

Himalayan Law Reporter

First Edition, December 1, 2025

Himalayan Law Reporter is an initiative of Himalayan Lawyers and Associates for reporting and discussing notable legal developments from Nepal and other activities of our legal professionals. The contents of this report are for information purposes only.

(Energy) Nepal Issues Notice on Investment into Cross-Border Transmission Line

November 17, 2025 - The Ministry of Energy, Water Resources and Irrigation has announced a decision of the Council of Ministers regarding investment in intercountry infrastructure for transmission of electricity. According to the notice published in the National Gazette:

- Two joint venture companies will be established in Nepal and India under the joint investment of the Nepal Electricity Authority (NEA) and India's Power Grid Corporation. These companies will construct the Inaruwa–Purnia 400 kV and Dododhara–Bareilly 400 kV transmission lines.
- NEA will invest NPR 1 billion into the company formed in Nepal, financed through its internal resources.
- Additionally, NEA will invest NPR 2 billion in the company established in India. This investment has been granted exemption under Section 3(2) of the Overseas Investment Prevention Act 2021 (1964).

(Legislative) Supreme Court of Nepal issues ruling on Status of Amendments carried on the basis of Ordinances

November 13, 2025 - The Supreme Court of Nepal in the case of *Chandra Kant Raut et al. vs. Election Commission et al.* (Case No. 082-WF-0015), has delivered a notable verdict clarifying the legal consequences when ordinances lapse. In its ruling, the Court addressed the uncertainty surrounding amendments made through ordinances to electoral laws and regulations. The bench held that:

- Any legislation amended by an ordinance automatically reverts to its original, pre-ordinance form once the ordinance expires.
- Regulations that were modified as a result of the ordinance-driven legislative changes also return to their pre-ordinance status once the ordinance expires.

(Tax) Nepal Notifies of Provisions in Domestic Tax Law Concerning Anti-Treaty Shopping Provision to its Key Treaty Partners

November 12, 2025 – The Government of Nepal has formally notified Norway, Thailand, Sri Lanka, Austria, Pakistan, China, and South Korea regarding the application of Section 73(5) of the Income Tax Act 2058 (2002). Under this provision, income tax exemptions or concession benefits available through the respective Double Taxation Avoidance Agreements (DTAAs) in will not be available to the following:

- Entities that are residents of the other contracting state but not of Nepal.

- Entities in which 50 percent or more of the shareholding is controlled by individuals or entities that are neither residents of Nepal nor of the other contracting state.

The move clarifies Nepal's stance on treaty benefits, aiming to prevent misuse of DTAA's by entities lacking genuine residency ties with Nepal or its treaty partners.

(Judicial) Supreme Court of Nepal Issues Key Notices on Resumption of Judicial Services and Recovery of Documents

November 6, 2025 - In a significant move to restore judicial operations disrupted by widespread document destruction, the Supreme Court of Nepal released five official notices under the Directive Concerning Retrieval and Certification of Documents Destroyed due to special circumstances 2082 (2025). This notice has been issued at the backdrop of physical damage sustained by various courts around the country on September 9, 2025.

1. The first notice confirms that several case files were entirely lost to fire, with affected case lists now available online.
<https://supremecourt.gov.np/web/destroyAndSafeCaseList/1>
2. The second urges legal professionals and agencies to submit any surviving copies of these documents within 60 days, preferably within two weeks.
<https://supremecourt.gov.np/web/destroyAndSafeCaseList/2>
3. The third notice marks a full reopening of judicial services starting Nov. 17, 2025 (2082.08.01), allowing registration and hearings for all case types, including fresh complaints, appeals, reviews, and revisions, beyond the previously limited writ petitions.
4. To ensure procedural fairness, the fourth notice suspends all limitation periods, deadlines, and appearance dates between Sept. 9 and Nov. 16, 2025. A 30-day grace period will follow the reopening.
5. Finally, the fifth notice confirms that some case files remain intact. Hearings for these will resume as scheduled or proceed through standard legal channels.
<https://supremecourt.gov.np/web/destroyAndSafeCaseList/5>

These directives aim to stabilize Nepal's judicial system and facilitate document recovery following the recent crisis. Case-specific details are accessible via the Supreme Court's website.

(Procedural) Supreme Court of Nepal Determines Commencement of Limitation Period for Review Petitions

July 3, 2025 -The Supreme Court of Nepal has issued a landmark ruling in *Netu Housing vs Manaviya Bachat Tatha Rin Sahakari Sanstha Limited et al.* (Case No. 080-RE-0349), settling long-standing uncertainty over when the limitation period for filing a Review Petition begins. The decision is summarized in the key points as listed below:

- The Court noted ambiguity in interpreting Section 219(2) of the Civil Procedure Code 2074 ("CPC") and Section 12(3) of the Administration of Justice Act 2073 ("AJA") regarding the commencement of the limitation period for Review Petitions.

- It emphasized that legal provisions must be read harmoniously, as jurisprudence presumes laws to be complementary rather than contradictory.
- The Court clarified that “knowledge of the decision” for the purpose of Section 12(3) of the AJA refers to the availability of the full text of the judgment.
- While a one-year limitation period applies to Revision Petitions from the date of judgment (as established in DN11004 of the Court), applying the same principle to Review Petitions ensures consistency and avoids creating an indefinite limitation period.
- Unlike Revision Petition, Review Petitions may be filed through the concerned High Court without requiring the petitioner’s presence at the Supreme Court. This means the same length of time need not be granted for filing Review Petition.
- The Court drew parallels between Review Petitions and Appeals, citing Section 205(4) of the CPC and Section 134(4) of the Criminal Procedure Code 2074 as guiding references in determining when a party shall be deemed to have knowledge of the decision of the court.
- It ruled that the date of knowledge of a decision, for limitation purposes under Section 12(3) of AJA, shall be counted from the certification of the decision by the High Court, and shall be no later than 6 months in case of civil matters, and no later than 1 year from in case of criminal matters.

This ruling provides clarity on procedural timelines, ensuring that Review Petitions are filed within a defined period and aligning them with broader principles of justice and legislative intent.

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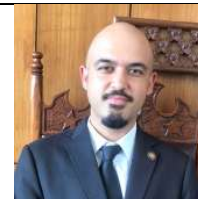
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