

APPENDIX 1.1
Fiscal Year Conversion Table: English VS Nepali
(FY 1955/56 to FY 2020/21)

English FY	Nepali FY	English FY	Nepali FY
1955/56	= 2012/13	1988/89	= 2045/46
1956/57	= 2013/14	1989/90	= 2046/47
1957/58	= 2014/15	1990/91	= 2047/48
1958/59	= 2015/16	1991/92	= 2048/49
1959/60	= 2016/17	1992/93	= 2049/50
1960/61	= 2017/18	1993/94	= 2050/51
1961/62	= 2018/19	1994/95	= 2051/52
1962/63	= 2019/20	1995/96	= 2052/53
1963/64	= 2020/21	1996/97	= 2053/54
1964/65	= 2021/22	1997/98	= 2054/55
1965/66	= 2022/23	1998/99	= 2055/56
1966/67	= 2023/24	1999/00	= 2056/57
1967/68	= 2024/25	2000/01	= 2057/58
1968/69	= 2025/26	2001/02	= 2058/59
1969/70	= 2026/27	2002/03	= 2059/60
1970/71	= 2027/28	2003/04	= 2060/61
1971/72	= 2028/29	2004/05	= 2061/62
1972/73	= 2029/30	2005/06	= 2062/63
1973/74	= 2030/31	2006/07	= 2063/64
1974/75	= 2031/32	2007/08	= 2064/65
1975/76	= 2032/33	2008/09	= 2065/66
1976/77	= 2033/34	2009/10	= 2066/67
1977/78	= 2034/35	2010/11	= 2067/68
1978/79	= 2035/36	2011/12	= 2068/69
1979/80	= 2036/37	2012/13	= 2069/70
1980/81	= 2037/38	2013/14	= 2070/71
1981/82	= 2038/39	2014/15	= 2071/72
1982/83	= 2039/40	2015/16	= 2072/73
1983/84	= 2040/41	2016/17	= 2073/74
1984/85	= 2041/42	2017/18	= 2074/75
1985/86	= 2042/43	2018/19	= 2075/76
1986/87	= 2043/44	2019/20	= 2076/77
1987/88	= 2044/45	2020/21	= 2077/78

APPENDIX 2.1

Classification of Exchange Rate Arrangements*

S.No.	Arrangements	No.	Country and Exchange Rate Anchor
1	No Separate Legal Tender	13	USD: Ecuador, El Salvador, Marshall Islands, Micronesia, Palau, Panama, Timor-Leste, Zimbabwe, Euro: Kosovo, Montenegro, San Marino, Other: Kiribati, Tuvalu.
2	Currency Board	12	USD: Djibouti, Hong Kong, SAR. ECCU Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Euro: Bosnia and Herzegovina, Bulgaria, Lithuania. Other: Brunei, Darussalam.
3	Conventional Peg	44	USD: Aruba, The Bahamas, Bahrain, Barbados, Belize, Curacao and Sint Maarten, Eritrea, Jordan, Oman, Qatar, Saudi Arabia, Turkmenistan, United Arab Emirates, Venezuela Euro: Cape Verde, Comoros, Denmark, Sao Tome and Principe, WAEMU Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo, CAEMC Cameroon, Central African Rep. Chad, Rep. of Congo, Equatorial Guinea, Gabon Composite: Fiji, Kuwait, Libya, Morocco, Samoa, INR: Bhutan, Nepal Other: Lesotho, Namibia, Swaziland, Solomon Islands.
4	Stabilised Arrangements	21	USD: Guyana, Iraq, Kazakhstan, Lebanon, Maldives, Suriname, Trinidad and Tobago Euro: FYR Macedonia Composite: Vietnam, Singapore Other: Bangladesh, Burundi, Democratic Rep of the Congo, Guinea, Sri Lanka, Tajikistan, Yemen, Angola, Azerbaijan, Bolivia, Egypt.
5	Crawling Peg	2	USD: Nicaragua Composite: Botswana
6	Crawl-like Arrangements	15	USD: Honduras, Jamaica Euro: Croatia Others: Ethiopia, China, Uzbekistan, Armenia, Dominican Republic, Guatemala, Argentina, Belarus, Lao P.D.R, Switzerland, Haiti, Tunisia
7	Pegged Exchange Rate within Horizontal Bands	1	Composite: Tonga

8	Other Managed Arrangements	18	USD: Liberia, Cambodia Composite: Algeria, Iran, Syria, Other: The Gambia, Myanmar, Nigeria, Rwanda, Czech Republic, Costa Rica, Kyrgyz Rep., Malaysia, Mauritania, Pakistan, Russia, Sudan, Vanuatu.
9	Floating	36	Other: Afghanistan, Kenya, Madagascar, Malawi, Mozambique, Papua New Guinea, Seychelles, Sierra Leone, Tanzania, Ukraine, Uruguay, Albania, Brazil, Colombia, Georgia, Ghana, Hungary, Iceland, Indonesia, Israel, Korea, Moldova, New Zealand, Paraguay, Peru, Philippines, Romania, Serbia, South Africa, Thailand, Turkey, Uganda, India, Mauritius, Mongolia, Zambia.
10	Free Floating	29	Other: Australia, Canada, Chile, Japan, Mexico, Norway, Poland, Sweden, United Kingdom, Somalia, United States, EMU Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxemburg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain.

* As of October end 2014

Source: IMF (2014), AREAER, Pp.6-7

APPENDIX 2.2

Important Provisions of NRB Act, 2002 Relating to Foreign Exchange Management

Section/Sub-Section and Provisions
<p>Preamble</p> <p>Whereas, it is expedient to establish NRB to function as the Central Bank in order to maintain the stability in price, BOP and overall financial sector for assisting in sustainable development, the NRB Act has been formulated by the Parliament.</p>
<p>4. Objectives of the Bank</p> <p>(1) The objectives of the Bank shall be as follows:</p> <ul style="list-style-type: none"> (a) To formulate necessary monetary and foreign exchange policies in order to maintain the price and BOP stability for overall economic stability and sustainable development of economy, and manage it (c) To develop a secure, healthy and efficient system of payment
<p>5. Functions, Duties & Powers of the Bank</p> <p>(1) In order to achieve the objectives referred to in section 4, the functions, duties and powers of the Bank shall be as follows:</p> <ul style="list-style-type: none"> (a) To issue bank notes and coins (c) To formulate foreign exchange policies and to implement or cause to implement them (d) To determine the system of foreign exchange rate (e) To manage and operate foreign exchange reserves (i) To establish and promote the system of payment, clearing and settlement and to regulate these activities, and (j) To implement or cause to implement any other necessary functions which the Bank has to carry out in order to achieve the objectives of the Bank under this Act. <p>(2) While exercising the powers conferred by this Act or any other prevailing law, the Bank shall have power to carry out other functions and take actions, which are incidental thereto.</p> <p>(3) No one shall violate powers conferred on the Bank under this Act.</p>
<p>Chapter 7, Foreign Exchange Policy, Regulation and Reserves</p>
<p>62. Foreign Exchange Policy</p> <p>The Bank shall have full authority to formulate, implement and cause to implement foreign exchange policy of Nepal.</p>
<p>63. Management of Foreign Exchange</p> <p>The Bank shall manage foreign exchange. The Bank shall have the following powers for such management:</p> <ul style="list-style-type: none"> (a) To issue license under this Act or any other prevailing laws to the persons willing to deal in foreign exchange transaction (b) To frame Rules and bylaws and to issue necessary orders, directives or circulars in order to regulate dealings in the foreign exchange transaction by the foreign exchange dealer (c) To inspect, supervise and monitor the foreign exchange dealer (d) To set the bases, limitations and terms and conditions for the transactions of the foreign exchange dealer (e) To prescribe the system of determining the foreign exchange rates of the NPR.
<p>64. Particulars of Foreign Exchange Dealing</p> <p>(1) The Bank shall cause the license-holder to submit to the Bank the detailed particulars of exchange of foreign currency and of the transaction relating to it. The duration for submitting such particulars, the format and other documents relating to it shall be as prescribed by the Bank from time to time.</p> <p>(2) It shall be the duty of the concerned license holder to submit the particulars referred to in sub-section (1) and the documents prescribed by the Bank.</p>

65. Dealing in Foreign Exchange

- (1) The Bank may purchase and sell foreign exchanges, gold and precious metals.
- (2) The purchase and sale to be made by the Bank pursuant to sub-section (1) shall be effected through the spot, advance exchange rate, swap, option or the similar types of other instruments, cash or negotiable instrument.
- (3) The Bank may, for the purpose of sub-section (1) of section 66, purchase or sell foreign exchange. It may effect such purchase and sale also on the basis of spot, advance exchange rate, swap, option or similar types of other of instruments.
- (4) The Bank shall deal in foreign exchange after fixing its buying and selling rates. The basis, limitations and conditions of such dealing shall be as prescribed by the Bank.

66. Foreign Exchange Reserves

- (1) The Bank shall mobilize the foreign exchanges reserves. Such reserves shall be denominated in the foreign exchange and such reserves shall consist of the following assets:
 - (a) Gold and other precious metals held by or for the account of the Bank,
 - (b) Foreign currencies held by or for the account of the Bank,
 - (c) Foreign currencies held in the accounts of the Bank on the books of a foreign central bank or other foreign banks,
 - (d) SDR held by the Bank at the IMF,
 - (e) Bill of exchange, promissory note, certificate of deposit, bonds, and other debt instrument payable in convertible foreign currencies issued by any debtor or liability holder and held by the Bank,
 - (f) Any forward purchase or repurchase agreements of the Bank concluded with or guaranteed by foreign Central Banks or public international financial institutions, and any futures and option contracts of the Bank providing for payment in freely convertible foreign currency.
- (2) While selecting the assets referred to in sub-section (1), due consideration should be given to the Bank's capital and liquidity to maximize earnings.
- (3) The Bank shall maintain international reserves at a level, which shall be adequate for the execution of monetary and exchange rate policies and for the prompt settlement of the international transactions.
- (4) If international reserves have declined or, in the opinion of Bank, are in danger of declining to such an extent as to jeopardize the execution of the monetary or exchange rate policies in the prompt settlement of the country's international transactions, the Bank shall submit to GON a report on the international reserves position and the causes which have led or may lead to such a decline, together with such recommendations as it considers necessary to remedy the situation.
- (5) Until such time as, the situation referred in sub-section (4) has been rectified, the Bank shall make further such report and recommendations to GON.
- (6) The Bank shall hold the foreign exchange reserves referred to in sub-section (1) in its balance sheet.

67. Issuance of Debt Bond Against Gold and Foreign Currency

- (1) The Bank may, having obtained approval from GON, issue one or more types of debt bonds denominated in gold or foreign currency for certain purposes.
- (2) The types, maturity, payment of principal and interest and other matters of the debt bond to be issued pursuant to sub-section (1) shall be as prescribed by the Bank.

68. International Clearing and Payment Agreement

The Bank may, either for its own account or for government account and by the order of GON, enter into clearing and payment agreements with the public or private central clearing unions domiciled abroad. The Bank may, in order to implement the objectives of such agreement, enter into other necessary agreements.

110. Power to Frame Rules and Bylaws

- (1) In order to implement the objectives of this Act, the Bank shall, on having obtained approval of GON, frame necessary Rules on the following matters, among others:-
 - (a) Foreign Exchange Transaction

Source: NRB Act, 2002 (in Nepali)

APPENDIX 2.3

Important Provisions of Foreign Exchange (Regulation) Act, 1962 Relating to Foreign Exchange Management

Section/Sub-Section and Provisions
<p>3. License to be obtained to carry on foreign exchange transaction</p> <p>(1) A person, firm, company or body who intends to carry on the foreign exchange transactions shall obtain a license from the Bank.</p> <p>(2) A person, firm, company or body who intends to carry on the foreign exchange transactions shall make an application, accompanied by the details specified by the Bank, to the Bank to obtain the license</p> <p>(3) If an application is made pursuant to sub-section (1), the Bank shall make necessary inquiry into the matter on the basis of the specified criteria and may, if it considers appropriate, issue the license to the concerned person, firm, company or body to carry on the foreign exchange transactions. In so issuing the license, the Bank may also specify the type and limit of the foreign exchange to be transacted, the period for carrying on the transaction and other necessary terms.</p> <p>(4) The Bank may, from time to time, give necessary order or directive to the licensee in relation to the regularization and management of the foreign exchange transaction. It shall be the duty of the licensee to abide by such an order or directive.</p> <p>(5) The licensee bank shall pay to the Bank such annual fees and deposits as may be prescribed by the bank. The Bank may cancel or suspend the license of the licensee who fails to pay the annual fees and deposits so prescribed.</p> <p>(6) If any person, firm, company or body applies for a provisional (<i>Patake</i>) license to carry on the foreign exchange transaction, then the Bank may issue the provisional license to such a person, subject to this Section.</p>
<p>4. Procedure for carrying on foreign exchange transaction:</p> <p>(1) No person shall, without obtaining permission from the Bank, carry on foreign exchange transactions with any person other than licensee.</p> <p>(2) No licensee or any other person who shall carry on the foreign exchange transactions by giving the Nepalese currency and taking foreign currency and vice versa may do so at a rate that is different than the exchange rate specified by the Bank.</p> <p>(3) If any person obtains the foreign exchange for any specific purpose or on any terms, that person shall not use such foreign currency for any other purpose or violate such terms. If the foreign currency so obtained cannot be used for the concerned purpose or the terms cannot be met, then that person shall sell such foreign exchange to the licensee or bank at the rate specified by the Bank, within thirty days after the date of realizing the constraint.</p> <p>(4) If any person obtains foreign exchange to import any goods into Nepal and does not import such goods within a reasonable period of time or the goods of a value equal to that of the foreign exchange so obtained, then that person shall be deemed to have failed to use the foreign exchange so obtained for the purpose or in fulfilling such terms.</p>
<p>4B. Payment for sale of goods or provision of services to foreigner</p> <p>If a person, firm, company or body residing in Nepal receives payment for the sale of any goods or provision of any services to any foreign person, firm, company or body, such a payment shall be taken in a convertible foreign currency, except as otherwise specified by the Bank through a public notice.</p>
<p>7 Duty of persons who have source to obtain foreign exchange</p> <p>(1) No person who has the right to obtain any foreign exchange outside Nepal or obtain payment in the NPR shall without obtaining permission of the Bank, do any act impeding</p>

<p>payment of or delaying payment of such foreign exchange or in NPR.</p> <p>(2) If any person violates Subsection (1), the Bank may give such direction as it thinks necessary to such a person to obtain the foreign exchange or the payment in NPR.</p>
<p>8 Duty of importers</p> <p>(1) When any person, firm, company or body imports goods upon payment in foreign exchange by opening an LC in Nepal or otherwise, such a person, firm, company or body shall import such goods within the time specified by the Bank as specified in the document.</p> <p>(2) The provisions relating to the type of foreign exchange to be paid for import and procedures for such payment shall be specified by the Bank through a public notice.</p> <p>(3) Only with the prior approval of the Bank, the importer shall make import of the goods declared in the LC in consonance with the price and quantity set forth in the same LC. Provided that, in the event of amendment to the LC, nothing shall bar the importing of goods in consonance with the amended price and quantity.</p> <p>(4) If, in opening a letter of credit in a commercial bank by any importer, another person, firm, company or body furnishes guarantee or is directly or indirectly involved in that transaction and such transaction involves misappropriation or diversion of foreign currency in any manner, notwithstanding anything contained in the prevailing law, punishment shall, pursuant to this Act, be imposed also on the person, firm, company or body who has so furnished guarantee or has been directly or indirectly involved in that transaction for the misappropriation or diversion of foreign currency.</p> <p>(5) Notwithstanding anything contained elsewhere in this Section, the procedures for the import of knowledge and informative technology and payment for the same shall be as specified by the Bank through a public notice.</p> <p>(6) The importer shall ensure correct invoicing. The importer shall not do any act not conforming thereto and any contrary act pertaining thereto.</p>
<p>9A. To remit payment of the value of the exported goods</p> <p>(1) The exporter shall have to declare before the Customs Officer that he or she shall bring the payment of declared value within the period in the approval foreign exchange as prescribed by the Bank by filling up the said details in the export declaration form as prescribed by the Bank.</p> <p>(3) If the exporter does not remit the payment of the exported goods within the time limit as prescribed under Sub- section (1), it shall be deemed that he/she has violated this Act.</p>
<p>9B. Acts not to be done by the exporter: The exporter shall not do any of the following acts</p> <p>(a) To receive payment for the exported goods through other mode except as prescribed.</p> <p>(b) To arrange the payment for the exported goods beyond the period prescribed.</p> <p>(c) To do any act in order not to receive payment for total value of the exported goods.</p> <p>(d) To do any act defying real invoicing or other act pertaining to such an act.</p>
<p>10. Restriction on export and transmission of securities</p> <p>Except in accordance with the provisions specified by the Bank, no person shall do any of the following acts:</p> <p>(a) To export any securities to any place outside Nepal</p> <p>(b) To transmit any securities to any person residing outside Nepal.</p> <p>(c) To give any securities to any person residing outside Nepal for earning, use or control by that person or for other purpose.</p> <p><i>Explanation: The term "transmission" in relation to any securities includes transmission made in the form of loan or securities.</i></p>
<p>10A. Restriction on investment</p> <p>When a person invests in a foreign country or a foreign investor does so in Nepal in accordance with the prevailing law, such a person or investor shall do as specified by the Bank through a public notice. Provided that, nothing contained in this Section shall be deemed to affect the investment made by a resident citizen of Nepal, in a foreign country, from his or her earnings made during his or her stay abroad.</p>
<p>10B. Provisions relating to lending and borrowing of loan in foreign exchange</p>

Except in accordance with the provisions of the prevailing law and the provisions specified by the Bank through a public notice, no person shall lend or borrow in foreign exchange.
10C. Provisions relating to repatriation, investment of, and transfer of right in, foreign exchange (1) A foreign investor who has got permission to make investment in securities in accordance with the prevailing law shall be entailed to repatriate or send the following amounts in foreign currency outside Nepal in accordance with the procedures specified by the Bank through a public notice: (a) Investment made in the securities and profit or dividend earned from the investment. (b) Investment made in the form of a loan transaction and interest thereof.
12. Power of Bank to give direction, frame bye-law or issue order or notice Without prejudice to any directive given by the GON under Section 15, the Bank may, in order to implement the matters set forth in this Act, give directive or frame Bye-laws or issue orders or notices as required from time to time.
14. Inspection (1) The GON or the Bank may inspect, or cause to be inspected, the accounts, books and other documents of any licensee. (2) It shall be the duty of each licensee to submit all such accounts, books and documents relating to the foreign exchange transactions as are in his or her custody or control and as demanded by the employee designated to conduct inspection pursuant to Sub-section (1) within the time-limit given by the employee and give all statements or information relating to such foreign exchange transactions as demanded by him or her. If the licensee is a firm, company, or body, the director of the company or concerned officer or partner or concerned office-bearer related with that business shall submit or give such accounts, books, documents, statements or information.
16. Permission of the Bank to be obtained to open account (1) Any citizen of Nepal residing in Nepal or any company, body corporate or firm registered in Nepal shall obtain the permission of the Bank to open an account with a bank in a foreign country. (2) In giving permission to open an account pursuant to Sub-section (1), the Bank may demand required statements and also specify terms and conditions. (3) The operation and use of the account opened pursuant to Sub-section (1) shall be as specified by the Bank through a public notice. (4) The matters relating to the opening, operation and use by any citizen of Nepal residing in Nepal or any company, body corporate or firm registered in Nepal of an account in foreign currency within Nepal shall be as specified by the Bank by publishing and broadcasting public notice.

Source: Foreign Exchange (Regulation) Act, 1962

APPENDIX 2.4

Important Provisions of NRB Licensing and Inspection of Foreign Exchange Bylaw, 2011 Relating to Foreign Exchange Management

Bylaw Sections and Provisions	
Section 3: Details to be complied by the licensee	
7	Any individual, firm, company or institution licensed to deal in foreign exchange shall have to comply with the following provisions. <ol style="list-style-type: none"> (1) In addition to the legal provisions and directives issued while issuing license, the following conditions have to be complied with the licensee; <ol style="list-style-type: none"> (a) The person has to maintain correct statement of accounts with respect to foreign exchange. (b) Foreign exchange encashment receipt has to be issued at the time of acceptance of foreign exchange by the hotels, one copy of which has to be submitted to the FEMD along with the monthly statement. (c) Particulars of foreign exchange purchased and statement of foreign exchange deposited in the bank should be submitted to the FEMD on a monthly basis. (d) Accounts of each fiscal year should be audited within the deadline stipulated by the prevailing law, one copy of which needs to be submitted to the FEMD. (e) Foreign exchange transactions, except those specified in the license issued by NRB, are forbidden to be undertaken. (f) If activities violating the Act and rules, bylaw, NRB circular, order or directive have been committed, then the license issued by NRB will be suspended or cancelled along with additional punishments which could be meted out as per the existing law. (g) License issued by NRB should be displayed at the transactions site. (2) While receiving foreign exchange payments under foreign exchange dealings, the transactions should be carried out at the specified rate as per the prevailing circular.
8	The licensee should maintain its accounts under the double entry system as per Nepal Accounting Standards. If that is insufficient, then the accounts should be maintained as per IFRS.
Section 4: Provisions relating to inspection and monitoring	
10	<ol style="list-style-type: none"> (1) Functions relating to foreign exchange transactions can be inspected, both on-site and/or off-site, by FEMD in times as per necessity. (2) It will be the duty of licensee to furnish particulars and documents as well as to assist in cash verification as demanded by inspectors deputed by the FEMD.
11	<ol style="list-style-type: none"> (3) The inspection team will have to submit the inspection report to the FEMD within 3 working days of the completion of the inspection. (5) The necessary orders or instructions given by the FEMD in connection with the rectification as per the comments and qualifications stated in the inspection report should be complied with by the licensee.

Source: NRB Licensing and Inspection of Foreign Exchange Bylaw, 2011 (in Nepali)

APPENDIX 2.5

Important Provisions of NRB Remittance Bylaw, 2010 Relating to Foreign Exchange Management

Bylaw Sections and Provisions	
2(h)	The Bylaw defines remittance transactions as the foreign exchange earned by Nepalese citizen in foreign countries, remitted to Nepal in convertible foreign exchange as specified by the NRB delivered in Nepalese currency to stakeholders.
2(i)	'Principal' is defined as the domestic or foreign firm, company or institution transferring convertible foreign exchange to Nepal for the purpose of distributing to Nepalese stakeholders by collecting foreign exchange earned by Nepalese in foreign countries.
2(j)	Agent is defined as the NRB-licensed firm, company or institution which enters into agreement with the Principal for payment to the stakeholders in the NPR by remitting to Nepal convertible foreign exchange through the banking system from Principals located abroad.
2(k)	Sub-agent is defined as the individual, firm, company or institution appointed by the agent for payment in NPR to concerned individuals.
2(m)	The Bylaw defines foreign exchange as other currencies excepting NPR and the term denotes SDR of IMF, Asian currency unit, Euro (European currency unit) and other currency units as publicly notified by the NRB as per necessity.
2(n)	Convertible foreign exchange is defined as convertible foreign currency publicly notified as per necessity by the NRB.
2(o)	"License" is defined as the license issued by NRB to act as the currency remitter for payment to the stakeholders in NPR by bringing foreign currency from foreign countries to Nepal through banking system.
7	<p>Conditions to be complied with while conducting remittance transactions</p> <p>The licensed firm, company or institution should perform, by itself or through a sub-agent or sub-representative appointed by it, the functions relating to inward remittance of foreign exchange to Nepal and making payment to the concerned individuals (beneficiary) in NPR only as per the prevailing law and circular, order and directives issued by NRB therein including the following:</p> <ul style="list-style-type: none"> (a) The licensee should bring to Nepal convertible foreign exchange as remittances through the banking system in the form of advance payment from foreign countries. (b) In the case of the remittance not being received as advance payment and receivable as reimbursement after payment to the beneficiary in Nepal, bank guarantee or legally valid commitment letter should be received from the principal as a guarantee of such amount. (c) It will be the duty of the concerned remitter to get reimbursement of the payment to the beneficiary in Nepal from the Principal. The remitter failing to get the reimbursement will be liable for punishment as per FERA. (d) Reimbursement of the amount made available to the concerned individual (beneficiary) in Nepal acting as an agent of a foreign company should be received in the foreign currency. (e) Principal or agent in Nepal should submit to the FEMD, a bank statement concerning receipt of foreign exchange from foreign companies abroad on a monthly basis. (f) NRB will not bear any sort of financial or forex liability arising from remittance transactions. (h) Remitter will have to receive its commission in foreign currency itself. (j) Remitter will be eligible to conduct only inward remittance. Such foreign exchange can be retained by opening a foreign exchange account in the bank for a maximum period of 15 days. (k) Remitter is forbidden to conduct outward remittance transactions. (l) Remitter is forbidden to carry out functions related to foreign exchange other than the functions specified in the license. Violation of the Act or rules pursuant thereto or circular or directives issued by the Bank will result in suspension or cancellation of license for conducting remittance transactions. In addition, this Act will invite proceedings as per prevailing law. (r) Foreign exchange received by remitter from Principal should not be tainted or laundered money, otherwise it will be punishable as per Anti-money Laundering Act, 2008.
10(a)	FEMD will conduct on-site/off-site inspection related to remittance from time to time.

Source: NRB Remittances Bylaw, 2010 (in Nepali)

APPENDIX 2.6

Important Provisions of NRB Moneychanger Bylaw, 2011 Relating to Foreign Exchange Management

Bylaw Sections and Provisions	
2	(f) Moneychanger is defined as the individual, firm, company or institution licensed by NRB as moneychanger for conducting foreign exchange transactions which include (i) only purchase of foreign exchange and (ii) both purchase and sale of foreign exchange.
8	(1) The minimum paid up capital to be maintained by the moneychanger for conducting (i) buy and sale INR is NPR 5 lakh, (ii) purchase convertible foreign currency is NPR 10 Lakh, (iii) both (i) and (ii) is NPR 15 lakh, (iv) to sell convertible foreign currency to Nepalese citizens going abroad against passport facility is additional NPR 5 lakh.
9	(a) (b) (c) Moneychanger can (i) buy or sell INR, (ii) purchase convertible foreign exchange, (iii) both (i) and (ii), and (iv) sell foreign exchange to Nepalese citizens going abroad against their passport up to the limit prescribed by the NRB. (d) Moneychangers will have to submit the convertible currencies purchased to bank or NRB. (f) Moneychangers will have to arrange INR reserves necessary for their transactions by themselves. (g) Moneychangers are entitled to commission at the rate prescribed by NRB if they deposit INR in the NRB or BFIs or banks where INR note chests are located.
11	(1) All the purchase, sale and bank deposit transactions performed by moneychangers are to be recorded on a daily basis and submitted to NRB on a monthly basis.
14	The transactions conducted by moneychanger could be inspected by NRB as per necessity. The inspection could be on-site and/or off-site. On the basis of the inspection report, necessary actions including imposition of fines and other actions could be initiated against the non-compliant. If irregularities are committed or specified conditions are violated, the moneychanger license could be suspended or cancelled and/or security deposit could be confiscated including initiating other actions as per the prevailing law.

Source: NRB Moneychanger Bylaw, 2010 (in Nepali)

APPENDIX 3.1

Nominal Exchange Rate of NPR at the End of FY

NPR per Foreign Currency Unit

FY	INR	USD	EUR	GBP	CHF	AUD	CAD	SGD	JPY	CNY
1974/75	1.39	10.50	-	23.05	4.08	13.80	10.18	-	0.04	-
1975/76	1.39	12.45	-	22.21	5.03	15.41	12.82	-	0.04	-
1976/77	1.39	12.45	-	21.31	5.13	13.85	11.69	-	0.05	-
1977/78	1.45	11.90	-	22.36	6.54	13.58	10.53	-	0.06	-
1978/79	1.45	11.90	-	26.33	7.13	13.31	10.21	-	0.05	-
1979/80	1.45	11.90	-	28.12	7.38	13.75	10.30	-	0.05	-
1980/81	1.45	11.90	-	22.00	5.66	13.54	9.82	-	0.05	-
1981/82	1.45	13.10	-	22.48	6.13	13.19	10.25	-	0.05	-
1982/83	1.45	14.40	-	21.74	6.74	12.47	11.61	-	0.06	-
1983/84	1.45	16.30	-	21.35	6.75	13.59	12.19	-	0.07	-
1984/85	1.45	17.60	-	24.25	7.22	12.23	12.93	-	0.07	-
1985/86	1.68	21.10	-	31.45	11.73	13.58	15.34	-	0.13	-
1986/87	1.68	21.80	-	35.08	14.15	15.36	16.49	-	0.14	-
1987/88	1.68	23.50	-	39.89	15.33	18.78	19.55	-	0.18	-
1988/89	1.68	27.40	-	44.12	15.76	20.76	23.08	-	0.20	-
1989/90	1.68	29.10	-	52.63	20.97	23.05	25.11	-	0.20	-
1990/91	1.65	42.70	-	69.95	27.38	32.49	37.25	-	0.31	-
1991/92	1.65	42.60	-	82.00	31.60	31.74	35.56	-	0.34	-
1992/93	1.60	49.00	-	73.09	32.15	33.37	38.26	-	0.45	-
1993/94	1.60	49.11	-	76.77	37.74	36.07	35.55	-	0.50	-
1994/95	1.60	50.45	-	80.48	43.41	36.95	37.11	-	0.57	-
1995/96	1.60	56.25	-	87.45	44.82	44.66	41.04	-	0.51	-
1996/97	1.60	56.75	-	95.90	38.71	41.92	41.44	-	0.50	-
1997/98	1.60	67.60	-	110.34	44.54	42.07	45.60	-	0.48	-
1998/99	1.60	68.15	-	106.78	43.41	44.88	46.04	-	0.57	-
1999/00	1.60	70.40	65.85	105.64	42.47	41.18	47.52	40.42	0.65	-
2000/01	1.60	74.65	63.57	104.61	42.05	37.75	48.66	40.67	0.60	-
2001/02	1.60	78.00	77.65	121.41	52.82	43.84	50.89	44.83	0.67	-
2002/03	1.60	74.75	84.30	120.29	54.35	49.04	54.34	42.56	0.64	9.03
2003/04	1.60	74.14	91.64	137.57	60.08	53.80	56.29	43.59	0.68	8.96
2004/05	1.60	70.35	84.98	124.00	54.56	52.96	58.34	41.64	0.63	8.50
2005/06	1.60	74.10	93.82	136.17	60.09	55.57	65.43	46.70	0.64	9.27
2006/07	1.60	64.85	89.27	131.43	53.80	56.26	61.93	42.80	0.53	8.57
2007/08	1.60	68.50	108.72	135.89	66.97	66.29	67.76	50.49	0.64	10.02
2008/09	1.60	78.05	109.07	126.78	71.99	61.28	67.77	53.43	0.84	11.42
2009/10	1.60	74.44	94.79	113.71	70.63	65.34	71.88	54.10	0.85	10.99
2010/11	1.60	70.95	100.34	114.54	86.93	75.71	73.85	58.26	0.90	10.98
2011/12	1.60	88.60	107.98	136.62	89.91	89.96	86.97	69.74	1.12	13.89
2012/13	1.60	95.00	124.08	143.56	100.36	85.96	91.39	75.26	0.96	15.48
2013/14	1.60	95.90	130.56	164.61	107.51	89.91	89.35	77.23	0.94	15.45
2014/15	1.60	101.14	111.48	158.01	106.78	75.46	79.30	74.22	0.83	16.29

APPENDIX 3.1 (Contd.)

Nominal Exchange Rate of NPR at the End of FY

NPR per Foreign Currency Unit

FY	SAR	QAR	THB	AED	MYR	KRW	SEK	DKK	HKD	KWD	BHD
1974/75	-	-	-	-	-	-	2.52	-	-	-	-
1975/76	-	-	-	-	-	-	2.73	-	-	-	-
1976/77	-	-	-	-	-	-	2.83	-	-	-	-
1977/78	-	-	-	-	-	-	2.59	-	-	-	-
1978/79	-	-	-	-	-	-	2.77	-	-	-	-
1979/80	-	-	-	-	-	-	2.86	-	-	-	-
1980/81	-	-	-	-	-	-	2.27	-	-	-	-
1981/82	-	-	-	-	-	-	2.10	-	-	-	-
1982/83	-	-	-	-	-	-	1.85	-	-	-	-
1983/84	-	-	-	-	-	-	1.94	-	-	-	-
1984/85	-	-	-	-	-	-	2.05	-	-	-	-
1985/86	-	-	-	-	-	-	2.94	-	-	-	-
1986/87	-	-	-	-	-	-	3.10	-	-	-	-
1987/88	-	-	-	-	-	-	3.69	-	-	-	-
1988/89	-	-	-	-	-	-	4.25	-	-	-	-
1989/90	-	-	-	-	-	-	4.82	-	-	-	-
1990/91	-	-	-	-	-	-	6.52	-	-	-	-
1991/92	-	-	-	-	-	-	7.87	-	-	-	-
1992/93	-	-	-	-	-	-	6.16	-	-	-	-
1993/94	-	-	-	-	-	-	6.42	-	-	-	-
1994/95	-	-	-	-	-	-	7.03	-	-	-	-
1995/96	-	-	-	-	-	-	8.39	-	-	-	-
1996/97	-	-	-	-	-	-	7.32	-	-	-	-
1997/98	-	-	-	-	-	-	8.42	-	-	-	-
1998/99	-	-	-	-	-	-	7.94	-	-	-	-
1999/00	18.77	19.34	-	-	-	-	7.90	-	-	-	-
2000/01	19.90	20.50	-	-	-	-	6.88	-	-	-	-
2001/02	20.80	21.42	-	-	-	-	8.43	-	-	-	-
2002/03	19.93	20.54	-	-	-	-	9.23	-	-	-	-
2003/04	19.77	20.37	-	-	-	-	9.96	-	-	-	-
2004/05	18.76	19.33	-	-	-	-	9.08	-	-	-	-
2005/06	19.76	20.35	1.95	20.17	20.19	-	10.20	-	-	-	-
2006/07	17.29	17.81	1.95	17.65	18.8	-	12.00	-	-	-	-
2007/08	18.26	18.81	2.04	18.65	21.21	-	11.47	-	-	-	-
2008/09	20.81	21.43	2.29	21.25	21.74	-	9.93	-	-	-	-
2009/10	19.85	20.45	2.3	20.26	23.19	-	10.08	-	-	-	-
2010/11	18.92	19.48	2.35	19.31	23.57	-	10.88	-	-	-	-
2011/12	23.63	24.34	2.79	24.12	27.79	0.0770	12.60	14.52	11.42	-	-
2012/13	25.33	26.09	3.05	25.87	29.92	0.0845	14.26	16.64	12.24	-	-
2013/14	25.57	26.34	2.98	26.11	30.15	0.0934	14.11	17.51	12.37	340.07	254.38
2014/15	26.97	27.78	2.97	27.54	26.57	0.0884	11.87	14.94	13.05	334.07	268.24

Note: Buying rate has been taken since selling rate for all currencies are not quoted by NRB. Source: NRB, Quarterly Economic Bulletin, Vol. 50, No.4, July, 2016.

APPENDIX 3.2

Database Used in Empirical Analysis

Amount in Million USD

FY	CPI_N	EXPORT	IMP	RESERVE	RGDP	TD	XR_AV	XR_END
1974/75	11.2	889.6	1814.6	1134.2	143079.6	925.0	10.6	10.6
1975/76	11.2	1185.8	1981.7	1498.2	148042.0	795.9	12.2	12.5
1976/77	11.4	1164.7	2008.0	1809.3	149537.7	843.3	12.5	12.5
1977/78	12.7	1046.2	2469.6	1673.0	154214.8	1423.4	12.3	12.0
1978/79	13.2	1296.8	2884.7	2139.1	157500.0	1587.9	12.0	12.0
1979/80	14.4	1150.5	3480.1	2223.3	155131.2	2329.6	12.0	12.0
1980/81	16.4	1608.7	4428.2	2285.9	170692.7	2819.5	12.0	12.0
1981/82	18.1	1491.5	4930.3	3050.9	178222.8	3438.8	13.0	13.2
1982/83	20.6	1132.0	6314.0	2349.7	178949.0	5182.0	13.9	14.5
1983/84	21.9	1703.9	6514.3	2006.2	194692.1	4810.4	15.5	16.4
1984/85	22.8	2740.6	7742.1	1346.4	205170.2	5001.5	17.9	17.7
1985/86	26.4	3078.0	9341.2	2128.6	214537.7	6263.2	19.9	21.2
1986/87	30.0	2991.4	10905.2	2795.8	218184.3	7913.8	21.7	21.9
1987/88	33.2	4114.5	13869.6	5594.1	234977.2	9755.1	22.2	23.6
1988/89	36.0	4195.3	16263.7	6837.1	239500.5	12068.4	25.6	27.5
1989/90	39.5	5156.2	18324.9	8979.4	255847.4	13168.7	28.6	29.2
1990/91	43.3	7387.5	23226.5	15390.0	272235.0	15839.0	32.0	42.8
1991/92	52.4	13706.5	31940.0	20182.2	285012.8	18233.5	42.7	42.7
1992/93	57.1	17266.5	39205.6	28647.9	294040.1	21939.1	45.7	49.2
1993/94	62.2	19293.4	51570.8	35261.3	319727.3	32277.4	49.3	49.4
1994/95	67.0	17639.2	63679.5	35423.0	330290.8	46040.3	49.9	50.7
1995/96	72.4	19881.1	74454.5	34231.2	347921.1	54573.4	55.2	56.5
1996/97	78.3	22636.5	93553.4	36909.8	366223.1	70916.9	57.0	57.0
1997/98	84.8	27513.5	89002.0	48393.1	376956.1	61488.5	62.0	67.9
1998/99	94.4	35676.3	87525.3	54138.6	393948.6	51849.0	68.0	68.5
1999/00	97.7	49822.7	108504.9	66647.8	417985.9	58682.2	69.1	70.8
2000/01	100.0	55654.1	115687.2	76143.6	441518.7	60028.1	73.8	75.0
2001/02	102.9	46944.8	107389.0	81794.6	442048.1	60444.2	76.9	78.3
2002/03	107.8	49930.6	124352.1	88043.0	459489.1	74421.5	77.8	75.0
2003/04	112.1	53910.7	136277.1	109076.8	481004.0	82366.4	73.8	74.4
2004/05	117.2	58705.7	149473.6	105444.2	497739.0	90767.9	72.1	70.6
2005/06	126.5	60234.1	173780.3	133130.0	514486.0	113546.2	72.3	74.4
2006/07	134.6	59383.1	194694.6	130213.9	532038.2	135311.5	70.5	65.1
2007/08	145.0	59266.5	221937.7	170314.2	564516.9	162671.2	65.0	68.8
2008/09	164.2	67697.5	284469.6	227849.7	590107.2	216772.1	76.9	78.4
2009/10	181.4	60824.0	374335.2	215006.1	618529.1	313511.2	74.5	74.7
2010/11	198.9	64338.5	396175.5	225052.1	639694.1	331837.0	72.3	71.3
2011/12	215.4	74261.0	461667.7	392044.7	670279.4	387406.7	81.0	88.9
2012/13	236.7	76917.1	556740.3	473791.1	697954.2	479822.8	88.0	88.3
2013/14	258.2	91991.3	714365.9	593753.0	739754.4	622374.3	98.3	98.3
2014/15	276.8	85319.1	774684.2	726683.9	759914.7	689365.0	99.5	99.9

NRB, Quarterly Economic Bulletin, Vol. 50, No.4, July, 2016.

APPENDIX 5.1

Nepal's International Trade*

In Million USD

Fiscal Year	Exports, f.o.b.			Imports, c.i.f.			Trade Balance		
	Total	India	Other Countries	Total	India	Other Countries	Total	India	Other Countries
1974/75	84.7	71.1	13.6	172.8	140.5	32.3	-88.1	-69.4	-18.7
1975/76	95.2	71.8	23.5	159.2	98.6	60.6	-63.9	-26.8	-37.1
1976/77	93.6	62.6	30.9	161.3	107.9	53.4	-67.7	-45.3	-22.4
1977/78	87.9	41.9	46.1	207.5	128.9	78.6	-119.6	-87.1	-32.6
1978/79	109.0	54.6	54.3	242.4	132.9	109.5	-133.4	-78.3	-55.2
1979/80	96.7	43.8	52.9	292.4	150.1	142.3	-195.8	-106.3	-89.4
1980/81	135.2	83.4	51.8	372.1	183.1	189.0	-236.9	-99.7	-137.2
1981/82	113.9	75.9	37.9	376.4	174.1	202.2	-262.5	-98.2	-164.3
1982/83	78.6	58.6	20.0	438.5	173.6	264.9	-359.9	-115.0	-244.8
1983/84	104.5	71.2	33.3	399.7	187.6	212.0	-295.1	-116.4	-178.7
1984/85	155.7	91.0	64.7	439.9	221.4	218.5	-284.2	-130.3	-153.8
1985/86	145.9	58.8	87.1	442.7	188.2	254.5	-296.8	-129.4	-167.5
1986/87	137.2	59.8	77.5	500.2	195.5	304.7	-363.0	-135.8	-227.3
1987/88	175.1	66.7	108.4	590.2	195.6	394.6	-415.1	-128.9	-286.3
1988/89	153.1	37.8	115.3	593.6	154.7	438.9	-440.5	-116.9	-323.5
1989/90	177.2	20.7	156.5	629.7	160.6	469.1	-452.5	-139.9	-312.6
1990/91	173.0	36.4	136.7	543.9	171.5	372.4	-370.9	-135.1	-235.8
1991/92	321.7	34.0	287.7	749.8	264.0	485.8	-428.0	-229.9	-198.1
1992/93	352.4	33.1	319.3	800.1	256.0	544.2	-447.7	-222.9	-224.9
1993/94	392.9	49.1	343.8	1,050.1	346.9	703.2	-657.2	-297.8	-359.4
1994/95	349.6	61.9	287.7	1,262.2	388.8	873.4	-912.6	-326.9	-585.7
1995/96	353.4	65.5	288.0	1,323.6	433.8	889.9	-970.2	-368.3	-601.9
1996/97	398.9	92.1	306.8	1,648.5	437.9	1,210.6	-249.6	-345.9	-903.8
1997/98	407.0	130.1	276.9	1,316.6	404.3	912.3	-909.6	-274.2	-635.4
1998/99	523.5	183.9	339.6	1,284.3	471.3	813.0	-760.8	-287.4	-473.4
1999/00	707.7	301.4	406.3	1,541.3	563.4	977.9	-833.6	-261.9	-571.6
2000/01**	745.5	348.7	396.8	1,549.7	732.8	816.9	-804.2	-384.1	-420.1
2001/02	601.9	358.4	243.4	1,376.8	725.9	650.9	-774.9	-367.5	-407.4
2002/03	668.0	353.6	314.4	1,663.6	948.8	714.8	-995.6	-595.2	-400.4
2003/04	727.1	415.1	312.0	1,838.1	1,062.0	776.1	-1,111.0	-646.9	-464.0
2004/05	834.5	553.2	281.3	2,124.7	1,260.5	864.2	-290.2	-707.3	-582.9
2005/06	812.9	549.5	263.4	2,345.2	1,445.9	899.3	-532.3	-896.5	-635.9
2006/07	915.7	643.5	272.2	3,002.2	1,786.8	1,215.5	-086.5	-1,143.3	-943.2
2007/08	865.2	562.9	302.3	3,240.0	2,078.5	1,161.5	-374.8	-1,515.6	-859.1
2008/09	861.6	524.8	336.7	3,646.0	2,099.8	1,546.2	-784.4	-1,575.0	-1,209.4
2009/10	817.1	537.3	279.8	5,028.7	2,916.6	2,112.0	-211.6	-2,379.4	-1,832.2
2010/11	906.8	611.1	295.7	5,583.9	3,691.7	1,892.2	-677.1	-3,080.5	-1,596.5
2011/12	838.2	560.0	278.2	5,210.7	3,379.1	1,831.6	-372.5	-2,819.1	-1,553.4
2012/13	809.7	536.8	272.8	5,860.4	3,863.5	1,996.9	-050.8	-3,326.6	-1,724.1
2013/14	959.2	621.6	337.6	7,449.1	4,983.8	2,465.3	-489.8	-4,309.8	-2,127.6
2014/15	843.6	552.3	291.2	7,659.5	4,861.1	2,798.4	-815.9	-4,308.8	-2,507.2
Average	442.2	236.2	199.2	1,832.1	1,028.5	803.6	-389.8	-791.0	-597.5

* Based on customs data. ** Petroleum imports shifted to India from other country import.

Source: Nepal Rastra Bank, Quarterly Economic Bulletin, Volume 50, Table 67, Page 96, Mid-Jan. 2016.

APPENDIX 6.1

Composition of Nepal's International Reserves

In Million USD

Fiscal	Gold	SDRs	RTP at IMF	Foreign Exchange		Total	Annual
				Convertible	Inconvertible	Reserves	Growth Rate
1974/75	5.5	2.7	3.7	88.7	12.0	112.6	-
1975/76	5.5	2.5	0.0	101.1	11.2	120.3	6.8
1976/77	6.2	2.4	0.0	128.7	8.6	145.9	21.3
1977/78	6.2	1.7	0.0	118.2	14.5	140.6	-3.6
1978/79	6.3	2.5	3.3	142.3	25.5	179.9	28.0
1979/80	6.4	3.7	4.0	156.4	16.4	186.9	3.9
1980/81	6.4	0.8	6.5	127.2	54.9	195.8	4.8
1981/82	6.4	0.5	6.2	149.8	69.7	232.6	18.8
1982/83	6.4	0.7	6.0	67.8	82.1	163.0	-29.9
1983/84	6.4	0.1	5.8	68.3	42.5	123.1	-24.5
1984/85	6.4	0.0	6.8	52.3	11.9	77.4	-37.1
1985/86	6.4	0.1	6.8	71.1	16.5	100.9	30.3
1986/87	6.4	0.1	7.3	88.8	25.6	128.2	27.1
1987/88	6.4	0.2	7.5	204.6	19.4	238.0	85.6
1988/89	6.4	0.1	7.3	226.5	9.1	249.5	4.8
1989/90	6.5	0.4	7.7	244.9	49.1	308.6	23.7
1990/91	6.5	0.4	7.5	312.2	33.9	360.4	16.8
1991/92	6.5	0.1	8.3	449.0	10.0	473.8	31.4
1992/93	6.5	0.2	7.9	529.1	41.0	584.7	23.4
1993/94	6.5	0.0	8.4	643.1	60.0	718.0	22.8
1994/95	6.4	0.1	8.9	562.2	124.5	702.1	-2.2
1995/96	6.5	0.2	8.2	487.7	106.1	608.6	-13.3
1996/97	6.5	0.1	8.0	475.3	160.6	650.4	6.9
1997/98	6.5	0.1	7.6	532.8	168.9	715.9	10.1
1998/99	6.5	0.1	7.6	708.6	71.7	794.4	11.0
1999/00	6.5	0.2	7.6	772.2	160.3	946.7	19.2
2000/01	6.5	0.0	7.1	709.6	296.8	1,020.0	7.7
2001/02	6.5	0.0	7.6	726.9	307.7	1,048.6	2.8
2002/03	6.5	0.0	7.9	1,026.8	136.6	1,177.8	12.3
2003/04	6.5	0.7	8.5	1,298.0	157.5	1,471.2	24.9
2004/05	5.4	9.1	0.0	1,433.2	51.2	1,498.9	1.9
2005/06	5.5	9.0	0.0	1,675.4	105.5	1,795.4	19.8
2006/07	0.0	9.1	0.0	1,908.3	90.5	2,007.9	11.8
2007/08	0.0	9.2	0.0	2,085.4	391.7	2,486.3	23.8
2008/09	39.8	7.1	0.0	2,585.0	287.4	2,919.3	17.4
2009/10	44.6	84.8	0.0	2,229.9	529.0	2,888.3	-1.1
2010/11	73.7	94.9	0.0	2,329.2	674.2	3,172.0	9.8
2011/12	103.3	83.2	0.0	3,224.4	1,014.0	4,424.90	39.5
2012/13	149.5	69.4	0.0	3,578.3	1,190.0	4,987.27	12.7
2013/14	165.6	57.0	0.0	4,443.5	1,525.2	6,191.38	24.1
2014/15	193.1	40.5	0.0	5,116.2	1,835.1	7,184.90	16.0
Average	17.3	8.8	3.4	747.8	178.5	955.94	9.3

Source: Quarterly Economic Bulletin, Volume 50, No.4, Mid-July 2016, p.124, NRB.

APPENDIX 6.2

Composition of Nepal's Foreign Currency Reserves

In Million USD

Fiscal Year	Convertible Currency	Inconvertible Currency	Total Foreign Exchange	Percent Share in total FX	
				Convertible	Inconvertible
1974/75	88.7	12.0	100.7	88.1	11.9
1975/76	101.1	11.2	112.3	90.0	10.0
1976/77	128.7	8.6	137.3	93.7	6.3
1977/78	118.2	14.5	132.7	89.1	10.9
1978/79	142.3	25.5	167.8	84.8	15.2
1979/80	156.4	16.4	172.8	90.5	9.5
1980/81	127.2	54.9	182.1	69.9	30.1
1981/82	149.8	69.7	219.5	68.2	31.8
1982/83	67.8	82.1	149.9	45.2	54.8
1983/84	68.3	42.5	110.8	61.6	38.4
1984/85	52.3	11.9	64.2	81.5	18.5
1985/86	71.1	16.5	87.6	81.2	18.8
1986/87	88.8	25.6	114.4	77.6	22.4
1987/88	204.6	19.4	224.0	91.3	8.7
1988/89	226.5	9.1	235.7	96.1	3.9
1989/90	244.9	49.1	294.0	83.3	16.7
1990/91	312.2	33.9	346.1	90.2	9.8
1991/92	449.0	10.0	459.0	97.8	2.2
1992/93	529.1	41.0	570.1	92.8	7.2
1993/94	643.1	60.0	703.1	91.5	8.5
1994/95	562.2	124.5	686.7	81.9	18.1
1995/96	487.7	106.1	593.8	82.1	17.9
1996/97	475.3	160.6	635.9	74.8	25.2
1997/98	532.8	168.9	701.7	75.9	24.1
1998/99	708.6	71.7	780.3	90.8	9.2
1999/00	772.2	160.3	932.5	82.8	17.2
2000/01	709.6	296.8	1,006.4	70.5	29.5
2001/02	726.9	307.7	1,034.6	70.3	29.7
2002/03	1,026.8	136.6	1,163.4	88.3	11.7
2003/04	1,298.0	157.5	1,455.6	89.2	10.8
2004/05	1,433.2	51.2	1,484.3	96.6	3.4
2005/06	1,675.4	105.5	1,780.9	94.1	5.9
2006/07	1,908.3	90.5	1,998.9	95.5	4.5
2007/08	2,085.4	391.7	2,477.1	84.2	15.8
2008/09	2,585.0	287.4	2,872.4	90.0	10.0
2009/10	2,229.9	529.0	2,758.9	80.8	19.2
2010/11	2,329.2	674.2	3,003.4	77.6	22.4
2011/12	3,224.4	1,014.0	4,238.4	76.1	23.9
2012/13	3,578.3	1,190.0	4,768.4	75.0	25.0
2013/14	4,443.5	1,525.2	5,968.7	74.4	25.6
2014/15	5,116.2	1,835.1	6,951.3	73.6	26.4
Average	747.8	178.5	926.4	60.5	12.7

Source: Calculated from Quarterly Economic Bulletin, Vol. 50, No. 2, Table No. 88, p.124, NRB

APPENDIX 6.3

Sources of Convertible Foreign Exchange

In Million USD

Fiscal Year	Remittance	Mer. Exports	Foreign Aid	Tourism Income	Interest Receipts	Diplomatic Missions	Misc.	Total
1974/75	8.6	14.4	2.5	11.5	8.4	2.1	6.2	53.8
1975/76	7.8	23.8	10.6	15.2	5.4	2.2	4.0	69.1
1976/77	10.1	31.0	12.9	19.6	6.3	4.4	3.8	88.0
1977/78	10.1	46.9	17.7	28.8	9.1	8.8	1.5	122.9
1978/79	12.3	43.5	45.6	34.2	7.8	8.8	3.2	155.3
1979/80	12.6	60.3	52.4	43.6	11.9	13.4	5.0	199.3
1980/81	18.2	53.9	52.3	51.8	14.8	22.2	10.3	223.6
1981/82	15.7	39.2	43.0	37.7	17.3	15.0	6.8	174.7
1982/83	20.3	21.2	55.5	34.1	11.2	8.9	5.9	157.0
1983/84	17.2	26.2	70.6	35.9	5.2	14.1	5.4	174.7
1984/85	15.6	52.1	79.7	41.2	6.9	8.9	7.0	211.4
1985/86	16.4	98.2	86.0	40.9	3.6	15.8	13.4	274.4
1986/87	22.0	74.5	98.7	55.4	5.9	27.2	16.3	300.0
1987/88	25.1	99.9	117.2	60.2	10.6	52.1	26.7	391.8
1988/89	22.0	109.7	110.8	67.8	15.4	55.7	25.6	407.0
1989/90	23.3	145.7	125.3	53.0	19.2	62.5	30.3	459.2
1990/91	12.9	135.0	90.8	46.7	18.7	42.9	38.7	385.6
1991/92	9.9	235.2	87.2	72.6	27.2	68.2	87.9	588.2
1992/93	11.2	212.0	105.9	53.4	29.9	118.5	26.7	557.6
1993/94	4.5	326.5	91.1	98.1	28.8	95.9	91.4	736.3
1994/95	57.6	309.7	98.8	109.2	31.8	105.9	63.1	776.0
1995/96	47.3	261.7	141.2	117.4	21.4	53.1	23.8	666.0
1996/97	51.8	275.0	157.2	108.5	23.3	41.6	17.2	674.5
1997/98	60.4	241.9	146.0	116.1	24.9	64.7	11.4	665.4
1998/99	95.7	275.4	125.0	170.0	29.6	122.2	32.4	850.2
1999/00	85.7	337.0	157.3	166.1	40.6	88.7	37.3	912.6
2000/01	131.2	399.1	314.3	160.3	40.1	97.2	61.1	1,203.3
2001/02	190.5	234.8	243.2	100.0	25.5	123.9	58.5	976.3
2002/03	556.9	302.1	173.8	138.7	35.8	62.4	50.6	1,320.2
2003/04	763.8	303.3	267.4	166.4	30.3	57.2	38.8	1,627.2
2004/05	878.2	296.4	289.9	167.9	46.7	49.8	23.2	1,752.2
2005/06	1251.7	293.4	231.0	158.0	65.0	71.3	52.4	2,122.8
2006/07	1656.4	344.9	256.3	195.0	106.0	120.2	96.4	2,775.1
2007/08	2035.4	418.4	345.1	297.8	102.7	156.6	103.7	3,459.7
2008/09	2488.3	518.9	361.3	443.2	72.4	169.0	103.2	4,156.2
2009/10	2874.8	596.4	443.1	394.8	72.8	72.4	198.8	4,653.0
2010/11	3184.1	561.7	418.1	358.1	65.2	77.2	695.7	5,360.1
2011/12	3762.6	598.0	75.5	358.9	36.7	105.7	735.1	6,059.9
2012/13	4151.0	677.1	375.4	360.1	43.9	193.6	826.9	6,628.0
2013/14	5112.6	780.2	422.7	480.9	71.1	274.7	894.8	8,037.0
2014/15	5339.7	727.2	88.1	764.3	84.5	321.1	1,140.5	8,622.9
Average	855.4	258.6	158.2	152.0	32.5	75.0	138.5	1,683.6

Note: Mer. stands for Merchandise

Source: Quarterly Economic Bulletin, Table 83, P.112, Vol. 50, No.2, mid-January 2016, NRB.

APPENDIX 6.4

Expenditures of Convertible Foreign Exchange

In Million USD

Fiscal Year	Principal & Interest Payment	Other Services	Merchandise Imports	Diplomatic Missions	Misc.	Total
1974/75	1.7	5.9	54.1	1.6	22.8	86.1
1975/76	1.0	6.9	35.0	1.5	5.0	49.3
1976/77	1.8	4.8	41.9	1.5	2.1	52.1
1977/78	6.8	6.9	62.4	2.4	66.4	144.9
1978/79	2.8	9.2	76.4	2.9	46.6	137.9
1979/80	3.9	7.1	102.4	3.3	86.7	203.5
1980/81	5.2	6.8	157.0	4.3	54.1	227.5
1981/82	8.1	8.0	141.2	4.1	4.0	165.4
1982/83	11.7	12.1	184.1	4.3	2.0	214.2
1983/84	12.5	13.1	136.3	5.9	2.8	170.6
1984/85	9.9	21.2	181.9	3.7	4.4	221.2
1985/86	19.5	35.9	209.4	4.4	10.3	279.5
1986/87	26.9	16.3	228.5	4.2	11.0	286.9
1987/88	27.4	20.0	249.9	4.6	10.6	312.6
1988/89	38.8	31.6	214.5	5.1	18.9	308.9
1989/90	39.3	32.9	299.3	4.9	17.0	393.4
1990/91	3.2	29.3	181.4	3.9	16.7	234.6
1991/92	52.0	89.1	196.0	1.4	104.8	443.3
1992/93	52.7	87.5	229.7	1.2	67.6	438.7
1993/94	66.4	101.0	379.5	4.2	55.5	606.6
1994/95	99.3	104.0	445.2	4.7	51.6	704.8
1995/96	67.1	134.5	379.8	8.5	5.1	594.9
1996/97	68.2	111.3	424.7	5.3	4.2	613.6
1997/98	66.5	78.8	437.7	5.3	2.1	590.4
1998/99	76.7	45.4	501.6	16.6	22.5	662.7
1999/00	82.0	69.0	584.5	8.6	9.6	753.8
2000/01	86.8	98.6	891.7	6.8	22.0	1,106.0
2001/02	88.7	99.1	676.8	5.9	41.1	911.6
2002/03	97.7	126.6	860.2	2.8	2.0	1,089.2
2003/04	92.4	107.8	964.3	9.7	156.8	1,331.0
2004/05	104.8	175.7	896.8	8.8	362.3	1,548.4
2005/06	96.1	197.9	913.4	8.8	608.1	1,824.4
2006/07	130.8	270.3	1154.7	6.2	989.6	2,551.6
2007/08	133.1	236.1	1368.3	8.8	1,661.1	3,407.3
2008/09	144.1	270.6	1703.2	12.4	1,538.0	3,668.2
2009/10	162.5	388.1	1897.6	24.6	2,247.9	4,720.8
2010/11	218.1	316.6	1871.0	23.8	35.9	2,465.4
2011/12	184.2	184.4	1769.2	18.6	33.1	2,189.6
2012/13	203.9	272.6	2003.3	9.0	58.3	2,547.0
2013/14	215.7	404.8	2369.6	16.6	79.3	3,086.1
2014/15	209.9	457.5	2378.9	18.7	53.6	3,118.6
Average	73.7	114.5	679.3	7.3	209.6	1,084.5

Note: Merchandise imports Includes imports under clearing account arrangements till FY 1983/84 and other imports.