

## **Liquor Act, 2031 (1974)**

### Date of Royal Assent and Publication

2031.6.20 (6 October 1974)

### Amending Acts

1. Judicial Administration Reform  
(Fourth Amendment) Act, 2043 (1986) 2043.7.24 (10 November 1986)
2. Judicial Administration Act, 2048  
(1991) 2048.2.16 (30 May 1991)
3. Liquor (First Amendment) Act,  
2057 (2001) (2057.10.4 (17 January 2001))

### Date of Authentication and Publication

4. Republic Strengthening and Some  
Nepal Laws Amendment Act, 2066  
(2010) 2066.10.7 (21 January 2010)<sup>1</sup>
5. Some Nepal Laws Amendment Act,  
2072 (2015) 2072.11.13 (25 February 2016)
6. Financial Act, 2075 (2018) 2075.3.32 (16 July 2018)

### **Act Number 10 of the year 2031(1974)**

<sup>2</sup> .....

Preamble: Whereas, it is expedient to control the production, sale, distribution, export and import of liquor in order to maintain the decency, health, convenience and economic interest of the general public;

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<sup>1</sup> This Act comes into force from 2065.2.15 (28 May 2008)

<sup>2</sup> Removed by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010)

Now, therefore, His Majesty King Birendra Bir Bikram Shah Dev has, on the advice and with the consent of the National Panchayat, made this Act.

1. **Short Title, Extent and Commencement:** (1) This Act may be called as the "Liquor Act, 2031(1974)."

(2) It shall come into force throughout<sup>3</sup>..... Nepal.

(3) It shall come into force immediately.

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

<sup>4</sup> (a) "Liquor" means any alcoholic substance prepared from grains, fruits or any other starch substance by fermenting the same through biochemical process or any other manner, and this term also includes alcohol, *Jaad*, *Chhyang*, whisky, rum, gin, brandy, vodka, beer, wine, sherry, champagne, cider, Perry, mid, malten, industrial alcohol, rectified sprit, malt sprit, silent sprit, denatured sprit and heads sprit.

<sup>5</sup>(b) "Production" means any act of fermenting, heating, cooking any material required to prepare liquor or mixing any matter to such material in a manner to create flavor or taste or any or all methods or acts to be followed or done for the preparation of liquor.

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<sup>3</sup> Removed by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010)

<sup>4</sup> Amended by First Amendment

<sup>5</sup> Amended by First Amendment

<sup>6</sup>(c) "License" means the license issued pursuant to Section 6A. to produce, sell, distribute, export or import liquor.

<sup>7</sup>(c1) "Excise duty Officer" means the officer designated as excise duty officer pursuant to the prevailing laws on excise duty.

<sup>8</sup>(c2) "Manufacturer" means an individual, firm, company or organization acquiring license for the production of liquor.

<sup>9</sup>(c3) "Individual" means any person, enterprise, association, partnership firm, cooperative, joint venture, director of trust or fund, proprietor or chief representative or agent and this term also includes any entity which sells or distributes either in wholesale or retail or any form by producing or importing liquor with or without any motive for profit making or branch, sub- branch or other place of similar transaction.

<sup>10</sup>(c4) "Import" means the act of bringing the liquor in Nepal from foreign country under the prevailing laws."

<sup>11</sup>(c5) "Department" means Inland Revenue Department.

(d) "Prescribed" or "as prescribed" means prescribed or as prescribed by the rules framed under this Act.

**3. Control on Production of Liquor:** No person shall produce liquor without obtaining the license and even a person having obtained the

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<sup>6</sup> Amended by First Amendment

<sup>7</sup> Added by Financial Act, 2075(2018)

<sup>8</sup> Added by Financial Act, 2075(2018)

<sup>9</sup> Added by Financial Act, 2075(2018)

<sup>10</sup> Added by Financial Act, 2075(2018)

<sup>11</sup> Added by Financial Act, 2075(2018)

license shall not produce liquor except in accordance with the terms and conditions specified in the license.

4. **Control on Sale and Distribution of Liquor**: No person shall sell, distribute liquor or operate a bar, restaurant or shop offering liquor without obtaining the license and even a person having obtained the license shall not sell, distribute the liquor or operate a bar, restaurant or shop offering liquor except in accordance with the terms and conditions specified in the license.

- <sup>12</sup> 4A. **Restriction on Production, Sale and Distribution of Liquor**: (1) No person shall produce, sell and distribute liquor in a plastic pouch.

(2) No person shall sell and distribute liquor to a person who has not completed the age of eighteen years.

(3) No person who has not completed the age of eighteen years shall sell and distribute liquor.

5. **Control on Export and Import of Liquor**: No person shall export or import liquor without obtaining the license and even a person having obtained the license shall not export or import liquor except in accordance with the terms and conditions specified in the license.

- <sup>13</sup> 6. **To Obtain License**: No person shall produce, import, sale or store liquor without obtaining the license under Excise duty Act, 2058(2002) or Excise duty Rules, 2059(2002).

- <sup>14</sup> 6A. **To Issue License**: If any application is made for the license pursuant to Section 6, the prescribed authority shall make necessary

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<sup>12</sup> Added by First Amendment

<sup>13</sup> Amended by Financial Act, 2075(2018)

examination of the application, and if the authority perceives it reasonable to issue the license to the applicant following such an examination, the authority shall issue the license in such a form and by collecting such fees as prescribed to produce, sell, distribute, export or import liquor subject to such terms and conditions as prescribed.

Provided that no license shall be issued to a person who has not completed the age of eighteen years.

<sup>15</sup>**6B. Period and Renewal of License:** The provisions relating to the period of the license and renewal fee shall be as prescribed.

<sup>16</sup>**6C. Power to Cancel License:** The prescribed authority may cancel the license issued pursuant to Section 6A. in any of the following circumstances,-

(a) In the event of failure to renew the license,

(b) In the event of violation of the terms and conditions specified in the license,

(c) In the event of violation of Section 4A.

7. **Non-application of Provisions:** Notwithstanding anything contained in the other Sections of this Act, it is not required to obtain the license under this Act to produce alcohol or *Jaad* in the prescribed quantity for personal consumption.

<sup>17</sup>**8. Power to Make Search, Seizure or Arrest:** (1) If there is a reasonable reason to believe that any offense punishable by this Act

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<sup>14</sup> Added by First Amendment

<sup>15</sup> Added by First Amendment

<sup>16</sup> Added by First Amendment

has been committed in any place, the excise duty officer may search such a place.

(2) In making search pursuant to Sub-section (1), the excise duty officer shall give a notice setting out the reason for making search to the owner of the place to be searched or the person who is using that place for the time being before entering into that place for making a search.

(3) If, in making search pursuant to Sub-section (2), there appears a reasonable reason to believe that any offense punishable by this Act has been committed, the goods related with such office may be seized.

(4) If the excise duty officer perceives that any person has committed or is going to commit any offense punishable by this Act and that if that person is not arrested, he or she may run away, the excise duty officer may arrest him or her.

(5) In making search, seizure or arrest pursuant to this Section, the excise duty officer shall have such powers as may be exercisable by the police in accordance with the prevailing law.

(6) In making search, possession or arrest pursuant to this Section, the excise duty officer shall make the same in presence of a local representative.

(7) The other provisions to be followed by the excise duty officer in making search, seizure or arrest pursuant to this Section shall be as prescribed.

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<sup>17</sup> Amended by First Amendment

9. **Report of Arrest and Seizure to be Made**: If any person is arrested or <sup>18</sup>any place is searched or any goods is seized under this Act, the excise duty officer shall send a report thereof to the one level higher authority within twenty four hours through the fastest means.
10. **To Recover Amount Payable to Government of Nepal as Governmental Due**: If any person is in arrear of any amount required to be paid to the Government pursuant to this Act or the rules framed under this Act, the excise duty officer shall recover such amount from that person as if it were a governmental due.
- <sup>19</sup>11. **Punishment to one who makes Search, Seizure or Arrest with intention give Trouble**: A person who, without having a reasonable doubt that any act has been committed in contravention of this Act, enters into or search any place, arrest or cause the arrest of any one, make or causes to be made the seizure or confiscation of any goods that are not liable to be seized or forfeited with intent to give trouble to or harass or defame or cause loss to any one or a person who makes any unnecessary loss or harm or causes the same to any one shall be punished with imprisonment for a term not exceeding six months or fine of up to one hundred thousand rupees or with both punishments.
- <sup>20</sup>12. **Punishment**: (1) A person who commits any of the following offence shall be punished with a fine equivalent to the amount in question or with an imprisonment for a term not exceeding one year or with both punishments:-

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<sup>18</sup> Amended by First Amendment

<sup>19</sup> Amended by First Amendment

<sup>20</sup> Amended by Financial Act, 2075(2018)

- (a) If the excise duty to be paid under Excise duty Act, 2058(2002) is hidden, concealed or a evaded,
- (b) if liquor is produced or imported without obtaining a license,
- (c) if any person commits any offence in contravention to this Act by writing fake or preparing forged document.

(2) A person who attempts to commit or instigates the commission of or aids and abets in any offence as mentioned in clause (a), (b) or (Cc) of Sub-section (1) shall punished with half of the punishment mentioned in that sub-Section.

(3) The tool, machine, equipment or motor vehicle used for the production of utensil, goods or service directly or indirectly used in the offence shall be forfeited.

Provided that if the person committing such offence has used the motor vehicle and such motor vehicle has been used without the permission of the owner of that motor vehicle, such motor vehicle shall not be forfeited rather the motor vehicle owner shall be imposed twenty- five thousand rupees fine and the driver shall be imposed with an imprisonment of a term not exceeding three months or with a fine not exceeding fifteen thousand rupees or with both in accordance with the nature of the offence.

(4) Notwithstanding anything contained in Sub-section (3), if such motor vehicle is found to have been used with involvement of the owner by registering it as a rental motor vehicle such motor vehicle shall be forfeited.

<sup>21</sup>**13. Forfeiture and Sale of Liquor and Other Goods:** (1) If any person produces, sells, distributes, exports or imports liquor in contravention of this Act, the excise duty officer shall forfeit the liquor related with that act.

(2) The excise duty officer shall auction as prescribed the liquor of quality standard, out of the liquor forfeited pursuant to Sub-section (1).

(3) The excise duty officer shall forfeit all goods used to transact liquor in contravention of this Act and auction the same as prescribed.

Provided that in the case of a motor vehicle, the motor vehicle shall not be forfeited if the owner thereof has not consented.

<sup>22</sup>**13A. Duty to Assist:** If the excise duty officer or the employee authorized by him or her asks for assistance in the course of investigation into any offense punishable under this Act, it shall be the duty of the concerned person to render such assistance.

**14. Case trying Authority:** (1) The Government of Nepal or the authority designated by the Government of Nepal shall have the authority to originally try and dispose cases under Section 11, and the excise duty officer shall have the authority to originally try and dispose the other cases under this Act.

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<sup>21</sup> Amended by First Amendment

<sup>22</sup> Added by First Amendment

(2) The authority to originally try and dispose cases pursuant to sub-section (1) shall have the same powers as the District Court has pursuant to the prevailing Nepal law.

<sup>23</sup>**15. Appeal:** (1) An appeal may be filed in the Revenue Tribunal against a decision made by the excise duty officer and in the concerned High Court against a decision made by the Government of Nepal or the authority designated by the Government of Nepal pursuant to this Act.

(2) The person filing an appeal pursuant to Sub-section (1) shall register a copy of such appeal in the concerned office within fifteen days of filing such appeal.

<sup>24</sup>**15A. Reward:** (1) If any person is going to produce, store, sell, distribute, transport, export or import or does such act in contravention of this Act, and any one gives a clue or report thereof or arrests and produces the person along with evidence, such informer shall be provided with a reward of the following amount if the act is proved to have been committed:

- (a) Ten percent of the amount in question to the informer,
- (b) Twenty percent of the amount in question to the person, who arrests person or liquor and produces the same,
- (c) Thirty percent of the amount in question to the person who arrests both person and liquor and produces the same.

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<sup>23</sup> Amended by Financial Act, 2075(2018)

<sup>24</sup> Added by First Amendment

(2) For the purpose of awarding reward pursuant to subsection (1), the proceeds of auction shall be considered to be the amount in question where the forfeited liquor and goods associated therewith have been auctioned.

(3) If for any reason, the forfeited liquor or goods cannot be auctioned or are not to be auctioned, the Government of Nepal may give reward of such amount as it considers appropriate to such an informer or person who arrests and produces a person along with exhibits and evidence.

(4) If two or more persons are entitled to the reward pursuant to this Section, the amount of reward shall be distributed on the pro rata basis.

**16. Power to Frame Rules:** The Government of Nepal may frame rules to implement the objectives of this Act.

<sup>25</sup>**17. To be as in Prevailing Laws:** Notwithstanding anything contained in this Act, licensing, production, release of raw materials of liquor, **bonus** rate, position and fee like provisions related to liquor administration related other prevailing Nepal laws shall be in accordance with the other prevailing Nepal laws.

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<sup>25</sup> Amended by Financial Act, 2075(2018)

**Note:** (1) Words converted by Some Nepal Amendment Act, 2063 ( 2006):-

" Government of Nepal" instead of " His Majesty Government"

(2) Words converted by Judicial Administration Act, 2073 (2016):-

" High Court" instead of " Appellate Court"

(3) Words converted by Financial Act, 2075(2018):-

" License" instead of " Permission" and " excise duty officer" instead of " excise duty official"

18. **This Act to Prevail:** The matters contained herein shall be governed by this Act, and the prevailing Nepal law that is inconsistent with this Act, except the matters contained in Section 17, shall, for the purposes of this Act, be deemed to have been repealed to the extent of such inconsistency.