

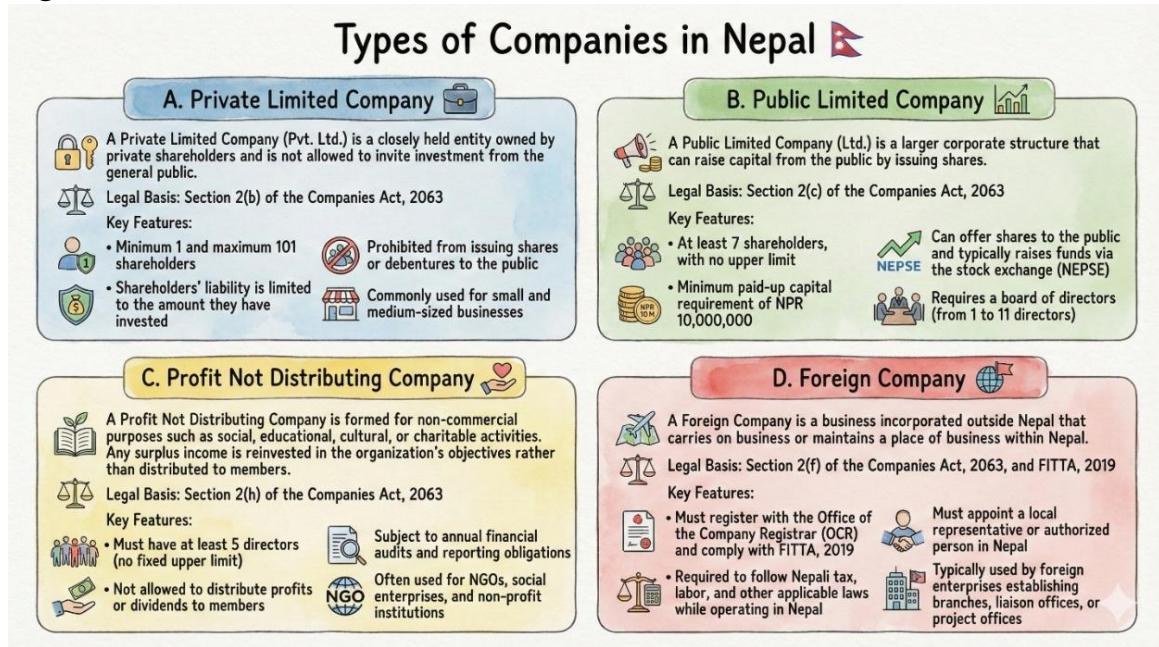
# Company Registration in Nepal (2025)



1. The Office of the Company Registrar (OCR) has fully digitalized the registration process. As of late 2024 / 2025, you can complete registration entirely online:
  - i. Name reservation,
  - ii. Submission of documents (MOA/AOA),
  - iii. Fee payment,
  - iv. Receipt of incorporation certificate.
2. The digital portal is via the Integrated Company Registration System (ICRS) on OCR's website.
3. For foreign investors / foreign-owned companies, the 2025 reforms (under investment- and FDI-friendly policies) include reduced minimum thresholds and faster “automatic approval route” (for certain priority sectors such as IT, tourism, hydropower, manufacturing, etc.).
4. The new law even allows for more flexible capitalization: companies can issue shares against non-cash assets (e.g., intellectual property, technical know-how). Also, employee-share/ESOP schemes are now allowed.

## 1. Types of Companies You Can Register in Nepal

Under the governing law (Companies Act, 2063), companies in Nepal can be registered as:



### a. Private Limited Company (Pvt. Ltd.)

- A Private Limited Company (Pvt. Ltd.) is a closely held entity owned by private shareholders and is not allowed to invite investment from the general public.
- Legal Basis: **Section 2(b)** of the Companies Act, 2063
- Key Features:
  - i. Minimum 1 and maximum 101 shareholders
  - ii. Shareholders' liability is limited to the amount they have invested
  - iii. Prohibited from issuing shares or debentures to the public,
  - iv. Commonly used for small and medium-sized businesses.

### b. Public Limited Company (Ltd.)

- A Public Limited Company (Ltd.) is a larger corporate structure that can raise capital from the public by issuing shares.
- Legal Basis: **Section 2(c)** of the Companies Act, 2063

- Key Features:
  - i. At least 7 shareholders, with no upper limit
  - ii. Minimum paid-up capital requirement of NPR 10,000,000
  - iii. Can offer shares to the public and typically raises funds via the stock exchange (NEPSE)
  - iv. Requires a board of directors (from 1 to 11 directors)

**c. Non-profit / Non-distributing company**

- A Profit Not Distributing Company or Non-profit company is formed for non-commercial purposes such as social, educational, cultural, or charitable activities. Any surplus income is reinvested in the organization's objectives rather than distributed to members.
- Legal Basis: **Section 2(h)** of the Companies Act, 2063
- Key Features:
  - i. Must have at least 5 directors (no fixed upper limit)
  - ii. Not allowed to distribute profits or dividends to members
  - iii. Subject to annual financial audits and reporting obligations
  - iv. Often used for NGOs, social enterprises, and non-profit institutions

**d. Foreign Company**

- A Foreign Company is a business incorporated outside Nepal that carries on business or maintains a place of business within Nepal.
- Legal Basis: **Section 2(f)** of the Companies Act, 2063, and Foreign Investment & Technology Transfer Act, 2075 (FITTA)
- Key Features:
  - i. Must register with the Office of the Company Registrar (OCR) and comply with FITTA, 2019
  - ii. Required to follow Nepali tax, labor, and other applicable laws while operating in Nepal
  - iii. Must appoint a local representative or authorized person in Nepal
  - iv. Typically used by foreign enterprises establishing branches, liaison offices, or project offices

## 2. Company Registration Procedure in Nepal

The registration of a company in Nepal involves several procedural steps aimed at ensuring legal transparency and proper documentation. The general process is as follows:



### a) Name Reservation and Approval

The first stage is to select and reserve a unique company name.

- Visit the OCR website ([www.ocr.gov.np](http://www.ocr.gov.np)) and use the online system to apply for name reservation.
  - The proposed name must:
    - Must be different from existing or already registered company,
    - Not infringe existing trademarks
    - Not be misleading or restricted under law
    - The OCR reviews the application and either approves or rejects the proposed name. Approved names are reserved for a specific period.

### b) Preparation and Submission of Required Documents

Once the company name is approved, you must prepare and lodge the necessary incorporation documents. These can be submitted either physically at the OCR office or through its online portal.

Commonly required documents:

S.N.	Documents	Copies Required
1.	<b>Application for company registration</b>	<b>1 original set</b>
2.	<b>Memorandum of Association (MOA) and Articles of Association (AOA) of the proposed company</b>	<b>2 original set each</b>
3.	<b>National ID / Citizenship certificate of each shareholder</b>	<b>1 copy each</b>
4.	<b>Shareholders' Agreement</b>	<b>1 copy</b>
5.	<b>Copy of certificate of registration and other registration documents (memorandum of association, articles of association) if the shareholder is a company</b>	<b>1 copy</b>
6.	<b>Copy of prior approval of the DOI in case the shareholder is a foreign investor</b>	<b>1 copy</b>
7.	<b>Corporate resolution of the shareholder if the shareholder is a company</b>	<b>1 copy</b>

All documents must be duly signed and, where applicable, stamped or notarized.

### **c) Verification and Registration Approval**

After submission, the OCR reviews the application to ensure it complies with legal requirements and that all documents are complete and accurate.

#### i. Error Correction and Notice

- If there are any mistakes, inconsistencies, or missing documents, the OCR will notify the applicant.
- The applicant must correct the errors or provide additional information within the specified time.

#### ii. Issuance of Certificate of Incorporation

- Once the OCR is satisfied, it issues a Certificate of Incorporation, confirming that the company has been legally formed and recognized under Nepali law.
- At this point, the company attains a separate legal personality.

The review and approval process generally takes around 7 to 15 working days, depending on workload and the quality of the application.

#### **d) Tax Registration with the Inland Revenue Department (IRD)**

Every incorporated company is required to register with the Inland Revenue Department (IRD).

- Apply for a Permanent Account Number (PAN) by submitting:
  - Application form
  - Certificate of Incorporation
  - MOA and AOA
  - Other supporting documents as required by IRD
  - If the nature of the business or turnover threshold requires it, also apply for Value Added Tax (VAT) registration.

#### **e) Registration with Local Government Authority**

In addition to central registration, businesses often need to register with local authorities:

- Register with the relevant ward office, rural municipality, or municipality where the business is located.
- Obtain local operating permits or trade licenses if mandated.
- For certain activities (e.g., tourism, healthcare, manufacturing, education), obtain sector-specific licenses and approvals from respective regulators or ministries.

### **3. Timeframe for Company Registration**

The entire company registration process in Nepal typically takes between **10 to 15 days**. However, this may vary depending on the complexity of your registration and the accuracy of the documents submitted.

### **4. Minimum Capital Requirements**

The minimum capital required to register Public Company **NPR 1 crore** whereas, the minimum capital to register private company in Nepal is **NPR 1 Lakh**.

S.N.	Company	Amount in NPR
1.	Public Company	1,00,00,000
2.	Private Company	1,00,000

## 5. Government Fees for Company Registration

- The government fee for registering a company in Nepal is based on the **authorized capital** of the company. The fee varies for **Private** and **Public** companies.

(Government Fees for Private Company Registration (Based on Authorized Capital)

### Government Fees for Private Company

S.N.	Amount of Authorized Capital (in NPR)	Registration Fee (in NPR)
1	Up to 1,00,000	1,000
2	1,00,001 to 5,00,000	4,500
3	5,00,001 to 25,00,000	9,500
4	25,00,001 to 1,00,00,000	16,000
5	1,00,00,001 to 2,00,00,000	19,000
6	2,00,00,001 to 3,00,00,000	22,000
7	3,00,00,001 to 4,00,00,000	25,000
8	4,00,00,001 to 5,00,00,000	28,000
9	5,00,00,001 to 6,00,00,000	31,000
10	6,00,00,001 to 7,00,00,000	34,000
11	7,00,00,001 to 8,00,00,000	37,000
12	8,00,00,001 to 9,00,00,000	40,000
13	9,00,00,001 to 10,00,00,000	43,000
14	Above 10,00,00,000	3000 for each 1,00,000

### Government Fees for Private Company Registration

S.N.	Amount of Authorized Capital (in NPR)	Registration Fee (in NPR)
1	Up to 1,00,00,000	15,000
2	1,00,00,001 to 10,00,00,000	40,000
3	10,00,00,001 to 20,00,00,000	70,000
4	20,00,00,001 to 30,00,00,000	1,00,000
5	30,00,00,001 to 40,00,00,000	1,30,000

<b>6</b>	<b>40,00,00,001 to 50,00,00,000</b>	<b>1,60,000</b>
<b>7</b>	<b>Above 50,00,00,000</b>	<b>3,000 for each 1,00,000</b>

## **Additional Costs and Business-Specific Licenses**

In addition to registration fees, some companies may incur additional costs, including:

- **Guarantee Deposit for Foreign Investment:** NPR **20,000** (Approx. USD 155)
- **Business Registration at Local Ward Office:** NPR **5,000 to 15,000** annually.
- **House Rent Tax:** 10% of the monthly house rent (varies by locality).

Certain businesses may require specific licenses, such as:

- **Banking & Financial Institutions:** Nepal Rastra Bank
- **Insurance:** Insurance Board
- **Travel & Tourism:** Ministry of Tourism, Culture, and Civil Aviation

## **6. Post-Registration Compliance**

Once your company is registered, you'll need to follow some compliance procedures:

- **Licensing:** Depending on your business type, you may need additional licenses or permits.
- **Tax Filing:** Regular tax filings and annual reports are mandatory.
- **Labor Law Compliance:** Ensure adherence to labor regulations.
- **Shareholder and Director Reporting:** Submit annual compliance reports to the OCR.

## **7. Step-by-Step Registration Process**

### **a. Name Reservation**

- Submit a proposed company name to OCR for approval.

**b. Document Preparation & Submission**

- Draft Memorandum of Association & Article of Association
- Prepare shareholder and director documents
- Submit application to OCR

**c. Payment of Fees**

- Registration fees as per company type and authorized capital

**d. Certificate of Incorporation**

- OCR issues the **Company Registration Certificate** confirming legal existence

**e. PAN & VAT Registration (*Optional/Required*)**

- Register with **Inland Revenue Department** for taxation
- VAT registration if applicable.

**Why Choose Plato Associates?**

- ✓ Expert guidance on company type selection and legal compliance
- ✓ Complete documentation support, including MoA & AoA drafting
- ✓ Coordination with the Office of Company Registrar and relevant authorities
- ✓ Assistance with PAN and VAT registration
- ✓ Quick, hassle-free, and reliable service

**Contact Us**

Launch your business in Nepal the right way with **Plato Associates – your trusted legal & business partner.**

We ensure a smooth registration process so you can focus on growing your business.