

# Himalayan Law Reporter

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*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.*

## **(Tax) Nepal to Terminate Double Taxation Avoidance Agreement with Mauritius**

December 10, 2025 – The Government of Nepal has formally announced its decision to terminate the Double Taxation Avoidance Agreement (DTAA) with Mauritius, originally signed in 1999. This decision was taken in the meeting of the Council of Ministers dated December 8, 2025. The termination will take effect on July 17, 2026, at the beginning of fiscal year 2083-84.

The move reflects Nepal's effort to align its bilateral tax arrangements with domestic legislation and international standards and stems from two key factors:

- Domestic reforms: Nepal's Income Tax Act 2058 (2002) introduced anti-abuse provisions, notably Section 73(5), which limits treaty benefits and affects the implementation of the DTAA.
- Global tax developments: Since 1999, international tax regimes have undergone significant changes. Initiatives such as the OECD's Base Erosion and Profit Shifting (BEPS) program have emphasized transparency and stricter measures against tax evasion. Terminating the agreement paves the way for a modern treaty that meets minimum global standards.

Nepal has also signaled openness to negotiating a new DTAA and a Bilateral Investment Protection Agreement with Mauritius in the future.

This announcement follows Nepal's earlier communication to other DTAA partners on November 12, 2025, regarding the implications of Section 73(5) of the Income Tax Act

## **(Human Rights) HLA Partner Roshani Poudyal presents paper at Nepal Bar Association Conference on Human Rights**



December 10, 2025 - At the Nepal Bar Association's National Conference on Human Rights, held on the International Human Rights Day, our Partner Roshani Poudyal, representing the Association's Human Rights and Public Relations Committee, presented a working paper titled "*Human Rights, the Basis of Good Governance and Justice.*" The paper highlights important human rights issues in Nepal in 18 points such as rule of law, social inclusion, gender-based violence, freedom of expression, political parties, good governance, access to justice, gen-z protests, climate change and development, information and technology, artificial intelligence, election, mental health, juvenile justice, migration, business, transitional justice and newly licensed legal professionals. The conference underscored the

vital role of human rights in strengthening governance and ensuring justice, with discussions highlighting the need for continued advocacy and reform within Nepal's legal system.

The high-profile event drew distinguished figures from Nepal's legal fraternity. Among the attendees were Chief Justice of Nepal, Justice Prakash Man Singh Raut, President of the Nepal Bar Association, Bijay Prasad Mishra, Advocate General, Sabita Bhandari, and several other prominent members of the legal fraternity.

### **(Trademark) Supreme Court rules in favor of CENTER FRUIT in a trademark dispute against PERFECT CENTER FILLZ**

November 26, 2025 - The Supreme Court of Nepal has delivered a significant ruling in the case of *Perfetti Van Melle S.P.A. v. Perfect Foods Pvt. Ltd.* (Case No. 077-CI-0301), siding with the global confectionery giant Perfetti Van Melle, owner of the popular chewing gum brand CENTER FRUIT. The Court held that similarity in spelling, pronunciation, and visual representation can amount to trademark infringement, reversing earlier decisions by the Department of Industry and the High Court that had allowed registration of the rival trademark PERFECT CENTER FILLZ. Following are some of the key rulings of the court in this case:

- Trademark owners have the right to challenge the use or registration of marks that are deceptively similar to existing trademarks.
- Deception may arise from visual, phonetic, or conceptual similarity, even if products differ slightly in appearance or sound.
- In cases where products fall within the same sector, conceptual similarity alone can mislead consumers.
- While Section 21B of the Patent, Design and Trademark Act (PDTA) does not protect without registration, Section 18(1) recognizes passing off legislation, protecting established brands from imitation.
- Both disputed trademarks share the word "CENTER" and exhibit similar packaging styles, colors, and fonts, reinforcing the likelihood of consumer confusion not just visual or phonetically but also conceptually.

The judgment was originally dated August 6, 2024, but its final text was delayed. Following the loss of physical case files during the events of September 9, 2025, the Court prepared the full text using electronic records and judges' notes before releasing it publicly.

This ruling is expected to set a strong precedent in Nepal's trademark law, reinforcing protections for established international and domestic brands against deceptive similarities in the marketplace.

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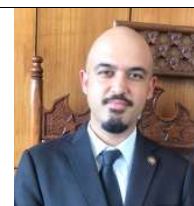
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