

# **Cryptocurrency and Bitcoin In the context of Nepal**

# Cryptocurrency and Bitcoin in Nepal

In Nepal, trading cryptocurrency is not officially recognized or regulated by the government. In 2017, the Nepal Rastra Bank (NRB), the country's central bank, issued a circular warning against the use of Bitcoin and other cryptocurrencies and stating that they were not legal tender in Nepal. The circular also stated that any person or entity involved in the exchange, buying, or selling of cryptocurrencies could face legal action. However, there has been no specific law or regulation enacted to prohibit or regulate the use of cryptocurrencies in Nepal.

Despite the lack of regulation, there have been reports of individuals and businesses in Nepal accepting Bitcoin and other cryptocurrencies as payment. Additionally, there are a few cryptocurrency exchanges that operate in Nepal, allowing users to buy and sell cryptocurrencies using Nepalese rupees.

# Cryptocurrency and Bitcoin in Nepal (cont.)

There has been some interest in blockchain technology, particularly in the areas of **remittances**, allows Nepalese workers overseas to send money back home more easily and securely, **supply chain management** to track the supply chain of goods such as fruits, tea and coffee, **mining** crypto currency, **software development** work on top of blockchain technology, and central bank digital currency (**CBDC**).

# Relevant Reference - 1

- Title: Blockchain Technology: Opportunities and Challenges in Nepal
- URL:  
<https://www.nepjol.info/index.php/NCCJ/article/view/20252>
- This study provides an overview of the opportunities and challenges of blockchain technology in Nepal. The authors **highlight the potential applications of blockchain** in sectors such as finance, supply chain management, and governance, and discuss the regulatory and technical challenges to its adoption in the country.

# Highlighted Applications in Nepal

- Remittances and cross-border payments: Blockchain can enable faster, cheaper, and more transparent cross-border transactions, which are important for Nepal's economy that heavily relies on remittances.
- Land registration and property rights: Blockchain can provide a secure and tamper-proof database for land records and property ownership, which can help reduce land disputes and improve access to credit.
- Identity management and social services: Blockchain can enable a decentralized and secure identity system for citizens, which can facilitate access to social services such as healthcare and education.

## Relevant Reference - 2

- Title: Blockchain Technology and Its Potential Application in Nepal
- URL:  
<https://www.iids.org.np/images/publications/e0410d77b3572b03d5ee22b6b7f38278.pdf>
- This working paper provides an overview of blockchain technology and its potential applications in Nepal. The authors explore the **potential uses of blockchain** in areas such as finance, healthcare, and education, and discuss the challenges to its adoption in the country, including regulatory and technical issues.

# Highlighted Applications in Nepal

- Financial inclusion: Blockchain can enable access to financial services for unbanked and underbanked populations, which are prevalent in Nepal.
- E-government services: Blockchain can provide a secure and transparent platform for delivering government services, which can help reduce corruption and enhance citizen trust.
- Supply chain management: Blockchain can provide a tamper-proof and traceable system for tracking goods and materials, which can help reduce fraud and improve efficiency.

# Relevant Reference - 3

- Title: Blockchain Technology and Its Applications: A Study of Nepal
- URL: <http://elibrary.gci.edu.np/handle/123456789/3640>
- This study explores the potential applications of blockchain technology in Nepal, including in sectors such as **finance, supply chain management, and government services**. The authors discuss the benefits and challenges of blockchain adoption in the country, and highlight the need for regulatory frameworks and technical infrastructure to support its implementation.



# Highlighted Applications in Nepal

- Financial inclusion: Blockchain can enable access to financial services for unbanked and underbanked populations, which are prevalent in Nepal.
- E-government services: Blockchain can provide a secure and transparent platform for delivering government services, which can help reduce corruption and enhance citizen trust.
- Supply chain management: Blockchain can provide a tamper-proof and traceable system for tracking goods and materials, which can help reduce fraud and improve efficiency.

## Relevant Reference - 4

- Title: Potential Use of Blockchain in Health Sector in Nepal
- URL: <https://nipore.org/2019/page/4/>
- Explores the potential use of blockchain technology in the **health sector** in Nepal. The authors discuss the challenges of the current health system in Nepal and how blockchain could help to address these challenges. They highlight the potential uses of blockchain in areas such as electronic health records, supply chain management, and disease surveillance.

# Highlighted Applications in Nepal

- Improved data management: Blockchain can provide a secure and transparent platform for storing and sharing health data, which can help reduce errors and improve data accuracy.
- Enhanced patient care: Blockchain can enable real-time tracking of patient health data and facilitate seamless coordination between healthcare providers, which can help improve patient outcomes.
- Reduced healthcare fraud: Blockchain can provide a tamper-proof and traceable system for tracking medical records and preventing fraudulent activities.

# References

- <https://www.nepjol.info/index.php/NCCJ/article/view/20252>
- <https://www.iids.org.np/images/publications/e0410d77b3572b03d5ee22b6b7f38278.pdf>
- <https://www.sciencedirect.com/science/article/abs/pii/S2213138822001370>
- <http://elibrary.gci.edu.np/handle/123456789/3640>
- <https://nipore.org/2019/page/4/>
- <https://www.unCDF.org/article/4513/blockchain-for-financial-inclusion-in-Nepal>
- <https://www.oecd.org/countries/nepal/The-development-potential-of-remittances-using-blockchain-technology-in-Nepal.pdf>
- <https://esatya.io/blogs/central-bank-digital-currency-creating-digital-future>
- <https://thepaypers.com/cryptocurrencies/nepal-rastra-bank-prepares-to-launch-its-own-digital-currency--1257902>