

Industry registration is required for those categories of business that are set out in the annexes of the Industrial Enterprise act. The authority responsible for registration will either be the Department of Industries or the Department of Cottage and small industries depending on the nature and capital of the industries. Small, Micro, and Cottage industries are registered with the Department of Cottage and Small and Industries while other industries are registered with the Department of Industries. The act provides two classifications of industries one according the capital of the industry and the other on the basis of nature/sector of business. The former classification determines who the relevant authority for registration and the post-registration compliance, while the latter will determine the exemptions and incentives to be received.

Classification based on capital

Micro Industries: Fixed assets up to NPR 2,000,000

Small Industries: Fixed assets up to NPR 150,000,000

Medium-Scale Industries: From NPR 150,000,000-500,000,000

Large Scale Industries: More than NPR 500,000,000

Industrial classification based on the nature of business/sector are detailed below. Additionally, some categories of industries require prior approval from the Industrial and Investment Promotion Board before an application for approval can be submitted to the relevant authority.

There are certain post-registration compliances that a business must meet, such as notification of commercial operation, submission of progress report and other details etc. additionally, prior approval of the registering authority will also be required for changing the capital structure and objective of the business.

With the advent of federalism, Industry registration can also be done at the Provincial level. However, a majority of the provincial governments have not enacted governing legislation for Industries, until such governing legislation is formulated at the provincial, registration and post-registration work will be done by the federal authorities.

Schedule-1
Industries Requiring Permission form IIPB

1. Industries producing arms, ammunition, gunpowder or explosives;
2. Security printing, bank notes and coin industries;
3. Industries producing cigarette, bidi, cigar, chewing tobacco and other goods utilizing tobacco as the basic raw materials, and electronic cigarettes;
4. Microbrewery, beer, alcohol, or alcoholic substances producing industries;
5. Stone, ballast, sand excavation, processing industries;
6. Industries producing radio communication equipment;
7. Industries like excavation of precious minerals and petroleum products;
8. Liquefied petroleum gas (L.P.G) refiling industries;
9. All kinds of industries producing drone products or providing services through drone;
10. Other industries requiring permission under the prevalent laws.

Schedule-2

Cottage Industries

1. Handloom, pedal-loom, semi-automatic loom, wrapping, dyeing and printing, tailoring (other than readymade garments) and knitting with traditional technology;
2. Hand knitted woollen and silk mats and blankets (*Radi, Pakhi*), carpets, pashmina, garments, hand-made paper and goods made thereof;
3. Goods based on traditional skill;
4. Traditional sculpturing;
5. Hand-made utensils made from metals such as copper, *Pittal, Dhalout*, brass and German silver, and handicrafts;
6. Hand-made utensils and traditional tools of domestic use made from iron such as knives, *Chulesi, Khukuri*, sickle, *Kuto, Kodalo*;
7. Hand-made gold or silver ornaments, goods, utensils (precious, semi-precious, and inclusive of those with ordinary stones);
8. Industries cutting precious, semi-precious and ordinary stones available domestically cutting, rural tanning/hand-made leather goods;
9. Industries based on natural fibres such as zute, sabia grass, Choya, Babiyo, cotton thread, allo;
10. Stone arts (stone carved goods);
11. Paubha, thanka art and other traditionalchitrakala;
12. Masks and putali and dolls reflecting traditional culture;

13. Different kinds of handicraft goods reflecting traditional culture, musical instruments and art;
14. Wood, bone and horn, clay , rock, and mineral artistic goods, ceramics and clay pots;
16. Hand printed brick industries.

Schedule-3

Energy-Based Industries

1. Industries generating energy from water resources, wind, solar power, coal, natural oil and fuel or gas, biomass or other sources, industries manufacturing machines/equipment to be used for the generation of such
2. Electricity Transmission
3. Electricity Distribution
4. Electricity based on bio gas
5. Electric energy to be produced as a co-production of the sugar
6. Energy potentiality

Schedule-4

Industries Based on Agriculture and Forest Products

1. Fruits farming or fruits processing;
2. Production, processing and storage of food products;
3. Animal husbandry, birds farming (including ostrich), animal breeding, challa kadne business, and production and processing of meat;
4. Industries producing milk and processing of dairy products;
5. Fishery, production, processing and packaging of *fry*;
6. Industries producing animal feed from agro-products as the primary raw materials;
7. Silk farming and processing;
8. Tea garden, tea processing;
9. Coffee farming and coffee processing;
10. Herbs farming, herbs processing;
11. Production of vegetable seeds;
12. Vegetable farming, vegetable processing;
13. Establishment and operation of green-houses;
14. Bee keeping (bee breeding, honey production and processing);
15. Floriculture, flower processing (making of garland, decoration, making bouquet, including production of seeds);
16. Nursery business, establishment, protection and management of botanical gardens, inclusive of tissue culture;
17. Rubber farming, preliminary processing and operation of rubber;
18. Operation and management of cold stores, agriculture markets;
19. Establishment and management of a community, leasehold, partnership, private forest and agriculture forest, and other non-timber forest products;
20. Commercial farming and processing of cash crops (such as sugarcane, cotton (kapas), sanpat, sajiwan, sweet sargam, stevia...., tobacco, zute alaichi, keshar, oil seed. Mashala cultivation, dalahan, etc. and production of their seeds);

21. Bet, bamboo farming, bet, bamboo and other natural fibre products;
22. Processing of seeds;
23. Wood industries including saw-mills and furniture;
24. Wood industries such as parqueting, seasoning, treatment plant, ply wood, composite, board;
25. Industries based on other non-timber forest products including paper and resin;
26. Industries producing mushroom, tissue culture (producing plants through new technology), agroforest;
27. Cotton Farming, production and Processing of cotton and cotton seeds

Schedule-5

Infrastructure Industries

1. Road, bridge, tunnel;
2. Ropeway, railway, tram, trolley bus, monorail and sliding car;
3. Runway/airport;
4. Industrial structure and infrastructure complex;
5. Assembly conference centre;
6. Water supply and distribution;
7. Irrigation infrastructure;
8. Sports complex, stadium;
9. Motor vehicle parking, parking house;
10. Export processing zone;
11. Special economic zone;
12. Cargo complex;
13. Polluted water purification industries (waste water treatment plant);
14. Telephone tower, optical fibre network, satellite, satellite broadcasting centre;
15. Housing and residential building;
16. Building film city, building film studio;
17. Business complex;
18. Private warehouse;

19. Construction, management and operation infrastructure for installation of pipelines for fuel and gas supply;
20. Construction, management and operation infrastructure for energy house and energy transmission line.

Schedule-6

Tourism Industries

1. Tourist housing, motel, hotel, resort, bar and restaurant;
2. Travel agency, tour operator, healing centre, casino, massage, spa;
3. Adventurous tourism, trekking, skiing, paragliding, water rafting, hot air ballooning, canning, parasailing, horse riding, elephant riding, bungee jumping, expedition, zip flyer, ultra light, sky walking, sky diving, and similar other adventurous games;
4. Cable car construction and operation industries;
5. Golf course, polo, pony trekking, trekking, cycling;
6. Rural tourism, home stay and ecological tourism, agricultural tourism;
7. Cultural, religious, assembly, conference and sports tourism;
8. Fun park, water park;
9. Wildlife reserve;
10. Museum.

Schedule-7

Industries Based on Information Technology, Communication

Technology

Part (A)

Informational Technology Industries:

- (1) Technology park;
- (2) IT park;
- (3) Biotech park;
- (4) Software development;
- (5) Computer and related services;
- (6) Data processing;
- (7) Cyber café;
- (8) Digital mapping;
- (9) Business process outsourcing (B.P.O), knowledge process outsourcing (K.P.O);
- (10) Data centre, data mining, cloud computing;
- (11) Digital signature certifying agency;
- (12) Web portal, web designing service, web hosting, online classified advertising service.

Part B

Informational Technology- Based Industries:

- (1) Internet service provider (ISP);
- (2) Telephone, mobile phone, mobile satellite phone operator service;
- (3) Teleport service;
- (4) Establishment and operation of satellite, establishment of satellite broadcasting center, VSAT service;
- (5) Broadband infrastructure, telecom tower, optical network, satellite network;
- (6) Social networking, online message, video call, conference.

Part (C)

Dissemination Technology-Based Industries:

- (1) FM radio, digital radio service;
- (2) Digital land surface television, satellite television, cable television;
- (3) IP television, online service;
- (4) Digital cable television, network, direct to home (DTH) satellite service, MMDS network, digital television (DTTV) network;
- (5) Recording studio, broadcasting studio;
- (6) Print media industries, audio-visual material production industries, advertisement production industries;
- (7) Production of motion pictures or documentaries

Schedule-8

Service Industries

1. Mechanical Workshop;
2. Printing and printing related services;
3. Professional research and development, management, engineering and design, legal, accounting, audit, teaching training, educational and technical consultancy services;
4. Jining and welling business;
5. Exhibition services;
6. Cultural and recreational business;
7. Construction business;
8. Public transport business;
9. Photography;
10. Hospitals;
11. Establishment of nursing homes, clinics, polyclinics, rehabilitation homes, physiotherapy clinics, *Ayurvedic* and other alternative hospitals;
12. Operation of physical training, mediation(*Yog-Dhyan*) and exercise centres;
13. Teaching and training centres;
14. Library, archive and museum services;
15. Labs;
16. Air transportation services;
17. Sports services, swimming pools;
18. Operation of cold storage;
19. House wiring, electrical fitting and maintenance;
20. Solid wastes collection and sanitation, recycling of solid wastes;
21. Business on purchase and sale of houses and land, upon land development;

22. Hiring, maintenance and operation of construction related heavy equipment;
23. Veterinary services;
24. Battery recharging;
25. Health check-up services (such as X-ray, CT scan, MRI and ultra sound) and health check-up laboratory;
26. Already built infrastructures operation businesses (such as, businesses operating services like conference buildings, water supply, pipelines related to supply of fuel gas, warehouse and storage, airports, bus parks, stadiums, sports complexes, ropeways, roads, irrigations, electricity transmission, power houses, railway services, cargo complexes, Inland Container depots (ICD));
27. Beating, grinding and crushing and packaging of foods;
28. Clothing and yarn dyeing, sizing and printing on clothes (except when it is done by a weaving industry for its own purpose);
29. Transport and cargo business or service;
30. Customs agent service;
31. Packaging and refiling services (inclusive of LPG gas refiling and vehicle gas refiling stations);
32. Courier services;
33. Dry cleaning business;
34. Beauty parlour;
35. Interior decoration;
36. Security service providing business;
37. Publication service;
38. Advertising service;
39. Advertisement development service;
40. Mass communication service;
41. Production and broadcasting of programmes and documentary telefilms made for television broadcasting;
42. Soil testing service;
43. Water purification, transport and distribution service;

44. Health clubs;
45. Operation of zoological, geological, biotech parks;
46. Business incubation service;
47. Trading business complex operation;
48. Foreign employment service;
49. Cinema halls (inclusive of multiplex);
50. Theatres (inclusive of multiplex);
51. Sewing, knitting (inclusive of boutiques);
52. Electricity survey;
53. Mining study and research;
54. Research and development service;
55. Sanitation service;
56. Wholesale and retail business service;
57. E-commerce, industry, business providing services to the public by using electronic medium (online or software or apps or other similar kind of medium);
58. Leasing machinery, equipment;
59. Service businesses, such as, purification or processing cut to length sheet, photo film slitting, photo, paper slitting, tissue paper slitting, ball bearing assembly and repacking finished goods after importing such goods in bulk, involving nominal processing or procedure;
60. Clothes and yarn dyeing, yarn sizing, and printing on clothes (except when it is done by a weaving industry for its own purpose);
61. Commercial veterinary services;
62. Service apartment;
63. Food court, catering, mobile food stalls;
64. Equipment repair and installation, ready mix concrete, export house, technology and innovation centre and office space with facilities services.

Schedule-9

Industries of National Priority

1. Cottage industries;
2. Energy-based industries;
3. Agriculture and forest product-based industries;
4. Infrastructure industries;
5. Export industries;
6. Adventurous tourism with infrastructures, rural tourism; ecological tourism, golf course, polo, pony trekking, trekking tourism, rafting, assembly, conference tourism, sports tourism, religious tourism, cultural tourism, fun park construction and operation, wildlife reserve;
7. Mine and mineral industries, petroleum and natural gas and fuel exploration and production;
8. Industries producing clinkers and cement using domestic limestones, pulps and paper, sugar, chemical fertilizer (except mixture), organic fertilizer, related to shoes, sandals, thread manufacturing, livestock farming, aquaculture, poultry farming, bee keeping, floriculture, preliminary processing of rubber based on local raw materials and manufacturing of rubber products, milk powder, drugs manufacturing, recycling of solid wastes and scraps, industries manufacturing fuel saving equipment, industries manufacturing instruments and equipment to be used by persons with disabilities, industries manufacturing agricultural machines,

equipment and industrial machineries, industries manufacturing electrical motor vehicles, industries manufacturing medicines battling snakebite, industries manufacturing artificial eye lens;

9. Hospitals, nursing homes, veterinary hospitals and clinics, health check-up services, health laboratories, bio research centres and educational and training institutes established outside the Kathmandu valley, areas of Municipal Corporation, and areas of Sub-Municipal Corporations in the Terai area;
10. Information technology industries;
11. Industries established inside the industrial area, special economic zone and industrial village established and operated by the private sector;
12. Industries manufacturing such high price low weight/volume goods as specified by the Government of Nepal by publishing a notice in the Nepal Gazette after making required standards and identifying such goods;
13. Industries producing the goods or services determined by the Nepal Trade Integration Strategy approved by the Government of Nepal;
14. Production of motion pictures.

