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Company formation in Nepal

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Flag



Coat of arms

Common form	Private limited company (Companies Act 2006)
Registry	Office of the Company Registrar (OCR)
Minimum capital	No minimum for a domestic company; foreign investment needs approval and a minimum investment (NPR 20 million)
Directors	1 director
Local director	Foreign investment needs approval from the Department of Industry or the Investment Board
Corporate tax	25% (20% for certain industries; 30% for banks and financial institutions)
VAT / sales tax	13%
Typical timeline	About 1–2 weeks for a domestic company; longer with foreign investment
Tax treaties	Domestic rates and treaty list [2]
Currency	Nepalese rupee (NPR)

In short: To set up a company in Nepal, most founders form a private limited company, registered with the Office of the Company Registrar (OCR). Minimum capital: no minimum for a domestic company; foreign investment needs approval and a minimum investment (NPR 20 million). Corporate tax: 25% (20% for certain industries; 30% for banks and financial institutions). Registration: about 1–2 weeks for a domestic company; longer with foreign investment (as of November 2026).

Short guide. Tax figures come from the sources listed under References; company-law details summarise official guidance and can change. Confirm requirements with the Office of the Company Registrar (OCR) before filing.

Companies in **Nepal** are registered with the **Office of the Company Registrar**. Foreign investors first need approval under the Foreign Investment and Technology Transfer Act 2019, which sets a minimum investment of NPR 20 million.

Business structures

Most founders in Nepal form a private limited company, registered with the Office of the Company Registrar (OCR). Other forms are listed below.

- **Private limited company** – the usual company form for private businesses

Requirements

Minimum share capital in Nepal (2026): no minimum for a domestic company; foreign investment needs approval and a minimum investment (NPR 20 million). Directors required: 1 director. Local resident director: foreign investment needs approval from the Department of Industry or the Investment Board.

- A company name that is available, checked with the registry.
- Share capital: no minimum for a domestic company; foreign investment needs approval and a minimum investment (NPR 20 million).
- Directors: 1 director.
- Local residency: foreign investment needs approval from the Department of Industry or the Investment Board.
- A registered office address in Nepal.

- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Nepal (2026): about 1–2 weeks for a domestic company; longer with foreign investment. The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.
3. File the registration with the Office of the Company Registrar (OCR).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Inland Revenue Department.

Taxation

The corporate tax rate in Nepal in 2026 is 25% (20% for certain industries; 30% for banks and financial institutions). Standard VAT or sales tax: 13%.

Tax	Rate and notes
Corporate income tax	25% (20% for certain industries; 30% for banks and financial institutions)
VAT / indirect tax	13%
Withholding tax on dividends to non-resident companies	Depends on the payer and recipient; see the Double tax treaties section

Ongoing compliance

Annual compliance in Nepal: Companies file annual financial statements and tax returns with the Inland Revenue Department, and keep their details up to date with the Office of the Company Registrar.

Double tax treaties

Nepal has few comprehensive double tax treaties, so domestic withholding rates usually apply; check whether a treaty covers the other country before relying on a reduced rate.

Domestic withholding tax on payments to non-resident companies

Domestic withholding rates on dividends, interest and royalties could not be confirmed from a current source for this short guide; confirm them with the Inland Revenue Department.

The reduced rate for each partner country is set by the treaty concerned; confirm it with the tax authority.

Domestic rates from the sources listed under References. Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Nepal?

Typical registration time in Nepal: about 1–2 weeks for a domestic company; longer with foreign investment (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Nepal?

Minimum share capital in Nepal: no minimum for a domestic company; foreign investment needs approval and a minimum investment (NPR 20 million) (as of November 2026).

What is the corporate tax rate in Nepal in 2026?

The corporate tax rate in Nepal in 2026 is 25% (20% for certain industries; 30% for banks and financial institutions). See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Nepal?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Nepal: foreign investment needs approval from the Department of Industry or the Investment Board.

Official registries and resources

The official websites of the Office of the Company Registrar (OCR) and the Inland Revenue Department have not yet been verified by our editors, so they are not linked here. Use the names above to find them, and beware of unofficial look-alike sites.

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

1. Country tax rates (January 2026 update, compiled from PwC and KPMG) . Damodaran Online, NYU Stern. Accessed November 2026.
2. VAT, GST and sales tax rates by country . VATCalc. Accessed November 2026.

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