



NRN PROPERTY MASTERCLASS

The Ultimate Land Purchase Blueprint

for Non-Resident Nepalis in Nepal

A Legally Verified Step-by-Step Handbook Covering Eligibility,
Documentation, Land Limits, Taxes & Compliance

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Governed by: NRN Act 2064 · NRN Rules 2066 · Land Act 2021 · Land Revenue Act 2034

Foreign Exchange Regulation Act 2019 · Local Government Operation Act 2074

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01 GOVERNING LEGAL FRAMEWORK

All property transactions by Non-Resident Nepalis in Nepal are governed by six interconnected statutes. Every right, restriction, and process described in this guide traces back to one or more of these laws. Understanding the framework ensures you engage with the correct offices and comply with the correct provisions.

1 Non-Resident Nepali Act, 2064 (2008)

Category: Primary NRN Statute

Primary legislation defining who qualifies as an NRN, their categories, registration process, property rights, investment rights, and visa entitlements. Sections 7–11 are especially relevant to property ownership.

2 Non-Resident Nepali Rules, 2066 (2009)

Category: Operational Regulations

Implementing regulations for the NRN Act. Rule 11 sets the exact land area ceilings per geographic zone, the application process for the Ministry of Foreign Affairs approval, and documentary requirements.

3 Land Act, 2021 (1964, as amended)

Category: Land Ownership Rules

Governs land classification (residential, agricultural, forest), land ceilings for all buyers, registration procedures, and land-use compliance. Defines what constitutes agricultural land and the restrictions applicable to non-citizens.

4 Land Revenue Act, 2034 (1978)

Category: Registration & Transfer

Regulates the Land Revenue Office (Malpot), property registration, transfer procedures, Lalpurja issuance, and revenue collection on property transactions.

5 Foreign Exchange Regulation Act, 2019

Category: Banking & Remittance

Requires all purchase funds to be remitted through official banking channels in convertible foreign currency. Governs repatriation of sale proceeds abroad and compliance with Nepal Rastra Bank directives.

6 Local Government Operation Act, 2074 (2017)

Category: Municipal Taxation

Empowers municipalities and rural municipalities to levy annual property tax, set local land-use policies, and issue building permits. Tax rates vary by local government.

02 NRN ELIGIBILITY & CATEGORIES

■ **Legal Basis:** Non-Resident Nepali Act, 2064 – Sections 2 & 7; NRN Rules, 2066 – Rule 11

The NRN Act recognises two distinct categories of Non-Resident Nepali, each carrying different rights and property acquisition entitlements. Knowing your category determines which offices you approach, how much land you can buy, and what approvals you require.

Category	Definition	Property Rights	SAARC Exclusion
Category A Foreign Citizen of Nepali Origin	Person whose self, father, mother, grandfather or grandmother was a Nepali citizen and who has acquired citizenship of a non-SAARC foreign country.	May purchase residential property only , within prescribed area limits, subject to Ministry of Foreign Affairs approval. NRN Identity Card valid for 10 years.	Citizens of India, Pakistan, Bangladesh, Sri Lanka, Maldives, Bhutan & Afghanistan do NOT qualify under this category.
Category B Nepali Citizen Residing Abroad	A Nepali citizen (retains Nepali passport) who has lived abroad for at least 2 years, engaged in profession, occupation, business or employment outside SAARC countries. Excludes diplomatic staff and students.	Full property rights equivalent to a resident Nepali citizen. No area restrictions. No Ministry of Foreign Affairs approval required for standard purchases. NRN Identity Card valid for 2 years (renewable).	N/A – retains Nepali citizenship. All rights as a resident Nepali citizen apply.

■ **NRN ID Card Application:** Apply at your nearest Nepali Embassy/Consulate abroad, or at the Ministry of Foreign Affairs (MOFA) in Kathmandu. Processing takes approximately 7–10 working days. An NRN visa (valid up to 10 years) can be obtained from the Department of Immigration Management (DOIM) upon presentation of the NRN ID card. See: www.mofa.gov.np

03 LAND AREA LIMITS BY ZONE

Legal Basis: NRN Rules, 2066 – Rule 11 | Land Act, 2021

The NRN Rules 2066 impose strict maximum area ceilings for Category A NRNs (foreign citizens of Nepali origin) purchasing land. These limits apply per individual and are designed to protect the local real estate market. Category B NRNs (Nepali citizens abroad) are not subject to these limits.

Zone / Region	Maximum Area (Category A NRN)	Approx. Square Metres	Notes
Kathmandu Valley (Municipalities)	2 Ropani	~1,017 sq m	Includes Kathmandu, Lalitpur, Bhaktapur municipalities
Terai Districts (Municipalities)	8 Kattha	~2,720 sq m	Within municipal boundaries of Terai districts only.
Other Municipalities (Outside KTM & Terai muni.)	4 Ropani	~2,034 sq m	Municipal areas of hilly and other regions not covered
Terai Districts (Village Dev. Committees)	1 Bigha	~6,772 sq m	VDC areas of Terai, excluding those under municipal
All Other Areas (Hilly / Remote VDCs)	10 Ropani	~5,085 sq m	Areas not falling in any of the above zones. Most perm

✓ EXEMPTION: If you purchased land while you were still a Nepali citizen (before acquiring foreign citizenship), those area limits do not apply retroactively to that earlier purchase. Similarly, NRNs can inherit ancestral property from both Nepali citizens and other NRNs without requiring government approval, regardless of area.

■ These limits are for Category A NRNs only. Category B NRNs (Nepali citizens residing abroad) have the same rights as resident Nepali citizens and are not subject to the above ceilings under the NRN Act, 2064 and NRN Rules, 2066.

04 REQUIRED DOCUMENTS

■ Legal Basis: NRN Act 2064 – Sec. 11 | NRN Rules 2066 – Rule 11 | Land Revenue Act 2034

Prepare the following documents before approaching the Ministry of Foreign Affairs or the Land Revenue Office. Missing or invalid documents are the most common cause of delays. All foreign-language documents must be translated into Nepali by a certified translator.

BUYER'S DOCUMENTS

Document	Details	Governing Law
NRN Identity Card	Issued by MOFA or Nepali Embassy. Must be valid.	<i>NRN Act 2064, Sec. 7 & 11</i>
Valid Passport (all pages)	Foreign passport showing nationality. Must be valid.	<i>NRN Act 2064, Sec. 2</i>
NRN Certificate / Registration Proof	Proof of NRN status registration with MOFA.	<i>NRN Rules 2066</i>
Nepali Citizenship Certificate (if held)	Required for Category B NRNs.	<i>NRN Act 2064</i>
Recent Passport-Size Photographs	Typically 4–6 copies. Check current requirement.	<i>General Admin.</i>
Declaration of No Existing Property	Signed declaration that self and immediate family do not own other property in Nepal (for Category A).	<i>NRN Rules 2066, Rule 11</i>
Source of Funds Evidence	Bank statements, employment letter, or income proof to demonstrate lawful source of purchase funds.	<i>Foreign Exchange Regulation Act 2019</i>
Bank Remittance Proof	Evidence of fund transfer via official banking channel (SWIFT transfer, bank remittance receipt from Nepal Rastra Bank authorised bank).	<i>Foreign Exchange Regulation Act 2019</i>
PAN (Permanent Account Number)	Obtain from Inland Revenue Department (IRD) if not held. Required for tax compliance.	<i>Income Tax Act 2058</i>

SELLER'S DOCUMENTS

Document	Details	Governing Law
Lalpurja (Land Ownership Certificate)	Original certificate from Land Revenue Office. Verify current owner name matches seller.	<i>Land Revenue Act 2034</i>

Tax Clearance Certificate	Proof that all property taxes are paid up to date.	<i>Local Government Operation Act 2074</i>
Land Survey Map (Napi Naksha)	Official survey map from the Department of Survey.	<i>Land Act 2021</i>
Four-Boundary Document (Chaar Killa)	Official document showing all four boundaries of the plot.	<i>Land Act 2021</i>
Citizenship Certificate of Seller	To verify seller's legal identity.	<i>Nepal Citizenship Act 2063</i>

■ ■ *Tip: Get certified/notarised copies of all critical documents. Keep one full set for your own records. Translate all documents issued in a foreign language into Nepali through a certified translator. Contact the nearest Nepali Embassy for attestation services.*

05 STEP-BY-STEP PURCHASE PROCESS

■ Legal Basis: NRN Act 2064 – Sec.11 | NRN Rules 2066 – Rule 11 | Land Revenue Act 2034

The following process applies primarily to Category A NRNs (foreign citizens of Nepali origin). Category B NRNs follow the standard Nepali citizen purchase process at the Land Revenue Office.

1 Obtain Your NRN Identity Card

Apply at the Nepali Embassy/Consulate in your country of residence, or at MOFA in Kathmandu. Submit your application with required documents and the prescribed fee. The card is issued within 7–10 working days. Valid for 10 years (Category A) or 2 years (Category B). Authority: Ministry of Foreign Affairs (MOFA) | www.mofa.gov.np

2 Identify and Shortlist Property

Find a suitable residential property within the permitted area limits for your chosen zone. Work with a licensed real estate agent or legal consultant. Verify the property is classified as residential land — not agricultural, forest, or government land. Resource: www.ropanibigha.com

3 Conduct Due Diligence at the Land Revenue Office

Visit the Malpot (Land Revenue) Office in the relevant district. Verify the Lalpurja (ownership certificate) in the seller's name. Check for any encumbrances, mortgages, court orders, or disputes on the property. Obtain a land survey map from the Department of Survey (Survey Office). Authority: Land Revenue Office (Malpot) | malpot.gov.np

4 Apply for Ministry of Foreign Affairs Approval

For Category A NRNs this is mandatory before purchase. Submit a formal application to MOFA including: NRN ID, passport, property description, survey documents, boundary certificate, seller's ownership documents, source-of-funds declaration, and no-existing-property declaration. MOFA reviews and issues approval in writing. Authority: Ministry of Foreign Affairs | www.mofa.gov.np

5 Sign the Sale Agreement (Rajinama / Bainapatra)

Once MOFA approval is received, draft a formal Sale Agreement (Bainapatra) with the seller. Have it prepared by a licensed legal practitioner and notarised. Include property details, agreed price, payment terms, and handover date. Both parties sign. This document is essential for the registration step.

6 Transfer Funds Through Official Banking Channels

Transfer the full purchase amount through a Nepal Rastra Bank (NRB)-authorised bank via official remittance channels (SWIFT, bank draft). Do NOT use informal or cash payments. Obtain bank remittance receipts — these are mandatory for registration and for future repatriation of sale proceeds. Authority: Nepal Rastra Bank | www.nrb.org.np

7 Register the Property at the Land Revenue Office

Appear in person at the Land Revenue Office with the seller. Submit: Sale Deed (signed by both parties), MOFA approval, tax clearance certificate, NRN ID, passport, photos, remittance proof, PAN numbers of both parties. Pay registration fees, stamp duty and applicable taxes. Officials verify and record the ownership transfer. Authority: Land Revenue Office (Malpot) | malpot.gov.np

8 Receive Your Lalpurja

After successful registration, the Land Revenue Office issues the Lalpurja (title deed / ownership certificate) in your name. This document is your primary proof of legal ownership. Store the original Lalpurja safely — certified copies should be made immediately.

9 Notify Authorities and Pay Annual Property Tax

Notify the relevant local government (municipality/rural municipality) about the ownership change. Register for annual property tax (Ghardhari Kar). Pay property taxes by mid-July each year to avoid penalties. Keep all tax receipts for future sale or transfer. Authority: Local Municipality Office | Local Government Operation Act 2074

06 BANKING & REMITTANCE RULES

■ Legal Basis: Foreign Exchange Regulation Act, 2019 | NRN Act 2064, Sec. 14 | NRB Directives

The Foreign Exchange Regulation Act 2019 mandates that all NRN property purchases be funded through official banking channels using convertible foreign currency. This requirement protects against money laundering and ensures NRNs can legally repatriate sale proceeds in the future.

■ Open an NRN Bank Account

Open a Non-Resident Nepali (NRN) bank account at any NRB-authorized commercial bank in Nepal. Banks include: Nepal Investment Mega Bank, Nabil Bank, Standard Chartered Nepal, Himalayan Bank, and others. You will need your NRN ID, passport, and PAN.

■ Use Convertible Foreign Currency Only

Purchase funds must originate from a foreign bank account in convertible foreign currency (USD, EUR, GBP, AUD, etc.). Nepalese Rupees (NPR) obtained inside Nepal cannot be used as purchase funds for NRN property transactions.

■ Transfer via Official Channels Only

Use SWIFT international wire transfers or official remittance services to transfer funds to your Nepal NRN account. Hawala, informal money transfers, or cash payments are strictly prohibited and constitute a violation of the Foreign Exchange Regulation Act 2019.

■ Keep All Remittance Proof

Retain your bank statements, SWIFT transfer receipts, and NRB-certified remittance proofs. These documents are required at registration and are essential if you wish to repatriate proceeds when you eventually sell the property.

■ Repatriation Rights

Under the NRN Act 2064 (Sec. 14) and Foreign Exchange Regulation Act 2019, NRNs have the right to repatriate the original investment amount and any capital gains from property sales, provided all taxes have been paid and proper remittance proof is available.

✓ Resource: Nepal Rastra Bank (Central Bank) – www.nrb.org.np | For list of authorized commercial banks and current NRN account guidelines, visit www.nrb.org.np or contact your nearest Nepali Embassy.

07 RESTRICTIONS & PROHIBITED LAND

Legal Basis: Land Act, 2021 | NRN Rules 2066, Rule 11 | Constitution of Nepal 2072, Art. 25

Category A NRNs (foreign citizens of Nepali origin) face specific restrictions on what type of land they may purchase. Violating these restrictions can result in property seizure, fines, and legal prosecution.

Land / Use Type	Status	Details
Agricultural Land	PROHIBITED	NRNs with foreign citizenship cannot purchase agricultural land in Nepal. The Land Act 2021 reserves agricultural land for resident Nepali citizens. Exceptions: NRNs may inherit agricultural land but face restrictions when reselling. NRNs may lease agricultural land for specific purposes subject to government approval.
Forest Land	PROHIBITED	Government-classified forest land and community forest land cannot be purchased by any private individual, including NRNs.
Government / Public Land	PROHIBITED	Land owned by the Government of Nepal, municipalities, or public bodies cannot be purchased. This includes road corridors, river banks, and heritage zones.
Restricted / Sensitive Zones	PROHIBITED	Areas near international borders, military installations, or areas declared restricted by government notification cannot be purchased by NRNs.
Exceeding Area Ceilings	PROHIBITED	A single Category A NRN cannot purchase land exceeding the maximums set by zone under NRN Rules 2066, Rule 11. Multiple purchases in different zones are cumulative.
Commercial Resale / Large-Scale Rental	RESTRICTED	Property purchased under the NRN framework must be for residential use only. Using it for large-scale commercial rentals or commercial resale requires separate government approval. Joint-venture commercial investment may be permitted under FITTA 2019.

08 TAXES & REGISTRATION COSTS

Legal Basis: Income Tax Act 2058 | Land Revenue Act 2034 | Local Government Operation Act 2074 | Finance Act 2082 (FY 2025/26)

Property transactions in Nepal involve multiple taxes and fees levied at federal, provincial, and local levels. The table below provides the current framework as applicable for FY 2025/26 (2082/83 BS). Tax rates may change annually with the Finance Act. Always verify with the Inland Revenue Department (IRD): www.ird.gov.np before transacting.

Tax / Fee	Rate / Details	Governing Law	Who Pays / When
Registration Fee (Darta Dastoor)	2%–4.5% of property value (varies by municipality and area type). Flats charged at ~1%. Based on declared or government-assessed value, whichever is higher.	<i>Land Revenue Act 2034 Local municipality</i>	Paid by Buyer at Land Revenue Office
Stamp Duty	Typically 1%–2% of property value for documentation validation. Rate varies by location and property type.	<i>Stamp Act / Finance Act</i>	Paid by Buyer
Capital Gains Tax (CGT) on Sale	5% if property held MORE than 5 years. 7.5% if held 5 years or LESS. 1.5% for entities/companies. Properties sold for less than Rs 10,00,000 are exempt. CGT is collected as advance tax at registration.	<i>Income Tax Act 2058, Sec. 95 Finance Act 2082</i>	Paid by Seller at Land Revenue Office
Annual Property Tax (Ghardhari Kar)	Set annually by the local municipality/rural municipality. Calculated on assessed value of land and building. Late payment penalty: 2% per month on outstanding amount.	<i>Local Government Operation Act 2074</i>	Paid by Owner annually by mid-July
Rental Income Tax	If property is rented out: NRNs pay withholding tax on rental income. 25% standard deduction for maintenance expenses applies. Remaining rental income taxed as per applicable NRN income tax rate (15% flat rate on Nepal-sourced income for NRNs).	<i>Income Tax Act 2058 IRD</i>	Paid by NRN / withheld by tenant

NRN Income Tax Rate	NRNs are taxed at a flat rate of 15% on income earned from Nepal sources (rental, dividends, interest, business profits).	<i>Income Tax Act 2058, FY 2082/83</i>	Filed with IRD by mid-October each year
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■ ■ *Total transaction cost estimate: Buyers should budget 3%–7% of purchase price for all taxes, fees, and legal costs. Use the IRD online tax calculator at www.ird.gov.np/calculator for current estimates. Tax rates are revised annually by the Finance Act.*

09 INHERITANCE & PROPERTY TRANSFER

■ Legal Basis: NRN Act 2064 | Nepal Civil Code 2074, Chapter on Succession | NRN Rules 2066, Rule 11

NRN inheritance rules are distinct from purchase rules. The NRN Act and Nepal Civil Code provide clear provisions on how NRNs can inherit, transfer, gift, or donate property in Nepal.

Inheritance of Ancestral Property

■ NRN Act 2064 | Nepal Civil Code 2074

NRNs can inherit ancestral property from both Nepali citizens and other NRNs without requiring government approval, provided they hold a valid NRN ID Card. Post-inheritance, the property must be registered at the local Land Revenue Office in the NRN's name. The NRN Civil Code grants equal inheritance rights irrespective of NRN status.

Gift Transfer (Daanpatra)

■ Nepal Civil Code 2074

NRNs may gift their property to close relatives or friends as an act of love and affection (Daan). This is a non-commercial transfer and is not returnable. Standard gift transfer documentation applies at the Land Revenue Office.

Donation for Social/Religious Purposes

■ Nepal Civil Code 2074

NRNs may donate property for religious, social, or charitable purposes without profit motive. Ownership transfer follows standard donation deed procedures.

Sale of Inherited Property

■ Land Act 2021 | Foreign Exchange Regulation Act 2019

NRNs can sell inherited property. However, if the inherited property was agricultural land, specific government approval may be required for the sale, depending on current policy. All sale proceeds can be repatriated subject to tax compliance and Foreign Exchange Regulation Act 2019.

Property Transfer to NRN Heirs

■ Nepal Civil Code 2074 | NRN Act 2064

Upon the death of an NRN property owner in Nepal, property passes to legal heirs as per the Nepal Civil Code. The heir must hold an NRN card or Nepali citizenship to register in their name. Foreign nationals without NRN status cannot inherit Nepali land.

10 COMMON MISTAKES TO AVOID

■ Legal Basis: Land Revenue Act 2034 | Foreign Exchange Regulation Act 2019 | Land Act 2021 | NRN Rules 2066

These are the most frequently observed mistakes made by NRNs during property transactions in Nepal. Each carries serious legal and financial consequences.

X Not Verifying the Lalpurja

Always verify the original Lalpurja at the Land Revenue Office before paying any money. Fraudulent sellers have presented forged or outdated Lalpurjas. Check that the name on the Lalpurja matches the seller's citizenship certificate exactly.

■ Governed by: Land Revenue Act 2034

X Ignoring Land Classification

Purchasing land classified as agricultural, forest, or government land is illegal for Category A NRNs. Confirm land classification at the survey office and Land Revenue Office before proceeding.

■ Governed by: Land Act 2021, NRN Rules 2066

X Using Informal or Cash Payments

Paying in cash, through hawala, or via unofficial money transfer violates the Foreign Exchange Regulation Act 2019. Such payments cannot be legally traced, meaning you will lose your right to repatriate proceeds when you eventually sell.

■ Governed by: Foreign Exchange Regulation Act 2019

X Skipping MOFA Approval (Category A NRNs)

Category A NRNs MUST obtain Ministry of Foreign Affairs approval before completing the property transaction. Purchasing without this approval renders the transaction legally void and the property may be seized.

■ Governed by: NRN Rules 2066, Rule 11

X Not Checking for Encumbrances

Always search for existing mortgages, loans, court orders or disputes attached to the property at the Land Revenue Office. Buying an encumbered property means inheriting its liabilities.

■ Governed by: Land Revenue Act 2034

X Exceeding Area Ceilings

Purchasing land that exceeds the maximum allowed area for your zone violates NRN Rules 2066. The excess area can be confiscated by the government.

■ Governed by: NRN Rules 2066, Rule 11

X Skipping the Survey Map Verification

Always obtain the official survey map (Napi Naksha) from the Department of Survey and confirm that the boundaries match what is shown on the ground. Boundary disputes are common and costly.

■ Governed by: *Land Act 2021*

X Not Hiring a Licensed Legal Consultant

Nepal's property laws are complex and procedures can vary by district. A licensed Nepali attorney protects your interests, verifies documents, and ensures compliance at every step.

■ Governed by: *General Legal Practice*

X Failing to Pay Annual Property Tax

Annual property tax is due by mid-July each year. Non-payment incurs a 2% monthly penalty and can lead to legal action or property seizure in extreme cases.

■ Governed by: *Local Government Operation Act 2074*

11 USEFUL GOVERNMENT CONTACTS

The following government offices and portals are directly relevant to NRN property transactions. Always use official .gov.np domains and authorised banks.

Office	Relevant For	Website	Location
Ministry of Foreign Affairs (MOFA)	NRN registration, NRN ID card, MOFA approval for Category A property purchases.	www.mofa.gov.np	Singhadurbar, Kathmandu
Department of Immigration Management (DOIM)	NRN visa, visa extension, NRN visa fee waivers.	www.immigration.gov.np	Kalikasthan, Kathmandu
Land Revenue Office (Malpot)	Property registration, Lalpurja issuance, encumbrance checks, tax clearance.	malpot.gov.np	District offices across Nepal
Department of Survey	Official survey maps (Napi Naksha), boundary certificates, four-boundary documents.	www.dos.gov.np	Minbhawan, Kathmandu
Inland Revenue Department (IRD)	PAN registration, income tax filing, capital gains tax, NRN tax compliance.	www.ird.gov.np	Lazimpat, Kathmandu
Nepal Rastra Bank (NRB)	Foreign exchange regulations, authorised banks list, remittance guidelines, NRN account opening.	www.nrb.org.np	Baluwatar, Kathmandu
Office of the Company Registrar (OCR)	For NRNs making investments through company formation in Nepal.	www.ocr.gov.np	Tripureshwor, Kathmandu

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www.ropanibigha.com

Disclaimer: This guide is for general informational purposes only and does not constitute legal advice. Laws and regulations may change. Always consult a licensed Nepali attorney and verify current regulations with the relevant government offices before undertaking any property transaction.

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