

A WARM WELCOME EVERYONE!

GOOD TO SEE

YOU ALL ENERGETIC HEARTS

PREVAILING LAWS
FOR
BUSINESS REGISTRATION & TAXATION ISSUES
IN
NEPAL

“Talk Program”

**Venue: Nepal Engineers Association Building, Pulchowk,
Lalitpur**

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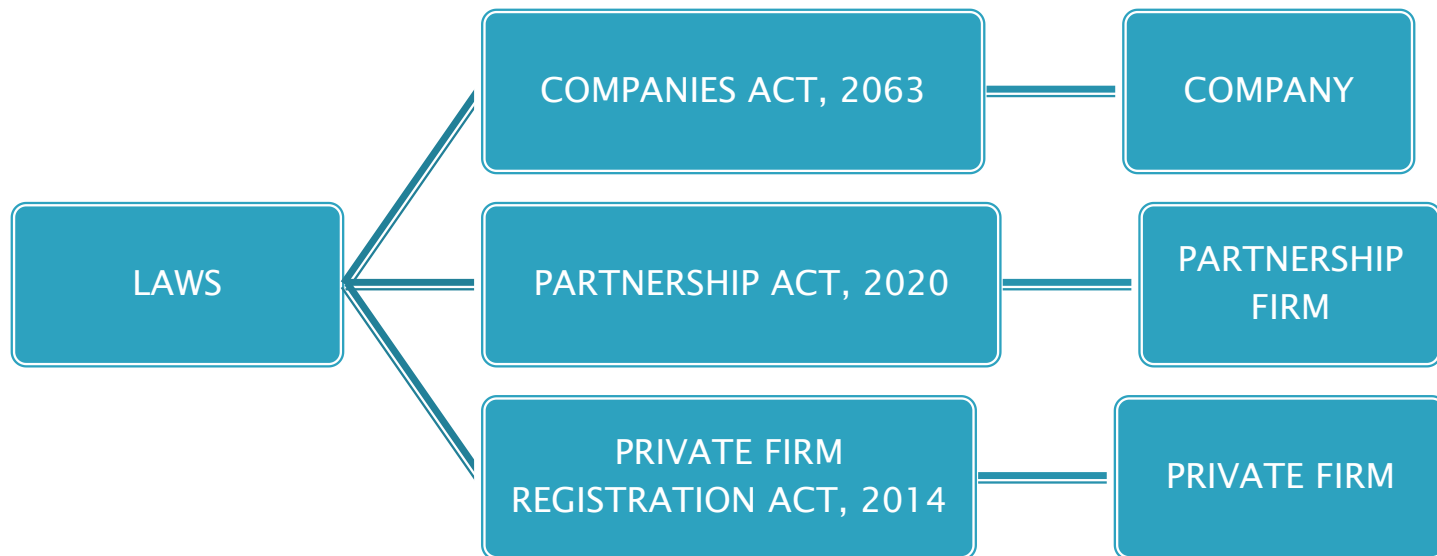
BUSINESS REGISTRATION

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GENERALLY ADOPTED PREVAILING LAWS FOR BUSINESS REGISTRATION IN NEPAL



Registration of a Company

- ▶ What type of organization can be registered under Companies Act, 2063?

Any organization with or without profit motive.

- ▶ Who can register a company?

Any person whether a Nepali/foreign citizen or corporate body can register a company individually or jointly with other. Even an existing company can incorporate a new company.

However, if a foreigner desires to register a company, she has to obtain permission from Department of Industry before it.

▶ Where to register a company?

Office of Company Registrar, Tripureshwor, Kathmandu.

▶ How much registration fee is required to register a company ?

It depends upon authorized capital of proposed company. Private company registration fee starts from Rs 1,000 & of public company starts from Rs 15,000

How to register a company?

Create an email ID. Then, apply for approval of name & objectives through www.ocr.gov.np

[Name should be unique not identical or resembling with other already registered company]



If name & objectives approved, you will get confirmation in your mail and www.ocr.gov.np

Then, prepare application, MoA & AoA;
sign them by all promoters; scan them and upload at www.ocr.gov.np



Then, go to Office of Company Registrar with original Application, MoA, AoA & Citizenship Certificate of Promoter

Pay registration fee & Collect Company Registration Certificate

Is there any maximum or minimum limitation in the number of shareholders in the company?

S.N.	Types of Company	Limitation in Number
1	Private Company	Maximum 101
2	Public Company	Minimum 7 (but an existing public company can register a new public company)
3	Company not distributing profit	Minimum 5

Appointment of legal professional

- ▶ Is it compulsory to appoint a legal professional for registering a company?

No, not at all. You just need an idea about making legal documents viz. MoA & AoA, and experience about the process of company registration.

CAN WE DO BUSINESS IMMEDIATELY AFTER OBTAINING REGISTRATION CERTIFICATE?

No. You have to register your business at:

- ▶ Tax Office & Get PAN Certificate;
- ▶ Local authorities and
- ▶ Obtain License/permission, if required as per prevailing laws to commence your business

What documents do we have to submit to Office of Company Registrar immediately after the registration of company?

S.N.	Name of Document	Time limit	Fine
1	Address of Registered Office	Within 3 months of company registration	Rs 200 per month but not exceeding Rs 1,000 per fiscal year
2	Share allotment to promoters	Within 30 days of such share allotment	Fine depends upon paid up capital, upto Rs 20,000 per annum
3	Board of Directors Details	Within 15 days of director appointment	Rs 200 per month but not exceeding Rs 1,000 per fiscal year

What & when annual documents have to be submitted to the office of company registrar?

S.N.	Name of Document	Time limit	Fine
1	Share Inventory	Convene AGM within 6 months after expiry of each fiscal year and submit it Within 30 days of AGM or	Fine depends upon paid up capital, upto Rs 20,000 per annum
2	Audit Report		Fine depends upon paid up capital, upto Rs 20,000 per annum
3	AGM Minute		Fine depends upon paid up capital, upto Rs 20,000 per annum.
4	Auditor Appointment	Within 15 days of appointment	Rs 200 per month but not exceeding Rs 1,000 per fiscal year

Can we amend name , objectives, registered office address, capital of company etc mentioned in MoA & AoA even after registration?

- ▶ Yes. To amend it, first of all you have to pass special resolution about amendment in general meeting, submit the resolution to Office of company registrar within 30 days.

Then office of company registrar approves it and we can implement the changed particulars.

Do we need to pay fee for amending particulars of MoA & AoA?

- ▶ If we have to increase authorized Capital, then we have to pay additional fee i.e.

Registration fee required for new/increased authorized Capital

Less: Registration Fee already paid

Additional registration fee to be paid

- ▶ If you desire to amend name, then you have to pay following which is lower fee:

25% of Registration fee for this authorized
Capital Company

OR

Rs 5,000

Then, you have to publish public notice in
national level newspaper about such changed
name.

You need not pay fee for other amendments.

Can we close our company?

- ▶ Yes. You can close your company.
For this, you have submit all documents required to be submitted under Companies Act; get clearance letter from Tax Office and other authorities where it has been registered, appoint a liquidator and apply for voluntary cancellation of registration of the company.

Registration of Partnership Firm

- ▶ What type of organization can be registered under Partnership Act, 2020?

Any organization with profit motive only; not for social service.

- ▶ Who can register a company?

A group of 2 or more personal can register a partnership firm.

▶ **Where to register a partnership firm?**

If the firm relates to trading of goods, register at department of Commerce or offices under it.

If the firm relates is of medium and large size industry, register at department of industry or prescribed offices under it.

If the firm relates to Cottage & small industry, register at department of Commerce or prescribed offices under it.

▶ How much registration fee is required to register a partnership firm?

It depends upon Capital of proposed firm starting from Rs 1,100

How to register a partnership firm?

- ▶ You can go to the partnership firm registering authority as stated earlier. The submit:
 1. Application at prescribed format
 2. Prescribed registration fees
 3. Prescribed documents viz. partnership agreement, citizenship certificate, house rent agreement, PP size photo of partners etc

You can also login to following websites for registering a partnership firm:

www.doc.gov.np for trading firm

www.doin.gov.np for medium & large size industry

www.dcsi.gov.np for Cottage & small industry

How much fee is required to register a partnership firm?

It depends upon authorized Capital of the firm starting from Rs 600 (upto Rs 1 lakh Capital) to Rs 15,000 (more than 5 Crore Capital)

When to renew a partnership firm?

Every year within 35 days after the end of each fiscal year with renewal fee starting from Rs 100 to Rs 300. Then after, within 2 years regularly.

Registration of Private Firm

- ▶ What type of organization can be registered under Private Firm Registration Act, 2014?
Any organization with profit motive only; not for social service.
- ▶ Who can register a private firm?
A person can register a private firm.
- ▶ Other registration provisions are similar to partnership firm

How much fee is required to register a private firm?

It depends upon authorized capital of the firm starting from Rs 1,000 (upto Rs 1 lakh) to Rs 50,000 (more than 5 Crore Capital)

When to renew a private firm?

For the first time, within 35 days after the end of 5 years from the registration date with renewal fee starting from Rs 600 to Rs 15,000. Then after, within 35 days after the end of each 2 year regularly.

You can also login to following websites for registering a private firm:

www.doc.gov.np for trading firm

www.doin.gov.np for medium & large size industry

www.dcsi.gov.np for Cottage & small industry

**THANK YOU EVERY ONE
FOR YOUR
VALUABLE ATTENDANCE**

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