

Nepal Tourism Board Act, 2053

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Act No 25 of 2053 (1997)

An Act Made to Provide for the Establishment and Management of Nepal Tourism Board

Preamble: Whereas it is expedient to establish Nepal Tourism Board and its operation for considerably increasing national production, foreign currency, earning and the creation maximum opportunities of employment by developing Nepal internationally as an attractive and reliable tourist destination through development, expansion and promotion of tourism whilst protecting and promoting natural and cultural heritage and the environment of the country.

Be it enacted by the Parliament in the 25th year of the reign of His majesty King Birendra Bir Bikram Shah Dev.

Chapter-1

Preliminary

1. **Short Title Commencement:** (1) This Act may be called “Nepal Tourism Board Act, 2053 (1997)”.

(2) This Act shall come into force from the date as specified by the Government of Nepal by publishing it in Nepal Gazette.

2. **Definition:** Unless the Subject or context requires otherwise, in this Act:

- (a) “Board” means “Nepal Tourism Board” established under Section 3.
- (b) “Committee” means Executive Committee constituted under Section 3.
- (c) “Chairperson” means the Chairperson of the committee.
- (d) “Vice Chairperson” means the vice Chairperson of the committee.
- (e) “Member” means the member of the committee and this word also includes the Chairperson, vice Chairperson and the member secretary of the committee.
- (f) “Chief Executive Officer” means the Chief Executive Officer of the Board appointed under Section 14.
- (g) “Tourist” means non-Nepali citizen coming to visit Nepal from foreign country.
- (h) “Tourist business” means
 - (1) A transaction of providing national and international transportation service to tourist.
 - (2) A transaction of the nature of providing full or partial transportation, lodging, travelling arrangement, restaurant service, sightseeing, guiding, mountaineering, rafting, and other adventures and entertaining service and other services to the tourists in any place within or outside Nepal and earning foreign currency therefrom.
 - (3) A transaction or selling fully or partially retails goods to

the tourists.

- (4) Carrying out any other full or partial presentation of art and culture, or any other types of exhibition, event or fair, publicity campaign conducted to attract tourist also includes the business under Sub-clause (1), (2) and (3).
- (i) “Prescribed” or “As Prescribed” means prescribed or as prescribed in the, Act or Rule or Bye laws made under this Act.

Chapter - 2

Establishment and Management of the Board

- 3. Establishment of the Board:** (1) A Board, by the name of Nepal Tourism Board is hereby established to develop, expand and promote tourism business to present Nepal in the international arena as a fascinating tourist destination.

(2) The Central Office of the Board shall lie in Kathmandu Valley and the Board may open its branch or Sub-branch in any place within or outside Nepal as per necessity.

- 4. Board to be an Autonomous Body:** (1) The Board shall be an autonomous and corporate body with perpetual succession.

(2) The Board shall have a separate seal for its function and action.

(3) The Board, like a person may acquire, enjoy, sell or otherwise manage its moveable and immovable property by its own name.

(4) The Board like a person may sue or be sued by its name.

5. **Objectives of the Board:** The objectives of the Board shall be as follows:

- (a) To introduce Nepal in the International arena by developing it as a fascinating tourist destination.
- (b) To develop, expand and promote tourism business upon protecting and promoting natural and cultural heritage, and environment of the country.
- (c) To create maximum employment opportunities by increasing national production and foreign currency earning through the development, expansion and promotion of tourism.
- (d) To establish Nepal's image in a high and dignified way in the international tourism community by developing Nepal as a safe, reliable and attractive tourist destination.
- (e) To conduct or cause to be conducted functional research, as per necessary, for finding out ways and means to solve problems encountered in tourism sector so as to provide qualitative services to the tourist.
- (f) To assist in establishing and developing institutions necessary for tourism development.

6. **Functions, Powers and Duties of the Board:** The functions, powers and duties of the Board shall be as follows:-

- (a) To act as the representative of the Government of Nepal or of any person or institution/body with the approval of the Government of Nepal for carrying out any activities related to

tourism.

- (b) To formulate and implement or cause to be implemented necessary program on infrastructure development, tourist service, facility extension, human resource development and including others the activities related with environmental protection in the tourist destinations for the establishment, improvement, development, extension, promotion and protection of tourism business.
- (c) To develop Nepal as an attractive tourist destination being involved in formulating programs for increasing facilities to the tourists.
- (d) To coordinate activities of persons, institutions and bodies who provide services to the tourists.
- (e) To prepare technical and financial foundations necessary for the development and extension of tourism business and implement program related to tourism development accordingly.
- (f) To promote or cause to be promoted to the optimum level of the participation of the private sector in various activities related with tourism for the development, extension and promotion of tourism business.
- (g) To motivate private sector for the sightseeing of religious and culturally important places, high mountains (Himalayan) and alluring natural beauty of the country by exploiting the existing physical infrastructures related with tourism in a systematic and effective way.

- (h) To gradually develop Nepal as an adventurous and attractive tourist destination; to carry out and cause to be carried out in various parts of Nepal recreational and adventurous tourism activities based on water, land and air without causing adverse effect on original culture, and tradition and to encourage the private sector to carry out such adventurous tourist activities.
- (i) To organize international seminars and conferences, trade fairs, cultural and youth festivals and sports competitions including other constructive and production related tourism promotional activities and also to encourage private sectors to run such activities.
- (j) To encourage the participation of the local community in various activities related to the protection of historically important places, temples and Stupas.
- (k) To give priority to strengthen tourism infrastructures and facilities for rural tourist destinations upon developing new tourist destinations and to motivate local community to run various rural tourism developments programs.
- (l) To mobilize or cause to be mobilized the investment to develop infrastructure in the new tourist destinations.
- (m) To protect and promote holy religious places, to extend facilities and services in such places of religious and cultural importance to attract more tourists and to develop religious tourism, and to develop or cause to be developed such places as international religious centers.
- (n) To develop or cause to be developed Nepal as a principal

tourist center of the world by competitively promoting tourism in international tourism origin markets.

- (o) To develop and promote wildlife observation tourism.
- (p) To develop cross-country tourism activities based on mutual benefits by coordinating with the friendly countries.
- (q) To formulate, implement or cause to be implemented publicity programs on various levels for increasing tourism awareness.
- (r) To standardize services and facilities provided to the tourists by the tourism entrepreneurs and to make special arrangement for the security of the tourists.
- (s) To cause to implement the code of conduct through the respective professional organizations to increase the standards of the tourist services and facilities.
- (t) To extend cooperation for conducting necessary training and orientation programs in order to provide technical knowledge, orientation and technical support to individuals and institutions involved in tourism business.
- (u) To provide, from time to time, necessary suggestions and consultations for the development of tourism business to the Government of Nepal and Tourism Council constituted by The Government of Nepal.
- (v) To request The Government of Nepal to take necessary action under prevailing laws against institutions not providing qualitative services as per the quality standard to be followed by agencies related with tourism business.

- (w) To provide and cause to be provided necessary services and consultations to tourists and tourism entrepreneurs in matters related to tourism.
 - (x) To spend, in the respective areas, the money received from the Government of Nepal and from institutions under government's ownership and other nongovernmental organizations for tourism promotion, infrastructure development, tourism service and services extension.
 - (y) To extend co-operation for internal tourism development by providing assistance on necessary services or facilities to Nepali tourists.
 - (z) To purchase or acquire the share or bond of any corporate body involved in tourism business.
 - (aa) To invest in a business supporting tourism promotion.
 - (ab) To conclude agreement with foreign or international organization with the approval of the Government of Nepal for the fulfillment of the Board's objectives.
 - (ac) To approve necessary budget for conducting Board's annual programs.
 - (ad) To do or cause to be done other necessary activities related with the development, extension and promotion of tourism.
7. **Board may Collect Necessary Service Fee:** The Board may collect service fee as prescribed, for directly or indirectly providing consultation or service to the tourists or tourism entrepreneurs.
8. **Board may Mobilize Financial Resources:** To run its programs, the

Board may mobilize necessary financial resources including loan, grant, donation or gift from the Government of Nepal, government undertaking, nongovernmental organization, foreign government or international institutions or bodies.

Chapter – 3

Composition, Function, Powers and Duties

Of the Executive Committee

9. **Composition of the Committee:** (1) An Executive Committee shall be constituted to systematically execute and cause to be executed programs and to take care of and manage all the activities of the Board for achieving its objectives.
- (2) The committee shall consist of the following members:-
- (a) Secretary, Ministry of Civil Aviation - Chairperson
 - (b) A member selected by the Board members from amongst the members nominated under Clause (g) - Vice Chairperson
 - (c) Joint Secretary, Ministry of Finance - Member
 - (d) Director General, Department of Immigration - Member
 - (e) One at least gazetted first class Officer nominated by the Government of Nepal from any other ministry related with tourism development -Member
 - (f) Director General, Civil Aviation

Authority of Nepal -Member

(g) Five individuals nominated by the Government of Nepal Subject to Section 10 from among the tourism entrepreneurs involved in tourism promotion activities and experts on tourism, natural or cultural heritage

-Member

(h) Chief Executive Officer

-Member-Secretary

(3) The tenure of office of the members nominated as per Clause (g) of Sub-section (2) shall be of three years, and on the expiry of such tenure they may be nominated for one more term.

(4) The committee may designate any member to act as a Member Secretary of the Committee until the Chief Executive Office has been appointed as per Section 14.

Provided that the Chief Executive Officer shall be appointed within three months from the date of designation of a member secretary to a member

(5) The committee, if considers necessary, may invite any native expert or advisor or renowned personality concerned with tourism to take part in the meeting of the committee as an observer.

10. **Nomination Recommendation Committee:** (1) There shall be a nomination recommendation committee consisting of the following members to Submit recommendation for the nomination of members under Clause (g) of Sub-section (2) of Section 9.

(a) A person designated by the Government of

Nepal

-Chairperson

- (b) Two persons nominated by the Government of Nepal from amongst the persons concerned with tourism business and tourism promotion sector

-Member

(2) The Nomination Recommendation Committee formed under Sub-section (1) shall, while recommending persons for nominating members pursuant to Clause (g) of Sub-section (2) of Section (9) from among tourism entrepreneurs involved in tourism promotion or from among tourism promotion experts, recommend the names, of the persons up to 50% more (1.5) then the number of the members to be nominated. The Government of Nepal shall nominate .the members from among the persons so recommended.

(3) The Nomination Recommendation Committee formed under Sub-section (1) may itself determine the procedures to be applied for recommendation as per Subsection (2).

11. **Meeting and Decision of the Committee:** (1) The meeting of the committee shall take place at least once in two months on the date, time and place determined by the Chairperson.

Provided that, the Chairperson, if so desires, may call the meeting earlier than that.

(2) Notwithstanding anything contained in Sub-section (1), if one third of the members of the committee request in writing to call the meeting of the committee, the Member Secretary of the committee shall, with the approval of the Chairperson, call the meeting of the, committee within 30 days.

(3) The Member Secretary of the committee shall make available the notice along with the agenda of the meeting to all the members of the committee Twenty Four hours before the meeting takes place.

(4) The Chairperson shall preside over the meeting of the committee and in his absence, the vice-Chairperson shall preside over the meeting of the committee. In the absence of both the Chairperson and vice-Chairperson, a member selected from among the members shall preside over the meeting.

(5) The presence of fifty-percent members out of total number of the committee members shall constitute a quorum of the meeting.

(6) The decision of the majority shall prevail over the meeting and in case of tie, the Chairperson shall cast decisive vote.

(7) The Member Secretary of the committee shall attest the decision of the committee.

(8) Other procedures for the meeting of the committee shall be as determined by the committee itself.

12. The Functions, Powers and Duties of the Committee. (1) It shall be the duty of the committee to exercise the powers and perform the duties entrusted to the Board and to perform all the activities to be so performed Subject to this Act and Rules and Bye-laws thereunder.

(2) It shall be the duty of the committee to perform other activities necessary for the achievement of the objectives of the Board in addition to the function, duties set-forth in Sub-section (1).

13. Sub-Committee may be Formed (1) The committee may form Sub-committees to carry out its activities as deemed necessary.

(2) The functions, powers duties, scope of work and the tenure of the Sub-committees formed under Sub-section (1) shall be as prescribed by the committee.

Chapter-4

Provision concerning to Chief Executive Officer and Employees

14. Appointment of the Chief Executive Officer: (1) The committee shall appoint a person with ten years experience in the tourism sector after having obtained at least a Master Degree in the post of the Chief Executive Officer of the Board to run the day-to-day activities of the Board as an administrative chief.

(2) The tenure of the Chief Executive Officer shall be of four years and may be re-appointed for up to four years.

(3) The remuneration, facilities and terms and conditions of the service of the Chief Executive Officer appointed under Sub-section (1) shall be as prescribed.

(4) Notwithstanding anything contained in foregoing Sub-sections of this Section, the committee may remove the Chief Executive Officer from his/her post, following the process as prescribed by the committee if he/she has acted against the interest of the Board by causing loss to the Board or has not performed his/her duties according to the policy and direction of the committee.

Provided that, Chief Executive Officer shall be given appropriate opportunity to furnish clarification in his/her favor

before removing him/her from the post.

15. The Functions, Powers and Duties of the Chief Executive Officer:

(1) The functions, powers and duties of the Chief Executive Officer shall be as follows:

- (a) To execute and cause to be executed the decisions and directions of the committee.
- (b) To prepare or cause to be prepared long-term and short-term plan, annual program and budget of the Board.
- (c) To execute or cause to be executed the plans and programs approved by the Committee.
- (d) To appoint employees necessary for the Board as prescribed.
- (e) To convene the meeting of the Committee as directed by the Chairperson.
- (f) To work being responsible to the committee.
- (g) To perform other necessary activities as the Chief Administrator of the Board to achieve the objectives of the Board.

(2) The other functions, powers and duties other than set-forth in Sub-section (1) shall be as prescribed.

16. Provisions Concerning Employees: (1) In order to run the activities of the Board smoothly, the Chief Executive Officer may appoint necessary advisor, officer and other employees as prescribed.

(2) The remuneration, facilities and other terms and

conditions of the service of the advisor, officer and other employees appointed pursuant to Sub-section (1) shall be as prescribed.

(3) The employees of the Board, appointed pursuant to Sub-section (1), shall carry out work being responsible to the Committee and the Chief Executive Officer.

Chapter - 5

Fund and Auditing

17. **The Fund of the Board:** (1) The Board shall have its own separate fund.

(2) The following amounts shall be credited to the Fund created under Sub-section (1):-

- (a) Grant and other amounts received from the Government of Nepal.
 - (b) Assistance, grant or loan received from foreign governments, national and international organizations and associations.
 - (c) Donation or gifts received from national or foreign organizations or associations or persons.
 - (d) Assistance, grant or gift received from associations, organizations and persons involved in tourism business.
 - (e) Service fee received from services and consultations provided to the tourism entrepreneurs.
 - (f) Amount received from any other source.
- (3) The Board shall obtain the Government of Nepal approval

before receiving any type of assistance, grant, loan, donation or gift from foreign government, international organizations or association or person.

(4) All expenses to be made on behalf of the Board shall be borne out from the amount credited to the fund created under Sub-section (1).

(5) The operation of the Board's Fund shall be as prescribed

18. Accounts and Audit: (1) The income and expenditure account of the board shall be maintained according to the auditing system applied by the Government of Nepal.

(2) The Auditor General or any other auditor prescribed by him/her shall perform the audit of the Board.

(3) The auditor shall prepare and Submit a report to the committee showing the position of annual transaction, balance sheet, profit, loss and other transactional dealings of the Board.

Chapter - 6

Miscellaneous

19. May seek Recommendation or Consultation of the Board: (1) If a person applies to the concerned authority for permission to run any profession related to tourism, such authority may ask for the recommendation or suggestions of the Board prior to giving permission.

(2) When a person applies to the concerned authority for permission to run a hotel, such authority may ask for the recommendation and suggestion of the Board prior to giving

permission for establishing or running a hotel.

20. The Government of Nepal may Provide Grant: (1) The Government of Nepal may provide the amount required to the Board as grant.

(2) Notwithstanding anything contained in Sub-section (1), the Government of Nepal shall not be obliged to provide grant amount to the Board if there exist sufficient grounds to believe that the Board itself has become economically capable to carryout its programs.

21. Annual Report: (1) The Chief Executive Officer shall have to Submit an annual report of the activities of the Board to the Committee within three months of the date of expiry of the fiscal year and shall make available a copy thereof to the Government of Nepal as well.

(2) The Chief Executive Officer shall make public the annual report of The Board mentioned in Sub-section (1).

22. Delegation of Powers: (1) The committee may delegate some or all out of its powers to any member, Sub-committee or Chief Executive Officer as per necessity.

(2) The Chief Executive Officer may delegate some or all out of his/her powers to any officer level employee of the Board as per necessity.

23. Meeting Allowance: The member shall receive meeting allowance as prescribed for taking part in the meeting of the committee.

24. Liaison with the Government of Nepal: To the Board, Ministry of Tourism and Civil Aviation, the Government of Nepal, shall liaison

with the Government of Nepal.

25. Power to make Rules and Regulations: (1) The Board may frame necessary Rules for the implementation of the objectives of this Act and such Rules shall come into force after the approval of the Government of Nepal.

(2) Subject to the Act and Rules made thereunder, the Board may make necessary Bye-laws to carryout its activities.