

Guidelines on Management of Proceeds and Instrumentalities of Offence **2026**

In order to contribute to the prevention of money laundering and terrorist financing; to bring uniformity in the management and recovery of proceeds and instrumentalities of offence and to enhance operational effectiveness and efficiency while making performance simple, easy, systematic, and result-oriented;

The Ministry of Home Affairs, Government of Nepal, has issued this Guidelines pursuant to Point No. 1.3.2 of the National Strategy and Action Plan on Prevention of Money Laundering and Terrorist Financing (2025/26-2029/30), approved by the Council of the Ministers, Government of Nepal on 1 July, 2024 A.D.

Part-1

Preliminary

1. Short Title and Commencement: (1) The name of this Guidelines is "Guidelines on the Management of proceeds and Instrumentalities of Offence, 2026".

(2) This Guidelines shall come into force from the date of approval by the Ministry of Home Affairs, Government of Nepal.

2. Definitions: Unless the subject or context otherwise requires, in this Guidelines,-

(a) "Investigating Officer" means the investigating officer as per the Act.

- (b) "Act" means The Proceeds and Instrumentalities of offence (Freezing, Controlling, and Confiscation) Act, 2013.
- (c) "Office" means the District Administration Offices other than those in the Kathmandu Valley.
- (d) "Fund" means the fund pursuant to Section 22 of the Act.
- (e) "Rules" means The Proceeds and Instrumentalities of offence (Freezing, Control, and Confiscation) Rules, 2015.
- (f) "Chief District Officer" means the officer as per the Local Administration Act, 2028.
- (g) "Department" means the Department for management of Proceeds of Crime
- (h) "Director General" means the Director General of the Department.
- (i) "Warehouse" means the structure constructed for the secure storage of property and instrumentality to be managed.

Part-2

Basis of the Guidelines

3. **Theoretical Basis to be adopted:** While performing tasks related to the management and recovery of proceeds and instrumentalities of offence, performance shall be carried out by considering the international commitments made by Nepal, and the theoretical bases specified in the

action plan, periodic plan, and annual plan formulated to implement such commitments.

4. **Compliance with Prevailing Laws:** (1) while performing actions related to the management and recovery of proceeds and instrumentalities of offence, the Act and Rules concerning proceeds and instrumentalities of offence shall be taken as the basis.

(2) Except otherwise mentioned in sub-section (1), laws related to good governance, public financial management, public procurement management, and other relevant laws shall be taken as the basis. Furthermore, international commitments made by Nepal may also be taken as a basis.

Part-3

Record Management of proceeds and instrumentalities of offence.

5. **Collection of Judgments and Details:** (1) The Department and the Office shall obtain details from the concerned court regarding property, instrumentalities and amounts to be recovered that have been ordered for Confiscation as per the judgement of court in criminal charges filed with the Government of Nepal as the plaintiff.

(2) The Department and the concerned Office shall confirm whether an appeal has been filed against the collected judgments.

(3) The Department shall maintain updated records by obtaining the details of assets frozen by the Investigating Officer from the concerned agencies.

6. Preparation of Records: (1) For the purpose of preparing an integrated central record of proceeds and instrumentalities of offence, the Department shall develop and implement an information technology-based system. All agencies involved in investigation, prosecution, adjudication, and management must enter data into this system.

(2) Until the information system pursuant to sub-section (1) is prepared, details shall be prepared and updated from the judgments collected pursuant to Section 5 of this Guidelines.

Part-4

Provision relating to work performance

7. Steering Committee: (1) There shall be a Steering Committee for inter-agency coordination, facilitation, and policy-level facilitation regarding the management of proceeds and instrumentalities of offence.

(2) The composition of the Steering Committee pursuant to sub-section (1) shall be as follows:

- (a) Minister, Ministry of Home Affairs -Chairperson
- (b) Secretary, Office of the Prime Minister
and Council of Ministers -Member
- (c) Secretary, Ministry of Home Affairs -Member
- (d) Secretary (Revenue), Ministry of
Finance -Member
- (e) Secretary, Ministry of Law, Justice and
Parliamentary Affairs -Member

- (f) Secretary, Ministry of Forests and Environment -Member
- (g) Registrar, Supreme Court -Member
- (h) Deputy Attorney General, Office of the Attorney General -Member
- (i) Head, Financial Information Unit, Nepal Rastra Bank -Member
- (j) Director General, Department for management of Proceeds of Crime -Member secretary

(2) The meeting of the Steering Committee pursuant to sub-section (2) shall be held at least once every six months at the date, time, and place designated by the Chairperson, and in the meeting, the expert and knowledgeable person from related fields may be invited as required.

(3) The procedure related to the meeting of the Steering Committee pursuant to sub-section (2) shall be as determined by the committee itself.

(4) The Steering Committee shall direct the Facilitation Committee for tasks pursuant to the Act, Rules, and prevailing laws regarding the subjects mentioned in sub-section (1).

8. Facilitation Committee: (1) There shall be a Facilitation Committee to implement orders and judgments issued by the court regarding the management of proceeds and instrumentalities of offence, and to resolve problems arising therein.

(2) The composition of the Facilitation Committee shall be as follows:

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| (a) | Secretary, Ministry of Home Affairs | -Coordinator |
| (b) | Joint Secretary (Law) Ministry of Home Affairs | -Member |
| (c) | Joint Registrar, Supreme Court | -Member |
| (d) | Director General, Department for management of Proceeds of Crime | -Member |
| (e) | Director General, Department of Revenue Investigation | -Member |
| (f) | Director General, Department of Customs | -Member |
| (g) | Director General, Judgment Execution Directorate, Supreme Court | -Member |
| (h) | Director General, Department of Money Laundering Investigation- | -Member |
| (i) | Director General, Department of Forests and Soil Conservation | -Member |
| (j) | Director General, Dept. of National Parks and Wildlife Conservation | -Member |
| (k) | Head, Financial Information Unit, Nepal Rastra Bank | -Member |
| (l) | Executive Director, Securities Board of Nepal- | -Member |

(m) Under Secretary, Department for
management of Proceeds of Crime -Member
secretary

(3) The meeting of the Facilitation Committee pursuant to sub-section (2) shall be held at least once in every three months at the date, time, and place designated by the coordinator, and in the meeting, expert and knowledgeable person from related fields may be invited as required.

(4) The procedure related to the meeting of the Facilitation Committee pursuant to sub-section (2) shall be as determined by the committee itself.

(5) The Facilitation Committee shall provide necessary guidelines to the Department for tasks pursuant to the Act, Rules, and prevailing laws regarding the subjects mentioned in sub-section (1).

9. **Contact Person:** (1) There shall be one contact person in each office.

(2) If a proceeds and instrumentalities of offence Management Section or Unit is established in the office, the head of the Section or Unit shall be designated as the contact person and if not, an officer-level employee shall be designated as the contact officer as far as possible.

Part-5

Sectoral Guidelines

10. Freezing and control measures shall be made effective: (1) The

Investigating Officer shall carry out the search, freezing, and control of proceeds and instrumentalities during the investigation and inquiry of an offence in a swift, lean, and effective manner.

(2) Records of proceeds or instrumentalities frozen and controlled pursuant to sub-section (1) shall be prepared, entered into the IT-based system, and handed over to the Department or concerned office as soon as possible.

(3) The amount frozen during the investigation of an offence pursuant to Section 6 of the Act, including interest, shall be deposited by the concerned financial institution into the account designated by the Department within seven days.

(4) Cash under freezing and control shall be deposit in the bank, designated by the Department as per Section 6 of the Act, and after being established, it shall be deposit to the Proceeds of Offence Management Fund. Furthermore, assets such as gold, silver, precious metals, and negotiable instruments shall be deposited with the Nepal Rastra Bank.

(5) While depositing gold, silver, precious metals, foreign currency, and negotiable instruments with the Nepal Rastra Bank pursuant to sub-section (4), that shall be evaluated as per the Act and Rules.

(6) Records of securities under freezing and control shall be maintained.

(7) Among vehicles received from the court for freezing, control, or Confiscation, for those vehicles whose import is not permitted in Nepal, the Department may, after disclosing technical details, make a decision pursuant to Section 26A. of the Act to register them with the Transport Office and manage them.

(8) The Investigating Officer and the Prosecuting Officer shall coordinate and facilitate with the Department or Office for the management of proceeds and instrumentalities of offence.

11. Confiscation shall be made effective: (1) While Confiscating the precious metals, the following shall be carried out:

(a) The Investigating Officer, in coordination, shall hand over the precious metals to be confiscated to the Nepal Rastra Bank.

(b) Send to Nepal Rastra Bank to determine the quantity of pure metal through smelting as per rules.

(c) Cause the amount equivalent to the value of the pure metal on the day of deposit at Nepal Rastra Bank to be credited to the Proceeds of Offence Management Fund.

(2) Confiscation of Negotiable Instruments and Securities:

(a) In case of negotiable instruments, correspondence shall be made with the respective bank or financial institution, and the

proceeds from exchange shall be credited to the Proceeds of Offence Management Fund.

(b) In case of securities, it shall be done as follows:

(i) The Department, with the consent of the Ministry of Home Affairs, shall write to the Securities Board with full details of the securities.

(ii) The Securities Board shall write to the concerned securities manager.

(iii) The securities manager shall deposit an amount equal to the value of the securities, based on the minimum trading price of the day the letter was received, into the Proceeds of Offence Management Fund.

(iv) In a situation where more than one securities market is active, the value shall be determined through the market with the higher price.

(v) Any outstanding income earned by securities already deposited in the Fund shall be credited to the Fund by the concerned manager.

(3) Confiscation of House and Land: Confiscation of house and land shall be as follows:

(a) Inspect the condition of the house and land after receiving the court judgment for Confiscation.

- (b) Request necessary documents from the concerned Land Revenue and Survey Office.
- (c) The Office shall send the judgment and details to the Department for a decision on Confiscation.
- (d) After receiving the decision of Confiscation from the Department, make necessary arrangements for vacating and protecting the house and land and maintain records thereof.

(4) Management of Vehicles shall be as follows:

- (a) The Department and Office shall prepare and update an integrated detail of confiscated vehicles.
- (b) Confiscated vehicles may be provided for the use of government agencies based on demand and justification, as per the decision of the Department according to the valuation made by the Valuation Committee pursuant to Section 18 of the Act.
- (c) For vehicles received by the Department or Office while the case is *sub-judice* in court, the Department shall provide them for use after valuation.
- (d) For vehicles received from the court for protection, the Department shall protect them by using them in accordance with the law.

(e) For vehicles confiscated pursuant to sub-section (4) of Section 17 of the Act, the Office shall send them to the Department for decision, along with the recommendation of the District Valuation Committee pursuant to sub-section (4) of Section 18 of the Act, for government use.

(f) For vehicles decided for auction or government use, the Department shall decide to send them to any Transport Management Office for registration pursuant to Section 26A of the Act after a pollution test.

12. To manage the Proceeds and instrumentalities of offence: (1) while managing proceeds and instrumentalities of offence, if it appears more justifiable to use them for government purposes rather than auctioning them, and if a request for use is received from the concerned government agency, the Department may make a decision as per the Act.

(2) While proposing the use of land pursuant to sub-section (1), the location of the land, the proposal for use, and a concept paper for use must be prepared.

(3) Management of houses, land, negotiable instruments, and cash in local or foreign currency, precious metals like gold, silver, and securities shall be done separately.

(4) If the production year of a vehicle is not clear, it shall be ascertained based on the Vehicle Identity Number (VIN) or Chassis Number (decode).

(5) If the cost price of a vehicle is not clear, valuation may be based on the price available on the official website of the concerned company.

13. To manage House and Land: (1) while auctioning house and land, the Department shall do as follows:

- (a) Carry out evaluation to determine the value as provided by the Act, Rules, and prevailing laws.
- (b) Provide fifteen days to the concerned person or institution to accept the property at the valued amount.

(2) While utilizing house and land, the Department shall do as follows:

- (a) Maintain the house and land in the name of the Department.
- (b) Write to the concerned agency for the release of the house and land.
- (c) A proposal for the use of house and land must have been submitted by a government or government-owned entity.
- (d) A concept paper for the use of the house and land must be prepared.
- (e) If required by a government or government-owned entity, allow use through lease as per the prevailing laws.

14. Management of Proceeds and Instrumentalities without Final

Judgment: (1) Separate systematic records must be maintained according to the nature of proceeds and instrumentalities for which a claim for Confiscation has been filed but an order for auction has not been issued.

(2) Instrumentalities of a nature that need to be stored in a warehouse shall be protected accordingly.

(3) If there is a condition where the property and instrumentalities may rust, decay, break or depreciate in value, a court order must be obtained for auction or use.

(4) The valued amount of property and instrumentalities decided for auction as per court order, as provided in Section 22 of the Act, shall be kept in a deposit account.

15. Management of Property Located Abroad: (1) for the management of

proceeds and instrumentalities of offence, the Department may maintain coordination and contact with counterpart institutions abroad and related international organizations.

(2) The Department may, with the approval of the Government of Nepal, conclude an agreement with agencies related to the management of proceeds and instrumentalities of offence in any foreign country.

(3) Through the concerned agencies of the countries with which agreements have been concluded, the designated officer may receive information through electronic means and carry out necessary correspondence to obtain property and instrumentalities located abroad to which Nepal has a claim.

(4) The Department may, with the approval of the Government of Nepal, perform necessary tasks to become a member of regional and international organizations related to the management of proceeds and instrumentalities of crime, pursuant to the laws of Nepal relating to the treaties.

(5) The Department shall act as the contact unit, and the Director General shall act as the contact person, to contact and coordinate with organizations pursuant to sub-section (4).

Part-5

Miscellaneous

- 16. Utilization of the Proceeds of Offence Management Fund:** While managing proceeds and instrumentalities of offence, arrangements may be made to provide a certain percentage of the amount received in the Fund for office management, protection of property and instrumentalities, and incentive facilities for the concerned employees.
- 17. Power to Form Sub-committees or Task Forces:** The Department may, while performing tasks as per the Act, Rules, and prevailing laws, form sub-committees or task forces by specifying terms of reference as required by law.
- 18. Use of Information Technology:** (1) while performing actions related to the management of proceeds and instrumentalities of offence as per this Guidelines, the Department may use information technology.

(2) While performing actions using information technology pursuant to sub-section (1), it must be done in a way that ensures sufficient security and protection of necessary details.

19. Cooperation may be Sought: (1) Cooperation from any government agency, government-owned entity, or any other person or institution may be sought for tasks related to proceeds and instrumentalities of offence management.

(2) It shall be the duty of the government agency, government-owned entity, or any other person or institution to provide cooperation on the subject for which cooperation was requested pursuant to sub-section (1).

20. Records of Judgments to be maintained: (1) upon the completion of all tasks related to the management of proceeds and instrumentalities of offence, a physical and non-physical archive shall be prepared and maintained.

(2) The Department shall annually update the integrated details of judgments and other data for which tasks have been completed pursuant to sub-section (1).

(3) The Department shall include the details as per this section in its annual report and publish them through the website of the Department.