date of commencement of this Regulation submit an application to the Authority.

- (3) Provided, application pursuant Sub-rule (2) is received, the Authority shall pursuant to the need of service, appropriateness and experience of the employee shall send its recommendation along with its opinion as to whether or not it is appropriate to convert the service of such employee to the Ministry. The Ministry shall send the recommendation to the concerned institutions.

- (4) Provided, service of any employee of Nepal Civil Service pursuant to Sub-rule (3) is deemed appropriate to convert to the service of the Authority, the Ministry shall submit its resolution to Nepal Government for approval.

- (5) Provided, the resolution received pursuant to Sub-rule (4) is deemed appropriate, Nepal Government in consultation with Public Service Commission shall mention the facility to be provided to the employee converting his/her service and such employee shall have their services converted to the service of the Authority.

- (6) For employee in organization under ownership of Nepal Government, the Authority upon receiving consent from the concerned organization, shall convert the services of the employee to the service of the Authority.

- (7) Employee whose service has not been converted pursuant to this Rule shall be returned to their respective office within seven days.

Provided, the employee shall with approval from the concerned Unit be on deputation at the Authority until the fulfillment of the post in the Authority.

- (8) The Authority shall bear all liabilities for those employees whose service pursuant to this Rule has been converted to the service of the Authority.

44. Shall Procure Service of Experts or Advisors:

- (1) Provided, any work to be performed by any employee of the Authority cannot be performed or provided, service or expert or consultant is required to perform a special work, the Authority shall state the reasons thereof and pursuant to the financial Bi-law shall procure the services of experts and advisors.

- (2) Provided, service of experts or advisors pursuant to Sub-rule (1) is procured, the terms of reference, procedure and remuneration and facility in lieu of service provided shall be stated.

Chapter - 7

Skill Enhancement and Management of Grievances of Worker and Employee of Industry

45. Shall Enhance the Skill of Worker:

- (1) Industry shall replace non-Nepali citizen in the Special Economic Zone and shall provide skill development

training to Nepali citizen or shall develop plans relating to training and submit the same to the Authority so as to provide opportunity for Nepali workers to work.

- (2) The Authority shall monitor as to whether or not the concerned industry has implemented the work plan submitted pursuant to Sub-rule (1).

- (3) Information regarding replacement of non-Nepali worker pursuant to the work plan submitted pursuant to Sub-rule (1) shall be provided to the Authority by the concerned industry.

- (4) Provided, any industry in the Special Economic Zone contrary to Sub-section (4) of Section 38 of the Act, continues to employ non-Nepali worker, the Authority shall pursuant to the Act and Regulation freeze the services and facility to be provided to the industry.

46. Provision relating to Management of Grievances:

- (1) Provided, any worker or employee working in the industry in the Special Economic Zone has any grievance regarding the service and conditions, shall pursuant to Section 41 of the Act provide in writing his/her grievance to the Grievance Management Committee.

- (2) While presenting grievance pursuant to Sub-rule (1), matter relating to grievance and the reason to submit the grievance shall be clearly stated in a polite language.

- (3) Provided, any grievance is received pursuant to Sub-rule (1), the Grievance Management Committee shall within seven days conduct a mutual discussion between the griever and Management of the concerned industry and shall dispose the matter therein.

- (4) Provided, resolution cannot be reached pursuant to Sub-rule (2), the Grievance Management Committee shall within fifteen days take appropriate decision and shall inform the concerned Parties within seven days.

- (5) Provided, the Party do not consent to the decision made by the Grievance Management Committee pursuant to Sub-rule (4) shall the Committee shall state in its decision that the Party shall within forty-five days file an appeal petition to the Labor Court.

Chapter - 8

Miscellaneous

47. Shall Prescribe Quality:

- (1) The Authority shall prescribe the quality of the raw materials used by the industry and shall also prescribe the quality of the goods produced by the industry in the Special Economic Zone.

- (2) While prescribing the quality pursuant to Sub-rule (1), the Authority shall take cognizance of prevailing laws relating to consumer protection and international standards.

48. Account Operation of Tribunal:

- (1) Operation of the account of the Authority shall be jointly done by the Executive Director or by the officer of the Authority nominated by him and by the Chief of the Financial Administration Section of the Authority.
- (2) Account operation of the Branch of the Authority or the contact office shall be done jointly by the Office Chief and Chief of the Financial Administration Department.

49. Internal Control System to be Applied:

- (1) Executive Director shall prepare and implement the internal control system so as to make the works of the Authority economical and effective and to make the financial report system credible and to perform task pursuant to the Act and this Regulation.
- (2) While preparing the internal control system pursuant to Sub-rule (1), control provisions pursuant to the nature of the work, identification of risk areas, exchange of information, monitoring and evaluation shall also be taken into consideration and included.

50. Resolution of Dispute:

Provided an industry has five hundred million or more than five hundred million investment and for dispute relating to foreign investment, the dispute shall be resolved pursuant the prevailing laws relating to foreign investment.

51. Shall Take Consent of Ministry of Finance:

Provided, additional financial obligation is to be incurred to Nepal Government and provided any decision relating to revenue

is to be taken, the Authority shall take the consent of the Ministry of Finance.

52. Shall Periodically Maintain the Particulars:

- (1) Industry established in the Special Economic Zone shall periodically prepare and maintain particulars relating to the goods produced by the industry, raw materials deemed necessary for production of goods or additional raw materials, machine, equipment, goods produced and semi-processed goods.
- (2) Provided, the Authority desires to look at the description prepared pursuant to Sub-rule (1), the concerned industry shall make available such description.

Schedule - 1

(Related to Sub-Rule (1) of Rule 19)
**Application for Establishment, Operation and Management of
Special Economic Zone by Private Sector**

To
The Executive Director
Special Economic Zone Authority,
Kathmandu

**Sub: Approval for establishment, operation and maintenance of
Special Economic Zone**

I/We the applicant through the Private Sector investment and pursuant to Special Economic Zone Act, 2073 and Special Economic Zone Regulation, 2074 are desirous to establish, operate and manage Special Economic Zone in the following place and have submitted the particulars deemed necessary for approval. I/we hereby state that at the time of receiving the letter of approval I/we shall submit the fees pursuant to the rules.

1. Description of proposed Special Economic Zone

- (a) Place and are of Special Economic Zone:
- (b) Available infrastructure and service facilities:
- (c) Nature of industry to be established:
- (d) Any other description deemed necessary:

2. Documents and description enclosed therein

- (a) Preliminary feasibility study report of the project
- (b) Technical design of the project and study regarding its sustainability
- (c) Estimated cost of the project
- (d) Proposed financial resources of the project

- (e) Commercial plan of implementation of the project
- (f) Impact on environment provided the project is implemented and a short description in mitigating those impact
- (g) Preliminary environmental survey report as to whether or not the proposed Special Economic Zone site is environmentally friendly and appropriate
- (h) As to whether or not infrastructure and facilities pursuant to Sub-section (2) of Section 4 of the Act is available for establishment of Special Economic Zone
- (i) Preliminary survey for establishment of Special Economic Zone
- (j) Any other description prescribed by the Authority.

Seal of the Company

Applicant:
Signature:
Name:
(Provided the Applicant is a Company)
(Name of Company if it is a Company)
Address:
Telephone No.:
Date:
Email:
Website if available:

Schedule -2

(Related to Sub-rule (6) of Rule 19)

**Approval Letter for Establishment, Operation and Management
of Special Economic Zone**

Special Economic Zone Authority

Approval Letter No.:.....

M/s.....

**Sub: Letter of Approval for Establishment, Operation and
Management of Special Economic Zone**

Pursuant to the decision of the Authority dated (specify the date of decision), the Authority pursuant to Rule 19 of Special Economic Zone Regulation, 2074 hereby provides this letter of approval to M/s (specify the name of investor and address) for the establishment, operation and management of Special Economic Zone in the following place.

1. Location of Special Economic Zone:
2. Total area of the Special Economic Zone:
3. Proposed amount to be invested:
4. Date of completion of construction and operation:

.....

Executive Director

Date:.....

Seal of Authority

Schedule -3

(Related to Sub-rule (2) of Rule 22)

**Industries to be Established and Operated in Special Economic
Zone**

1. Energy oriented Industry: Industry producing machine and equipment used for production of energy.
2. Production oriented Industry:
 - (1) Other than the following industries, the industries that use raw materials, subsidiary raw materials or semi-processed raw material or produces goods upon processing:
 - (a) Industry producing cigarette, tobacco, cosmetics and tobacco oriented goods,
 - (b) Industry producing brandy, cider, wine, beer and alcohol,
 - (c) Industry producing explosive materials,
 - (d) Industry producing weapons and ammunitions.
 - (2) Other production oriented industry related with the following:
 - (a) Hand loomed carpet, pashmina, uniform based on wool and silk, handmade paper and materials based therein,
 - (b) Materials based on traditional art and craft,
 - (c) Traditional sculpture,
 - (d) Utensils made from copper, bronze, alloy of copper and zinc, German silver and handicrafts,
 - (e) Instruments such as utensils, knives, *chulesi*, *khukhuri*, sickle, spades (*kuokodalo*) made from iron,

- (f) Ornaments, materials, utensils made from gold and silver, and ornaments installed with precious, semi-precious and ordinary stones,
 - (g) Industry involved in cutting precious, semi-precious and ordinary stones, tanning and materials made from leather,
 - (h) Industries based on natural fibers such as jute, *scawai*, grass, *choya*, *babayo*, jute fiber and hemp,
 - (i) Sculptures (goods made by carving stones),
 - (j) Thanka painting and other art of painting,
 - (k) Mask and dolls and toys depicting traditional culture,
 - (l) Various kinds of handicrafts depicting traditional culture, musical instruments,
 - (m) Artistic goods made from wood, bones, horns and from mud and minerals, ceramics and utensils made from mud.
3. Following industries related to agriculture and forest products:
- (a) Processing of fruits,
 - (b) Processing of food,
 - (c) Production of meat and processing,
 - (d) Production of milk products and processing,
 - (e) Processing of fish and packaging,
 - (f) Processing of silk,
 - (g) Processing of tea,
 - (h) Processing of coffee,
 - (i) Processing of herbs,

- (j) Processing of vegetables,
 - (k) Processing of honey,
 - (l) Processing of flowers,
 - (m), Preliminary processing of rubber and operation,
 - (n) Processing cash crops,
 - (o) Processing of seeds.
4. Mineral Industry: Industry processing and producing minerals.
5. Following industry based information and communication technology:
- (a) Development of software,
 - (b) Computer and related services,
 - (c) Processing of data,
 - (d) Digital mapping,
 - (e) Business process outsourcing (including call center),
 - (f) Data mining, cloud computing,
 - (g) Recording studio,
 - (h) Production of audio visual materials,
 - (i) Production of advertisement,
 - (j) Production of radio communication equipment.

6. Following service oriented industries:

- (a) Service relating to press and printing,
- (b) Professional research and consultancy service,
- (c) Geoining and welling service,
- (d) Profession relating to cinema development,
- (e) Photography,
- (f) Laboratory,
- (g) Grinding and packing of food materials,

- (h) Coloring of cloth and threads, sizing and printing of cloth,
- (i) Publication service,
- (j) Service relating to preparation of advertisement materials,
- (k) Programs and documentary to be aired on television, production telefilm and transmission,
- (l) Study and research on minerals,
- (m) Research and development services.

Schedule -4
(Related to Sub-rule (1) of Rule 25)
Application for Establishment of Industry in Special Economic Zone

To
 The Executive Director
 Special Economic Zone Authority
 Kathmandu

Sub: Application of Establishment of Industry in Special Economic Zone

Sir,
 I/We, are desirous to establish the following industry inarea within the Special Economic Zone and I/We hereby submit this application.

1. Classification of industry:
2. Objective of industry:
3. Source of investment in the industry:

S. No.	Self-investment		Loan Investment		Total
	National	Foreign	National	Foreign	
(a)					
(b)					

4. As to whether or not the industry is included in the roster of the Authority:
5. Provided, it is an industry not listed in the roster of the Authority:
- (a) As to whether or not the technology of the proposed industry exists in Nepal,

- (b) As to whether or not necessary manpower is available in Nepal,
- (c) Description regarding employment opportunities upon establishment of industry,
- (d) Matters relating to Nepali raw materials in the industry and application of local skills.

6. Documents to be attached:

- (a) A brief not more than two pages regarding the industry to be established,
- (b) Provided, the investor is a natural person, a copy of Nepali citizenship certificate provided the person is a Nepali investor and provided, the investor is a foreigner a copy of his/her passport,
- (c) Provided, the investor is an organized institution, a copy of authorized decision for submission of application for approval, registration certificate of the organization and Article of Association and Memorandum of the organization,
- (d) Provided, authorization is given to any person for approval, a copy of authorization issued in his/her name,
- (e) Provided, the investor is a natural person, personal description of the person and provided, the investor is an organized institution a copy of the profile of the organization,
- (f) Provided, it is an industry to be established, operated and managed by private sector in the Special Economic Zone, a

recommendation letter from the person receiving the letter of approval.

7.

The above matters are true to the best of my knowledge and if deemed otherwise, I pledge to bear accordingly.

Applicant:

Signature:

Name:

Designation:

Address:

Telephone No.:

Date:

Email:

Note: For photocopies of documents issued by a foreign country, the documents shall be certified by a notary of the concerned country.

Schedule – 5

(Related to Sub-rule (1) of Rule 27)

License for Establishment of Industry in Special Economic Zone

Special Economic Zone Authority

License

License No.:

Pursuant to the decision made by the Authority on
(mention the date of decision), the Authority pursuant Rule 27 of
Special Economic Zone Regulation, 2074 hereby provides this
license to Mr.(mention the name of investor or
name of the organized institution and the address) to set up an
industry insite located at the Special Economic Zone.

1. Name of License Holder:
2. Address of the Industry: Located atat plot
no:.....block no:..... of the Special Economic Zone.
3. Contact Address:
 - (a) Phone No.:
 - (b) Email:
4. Name of Industrialist or Director:
 - (a) Address
 - (b) Citizenship/Passport No.:
 - (c) Country issuing the citizenship certificate/passport

- (d) Date of issue:
5. Objective of the industry:
6. Total capital of the industry:
 - (a) Fixed capital
 - (b) Current capital
7. Classification of industry:
8. Approved annual capacity of the industry:
9. Conditions to be followed by the industry: The industry shall be
established and operated pursuant to the Special Economic Zone
Act, 2073, Special Economic Zone Regulation, 2074, other
prevailing laws, standard and directive determined and made by
the Authority, agreement entered with the Authority and
directives of the Authority.

Officer issuing the license:

Signature:

Name:

Designation:

Date:

Seal of Authority

Description relating to renewal of license

S. No.	Date of issue of license	Tenure of license	Date of renewal of license	Tenure of renewal of license	Signature of officer

Schedule - 6

(Related with Sub-rule (1) of Rule 28)
Application for Renewal of License

To,
The Executive Director,
Special Economic Zone Authority,
Kathmandu.

Sub: Renewal of License

Sir,
With respect to the above, I had obtained a license on to establish an industry in the special economic zone located at and the period of the license shall expire on/ and owing to, I have been unable to renew the license of my industry on time wherein the period of my license had expired on and therefore, pursuant to Sub-section (2)/(3) of Section 9 of the Special Economic Zone Act, 2073, I hereby submit the voucher (Voucher No.: and Date) signifying submission of renewal fee/late fee (provided late fee is applicable) and I hereby also attach an original copy of my license.

Applicant:

Signature:

Name:

Designation:

Address of Industry located at Special
Economic Zone:

Plot No.:

Block No.:

Phone No.:

Date:

Email: