

Compensation Act, 2019 (1963)

Date of Authentication and Publication

2019.12.30(12 April 1963)

Amendment:

- 1¹. Republic Strengthening and Some Nepal
Laws Amendment Act, 2066(2010) 2066.10.7(21 Jan. 2010)

Act Number 56 of the year 2019 (1963)

.....²

An Act Made To Provide For Compensation

Preamble: Whereas, it is expedient to provide compensation for property acquired or to be acquired by the Government of Nepal in accordance with the Nepal laws;

Now, therefore, His Majesty King Mahendra Bir Bikram Shah Dev has made this Act pursuant to Article 93 of the Constitution of Nepal

1. **Short title and commencement:** (1) This Act may be called as “Compensation Act, 2019 (1963)”.

(2) It shall come into force immediately.

2. **Definitions:** Unless the subject or the context otherwise requires, in this Act:

- (a) "Property" means any property acquired or to be acquired in accordance with the prevailing Nepal laws.
- (b) "Owner" means a person who has got a stock or the right to the stock.

¹ This Act came into force on 15 *Jestha* 2065(28 May 2008).

² Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010).

- (c) "Stock" means the stock issued under this Act.
- (d) "Bank" means the Nepal *Rastra* Bank.
- (e) "Prescribed" or "as prescribed" means prescribed or as prescribed in the Rules framed under this Act.

3. Acquisition of any property: (1) The Government of Nepal may, if it considers necessary to acquire any property for the public interest, acquire that property.

(2) The authority specified by the Government of Nepal may determine the figure of the compensation of the property acquired pursuant to Sub-section (1).

(3) A person who is not satisfied with the figure of compensation determined pursuant to Sub-section (2) may make a complaint to the Government of Nepal within Thirty Five days after the date of receipt of the notice of that determination, and the decision made by the Government of Nepal shall be final.

(4) Notwithstanding anything contained above, if the compensation of any property is specified by the prevailing law, the compensation may be determined accordingly and provided under this Act.

4. Provision of compensation: The compensation of any property abolished, acquired or to be obtained pursuant to any Nepal law may be provided in the form of stock under this Act.

Provide that, if the Government of Nepal so wishes, compensation may be provided even in cash.

5. Power to issue stock: The Government of Nepal or Bank may, as per necessity, issue stock in the prescribed formant for compensation to be provided under this Act.

6. **Payment of principal and interest of stock:** Notwithstanding anything contained in the prevailing Nepal laws, the Bank, on behalf of the Government of Nepal, shall, subject to Section 7, make payment of the principal and interest as mentioned in the stock to the owner or the nominee of the owner.
7. **Payment period and rate of interest:** (1) The Government of Nepal may, by publishing a notice in the Nepal Gazette, specify the period of payment of stock and the rate of interest in such a manner not to exceed the upper limit specified as follows:
- (a) Payment period: Twenty years,
 - (b) The rate of interest: Five percent.
- (2) Notwithstanding anything contained in Sub-section (1), the Government of Nepal may, if it so wishes, provide the amount of interest with effect from the date of abolition or acquisition of any property.
8. **Bank to be as trustee of stock:** (1) The Bank may be the trustee of the stock given pursuant to this Act.
- (2) The Bank shall register the name of owner in its account and give a slip thereof as prescribed to him or her.
- (3) If the owner so wishes, the Bank may take custody of his or her stock and may make payment of interest as prescribed not exceeding Two times a year.
9. **Stock to be chargeable:** The amount of payment of the stock given under this Act shall be chargeable on the consolidated fund.
10. **Power to establish debt relief fund:** For the purposes of this Act, the Government of Nepal may establish a debt relief fund.
11. **Action relating to stock:** Only the Bank may take action relating to the stock issued pursuant to this Act, and in taking action, it shall, from

time to time, give to the Government of Nepal a report on the economic situation of stock, in the format approved by the Government of Nepal.

12. **Transmission of stock:** If the owner makes a request in writing for the transmission of stock, the Bank may inquire into all matters and effect transmission by collecting the fees as specified by it.
13. **In the event of dispute as to the owner of any stock:** If any dispute arises upon having any kind of doubt as to the owner of any stock, it shall be as decided by the court.
14. **Amendment to the *Birta* Abolition Act, 2016(1959):** The following amendments have been made to the *Birta* Abolition Act, 2016 (1959):
 - (a) The words "as per the manner set forth in the said Schedule" contained in Sub-section (1) of Section 9 are, hereby, deleted.
 - (b) The sentences contained in "manner of compensation" of the existing Schedule have been deleted.
15. **Power to frame Rules:** The Government of Nepal may, on the advice of the Bank, frame Rules to implement the objectives of this Act.