

# Table of Contents

## Chapter 1: The Basics of Legal Environment of Business

|      |   |    |
|------|---|----|
| I.   | Legal Environment of Business (leb) .....                       | 2  |
|      | <i>Concept and Meaning</i> .....                                | 2  |
|      | <i>The Environment of Business Created by Law</i> .....         | 2  |
|      | <i>Definitions</i> .....  | 3  |
|      | <i>Characteristic Features of LEB</i> .....                     | 4  |
|      | <i>Importance to the Study of LEB</i> .....                     | 4  |
| II.  | Law .....   | 6  |
|      | <i>Meaning</i> .....  | 6  |
|      | <i>Definitions</i> .....  | 6  |
|      | <i>Characteristics of Law</i> .....                             | 7  |
|      | <i>Nature of Law</i> .....                                      | 8  |
|      | <i>No Uniformity in Defining Law</i> .....                      | 9  |
|      | <i>No Excuse in Ignorance of Law</i> .....                      | 9  |
|      | <i>Types of Law</i> .....                                       | 10 |
|      | <i>Substantive and Procedural Law</i> .....                     | 10 |
|      | <i>Criminal and Civil Law</i> .....                             | 11 |
|      | <i>Private and Public Law</i> .....                             | 12 |
|      | <i>National Law and International Law</i> .....                 | 12 |
|      | <i>Sources of Law</i> .....                                     | 12 |
|      | <i>Legislation</i> .....  | 13 |
|      | <i>Precedent</i> .....  | 13 |
|      | <i>Customary Law</i> .....                                      | 14 |
|      | <i>Executive Orders</i> .....                                   | 15 |
|      | <i>Conventional Law</i> .....                                   | 15 |
| III. | Business Law .....  | 15 |
|      | <i>Meaning</i> .....  | 15 |
|      | <i>Definitions</i> .....  | 16 |
|      | <i>Features</i> .....   | 17 |
|      | <i>Evolution of Business Law</i> .....                          | 17 |
|      | <i>Business Law in Nepal</i> .....                              | 17 |
|      | <i>Importance of Business Law</i> .....                         | 18 |
|      | <i>Sources of Nepalese Business Law</i> .....                   | 19 |
| IV.  | Provisions of Nepalese Constitution Pertaining to Business..... | 20 |
|      | <i>Introduction</i> .....                                       | 20 |
| V.   | Changing Dimensions of Legal Environment in Nepal .....         | 24 |
|      | <i>Background</i> .....   | 24 |

|                            |    |
|----------------------------|----|
| ■ Summary .....            | 27 |
| ■ Practice Questions ..... | 30 |

## Chapter 2: Nepalese Contract Law

|  |    |
|--|----|
| I. Contract .....  | 32 |
| <i>Law of Contract in Nepal</i> .....  | 32 |
| <i>Features of the Law Relating to Contract in Muluki Civil Code, 2074</i> ..... | 32 |
| <i>Evolution of Concept of Contract</i> .....                                    | 33 |
| <i>Meaning of Contract</i> .....   | 34 |
| <i>Contract Distinguishes from Law of Contract</i> .....                         | 34 |
| <i>Definitions of Contract</i> .....   | 35 |
| <i>Scope of the Law of Contract</i> .....  | 36 |
| <i>Importance of Law of Contract in Business</i> .....                           | 37 |
| <i>Nature of Contract</i> .....  | 38 |
| II. Classification of Contract .....   | 41 |
| <i>On the basis of Validity</i> .....  | 41 |
| <i>On the Basis of Formation</i> .....   | 43 |
| <i>On the Basis of Performance</i> .....   | 44 |
| <i>On the Basis of Liability</i> .....   | 44 |
| III. Essential Elements of a Valid Contract.....                                 | 45 |
| <i>Difference between Agreement and Contract</i> .....                           | 47 |
| IV. Offer and Acceptance .....   | 48 |
| <i>Introduction</i> .....  | 48 |
| A. Offer.....  | 48 |
| <i>Meaning</i> .....   | 48 |
| <i>Types of Offer</i> .....  | 49 |
| <i>Features of an Offer</i> .....  | 51 |
| <i>Rules Regarding Valid Offer</i> .....   | 52 |
| <i>Lapse or Revocation of an Offer</i> .....                                     | 54 |
| B. Acceptance .....  | 55 |
| <i>Meaning</i> .....   | 55 |
| <i>Who can Accept?</i> .....   | 55 |
| <i>Rules Regarding Acceptance</i> .....  | 56 |
| <i>Communication of Offer and Acceptance</i> .....                               | 57 |
| <i>Revocation or Lapse of Acceptance</i> .....                                   | 58 |
| V. Consideration .....   | 59 |
| <i>Meaning</i> .....   | 59 |
| <i>Definitions</i> .....   | 59 |
| <i>Characteristic Features</i> .....   | 60 |
| <i>Types</i> .....   | 60 |
| <i>Rules Regarding Consideration</i> .....                                       | 61 |
| <i>Exceptions to the Rule "No Consideration No Contract"</i> .....               | 62 |

|  |           |
|--|-----------|
| <b>VI. Contractual capacity.....</b>                                   | <b>64</b> |
| <i>Meaning .....</i>   | <i>64</i> |
| <i>Parties Incompetent to Contract .....</i>                           | <i>65</i> |
| <i>The Minor.....</i>  | <i>65</i> |
| <i>Who is a Minor?.....</i>  | <i>65</i> |
| <i>Legal Effects of Agreement with the Minor .....</i>                 | <i>66</i> |
| <i>The Person of Unsound Mind .....</i>                                | <i>68</i> |
| <i>Who is the Person of Unsound Mind?.....</i>                         | <i>68</i> |
| <i>Causes of Unsoundness of Mind.....</i>                              | <i>68</i> |
| <i>Legal Effects of Agreement with the Person of Unsound Mind.....</i> | <i>69</i> |
| <i>The Legally Disqualified Persons .....</i>                          | <i>69</i> |
| <i>Who is Legally Disqualified Person? .....</i>                       | <i>69</i> |
| <b>VII. Free Consent: Voidable Contract.....</b>                       | <b>71</b> |
| <i>Introduction and Importance .....</i>                               | <i>71</i> |
| <i>Meaning of Consent.....</i>   | <i>71</i> |
| <i>Meaning of Free Consent.....</i>                                    | <i>71</i> |
| <i>Voidable Contract: When Consent is not a Free.....</i>              | <i>72</i> |
| <b>A. Coercion.....</b>  | <b>72</b> |
| <i>Meaning .....</i>   | <i>72</i> |
| <i>Definitions.....</i>  | <i>72</i> |
| <i>Features.....</i>   | <i>73</i> |
| <i>Special Cases of Non-Coercion .....</i>                             | <i>74</i> |
| <b>B. Undue Influence.....</b>   | <b>75</b> |
| <i>Meaning .....</i>   | <i>75</i> |
| <i>Definitions.....</i>  | <i>75</i> |
| <i>Features.....</i>   | <i>76</i> |
| <i>Presumption of Undue Influence .....</i>                            | <i>76</i> |
| <i>Basis for Presumption of Undue Influence .....</i>                  | <i>77</i> |
| <i>Rebuttal of Allegation .....</i>                                    | <i>78</i> |
| <i>Distinction between Coercion and Undue Influence .....</i>          | <i>78</i> |
| <b>C. Fraud.....</b>   | <b>78</b> |
| <i>Meaning .....</i>   | <i>78</i> |
| <i>Definition .....</i>  | <i>79</i> |
| <i>Features of Fraud Case .....</i>                                    | <i>80</i> |
| <i>Exceptions to the General Rule .....</i>                            | <i>81</i> |
| <b>D. Misrepresentation.....</b>                                       | <b>82</b> |
| <i>Meaning .....</i>   | <i>82</i> |
| <i>Definition .....</i>  | <i>82</i> |
| <i>Features.....</i>   | <i>84</i> |
| <i>Distinction between Fraud and Misrepresentation .....</i>           | <i>84</i> |
| <b>E. Mistake .....</b>  | <b>85</b> |
| <i>Meaning .....</i>   | <i>85</i> |
| <i>Definition .....</i>  | <i>85</i> |
| <i>Subject Matter of Mistake .....</i>                                 | <i>85</i> |

|      |   |            |
|------|---|------------|
| VIII | legality of object and consideration.....             | 87         |
|      | <i>Concept</i> .....                                  | 87         |
|      | <i>Definition</i> .....                               | 87         |
|      | <i>Importance</i> .....                               | 88         |
|      | <b>Unlawful Object and Consideration.....</b>         | <b>88</b>  |
|      | I.    Agreements Opposed to Statutes .....            | 88         |
|      | II.   Agreements Opposed to Public Policy.....        | 90         |
|      | <i>Legal Effects of Unlawful Agreements.....</i>      | 91         |
| IX.  | <b>Contingent Contract .....</b>                      | <b>92</b>  |
|      | <i>Meaning</i> .....                                  | 92         |
|      | <i>Definition</i> .....                               | 93         |
|      | <i>Performance Dependent on Uncertain Event .....</i> | 93         |
|      | <i>What is Collateral Event? .....</i>                | 94         |
|      | <i>Features of a Contingent Contract.....</i>         | 94         |
|      | <i>Rules regarding a Contingent Contract .....</i>    | 94         |
|      | <i>Wagering Agreement .....</i>                       | 96         |
| X.   | <b>Performance of Contract.....</b>                   | <b>97</b>  |
|      | <i>Meaning .....</i>                                  | 97         |
|      | <i>Definition.....</i>                                | 97         |
|      | <i>Essentials of a Valid Performance .....</i>        | 98         |
|      | <i>Types.....</i>                                     | 98         |
|      | <i>Importance .....</i>                               | 100        |
|      | <b>Rules Regarding Performance of Contract.....</b>   | <b>101</b> |
|      | Who can Demand the Performance of a Contract? .....   | 101        |
|      | Who Should Perform the Contract? .....                | 103        |
|      | What to Perform? .....                                | 104        |
|      | When to Perform? .....                                | 105        |
|      | How to Perform? .....                                 | 105        |
|      | Where to Perform?.....                                | 105        |
|      | No Need to Perform .....                              | 106        |
| IX.  | <b>Termination of Contract .....</b>                  | <b>107</b> |
|      | <i>Meaning .....</i>                                  | 107        |
|      | <i>Modes of Termination .....</i>                     | 107        |
|      | Termination by Performance.....                       | 107        |
|      | Termination by Mutual Agreement .....                 | 108        |
|      | Termination by Impossibility.....                     | 110        |
|      | Termination by Lapse of Time .....                    | 112        |
|      | Termination by Operations of Law .....                | 113        |
|      | <i>Termination by Breach of Contract .....</i>        | 113        |
| X.   | <b>Breach of Contract and Remedies .....</b>          | <b>114</b> |
|      | <i>Meaning .....</i>                                  | 114        |
|      | <i>Definition.....</i>                                | 114        |
|      | <i>Features .....</i>                                 | 114        |

|  |            |
|--|------------|
| Types.....                                     | 115        |
| <i>Remedies for Breach of a Contract .....</i> | <i>115</i> |
| Rescission or Cancellation of a Contract ..... | 116        |
| Restitution.....                               | 116        |
| Damages .....                                  | 116        |
| Specific Performance.....                      | 117        |
| Injunction .....                               | 118        |
| <i>Quantum Meruit.....</i>                     | <i>119</i> |
| ■ <i>Summary .....</i>                         | <i>120</i> |
| ■ <i>Practice Questions .....</i>              | <i>123</i> |
| ■ <i>Practical Problems .....</i>              | <i>123</i> |

## Chapter 3: Bailment and Pledge

|  |            |
|--|------------|
| I. <i>Bailment .....</i>                                   | <i>126</i> |
| <i>Meaning.....</i>  | <i>126</i> |
| <i>Definition.....</i>                                     | <i>126</i> |
| <i>Essentials of Contract of Bailment.....</i>             | <i>127</i> |
| <i>Difference between Bailment and Sale of Goods .....</i> | <i>128</i> |
| <i>Kinds of Bailment Contract .....</i>                    | <i>129</i> |
| <i>Rights and Duties of a Bailor .....</i>                 | <i>130</i> |
| <i>Rights and Duties of a Bailee.....</i>                  | <i>132</i> |
| <i>Finder of Lost Goods.....</i>                           | <i>133</i> |
| <i>Discharge of a Bailment Contract .....</i>              | <i>134</i> |
| II. <i>Pledge or Pawn .....</i>                            | <i>136</i> |
| <i>What is Contract of Pawn/Pledge?.....</i>               | <i>136</i> |
| <i>Definition.....</i>                                     | <i>136</i> |
| <i>Essentials of Contract of Pledge .....</i>              | <i>137</i> |
| <i>Distinction between Bailment and Pledge .....</i>       | <i>138</i> |
| <i>Rights and Duties of a Pawner .....</i>                 | <i>138</i> |
| <i>Rights and Duties of a Pawnee .....</i>                 | <i>139</i> |
| <i>Pledge by a Non-owner .....</i>                         | <i>140</i> |
| ■ <i>Summary for Memory .....</i>                          | <i>141</i> |
| ■ <i>Practice Questions .....</i>                          | <i>142</i> |
| ■ <i>Practical Problems .....</i>                          | <i>142</i> |

## Chapter 4: Contract of Sale of Goods

|  |            |
|--|------------|
| Contract of Sale of Goods .....                            | 144        |
| <i>Meaning.....</i>  | <i>144</i> |
| <i>Definition.....</i>                                     | <i>144</i> |
| <i>Essential Features of a Contract of Sale .....</i>      | <i>145</i> |
| <i>Difference between Sale and Agreement to Sale .....</i> | <i>146</i> |
| Goods.....   | 146        |

|  |            |
|--|------------|
| <i>Meaning of Goods</i> .....                          | 146        |
| <i>Types of Goods</i> .....                            | 147        |
| <b>Price.....</b>                                      | <b>148</b> |
| <i>Meaning of Price</i> .....                          | 148        |
| <i>Determination of Price of Goods</i> .....           | 148        |
| <i>Payment of Price</i> .....                          | 149        |
| <b>Conditions and Warranties.....</b>                  | <b>149</b> |
| <i>Difference between Condition and Warranty</i> ..... | 150        |
| <i>Kinds of Conditions and Warranties</i> .....        | 150        |
| <b>Transfer of Ownership</b> .....                     | <b>152</b> |
| <i>Rules Regarding Transfer of Ownership</i> .....     | 152        |
| <i>Transfer of Title by Non-Owner</i> .....            | 154        |
| <b>Unpaid Seller.....</b>                              | <b>155</b> |
| <i>Rights of an Unpaid Seller</i> .....                | 155        |
| <i>Rights and Remedies to Buyer</i> .....              | 156        |
| <b>Performance of a Contract of Sale .....</b>         | <b>156</b> |
| <i>Delivery</i> .....                                  | 157        |
| <i>Rules Regarding Delivery of Goods</i> .....         | 157        |
| ■ <b>Summary for Memory</b> .....                      | 158        |
| ■ <b>Practice Questions</b> .....                      | 159        |
| ■ <b>Practical Problems</b> .....                      | 159        |

## Chapter 5: Indemnity and Guarantee

|   |            |
|---|------------|
| <b>A. Contract of Indemnity .....</b>   | <b>162</b> |
| <i>Meaning</i> .....  | 162        |
| <i>Rights and Duties of Indemnity Holder</i> .....                                  | 164        |
| <i>Duties and Rights of an Indemnifier</i> .....                                    | 164        |
| <b>B. Contract of Guarantee.....</b>  | <b>165</b> |
| <i>Meaning</i> .....  | 165        |
| <i>Definitions</i> .....  | 166        |
| <i>Essential Features of Contract of Guarantee</i> .....                            | 166        |
| <i>Difference between a Contract of Indemnity and a Contract of Guarantee</i> ..... | 167        |
| <b>Types of Guarantees .....</b>  | <b>167</b> |
| <b>Rights of Surety .....</b>   | <b>169</b> |
| <b>Liabilities of Surety .....</b>  | <b>171</b> |
| <i>Nature of Duties/Liabilities of a Surety</i> .....                               | 171        |
| <i>Discharge of a Surety</i> .....  | 172        |
| ■ <b>Summary for Memory</b> .....   | 174        |
| ■ <b>Practice Questions</b> .....   | 174        |
| ■ <b>Practical Problems</b> .....   | 174        |

## Chapter 6: Law of Agency

|  |     |
|--|-----|
| Contract of Agency .....   | 177 |
| <i>Meaning</i> .....   | 177 |
| <i>Definition</i> .....  | 177 |
| <i>Features of a Contract of Agency</i> .....                    | 178 |
| <i>Who is a Principal?</i> .....                                 | 178 |
| <i>Who is an Agent?</i> .....                                    | 178 |
| <i>Power of Attorney</i> .....                                   | 179 |
| <i>General Rules of Agency</i> .....                             | 179 |
| <i>The Test of Agency</i> .....                                  | 180 |
| <i>Distinction between Agent, Servant and a Contractor</i> ..... | 180 |
| Modes of Creating Agency .....                                   | 181 |
| Classification of Agent.....                                     | 184 |
| <i>Commercial Agent</i> .....                                    | 184 |
| <i>Non-commercial Agent</i> .....                                | 185 |
| <i>Authority Agent</i> .....                                     | 185 |
| Duties and Rights of an Agent .....                              | 185 |
| <i>Duties of an Agent</i> .....                                  | 185 |
| <i>Rights of Agent</i> .....                                     | 187 |
| <i>Personal Liabilities of an Agent</i> .....                    | 188 |
| Duties and Rights of the Principal.....                          | 189 |
| <i>Duties towards the Third Parties</i> .....                    | 189 |
| <i>Duties towards the Agent</i> .....                            | 190 |
| <i>Rights of the Principal</i> .....                             | 190 |
| Delegation of Authority .....                                    | 190 |
| Sub-Agent and Substituted Agent.....                             | 191 |
| <i>Sub-Agent</i> .....   | 191 |
| <i>Substitute Agent</i> .....                                    | 191 |
| <i>Substitute Agent and Co-Agent</i> .....                       | 192 |
| <i>Difference between Sub-Agent and Substitute Agent</i> .....   | 192 |
| Termination of Agency .....                                      | 192 |
| <i>By the Acts of the Parties</i> .....                          | 193 |
| <i>By Operation of Law</i> .....                                 | 194 |
| The Law Relating to Agency in Nepal .....                        | 195 |
| <i>Provisions of Agency Act 2014</i> .....                       | 195 |
| <i>Main Provisions of Agency Act 2014, and Rules 2019</i> .....  | 195 |
| ■   Summary for Memory .....                                     | 197 |
| ■   Practice Questions .....                                     | 197 |
| ■   Practical Problems .....                                     | 197 |

## Chapter 7: Business Organisation

|  |     |
|--|-----|
| Business Organisation .....                              | 200 |
| <i>Person</i> .....                                      | 200 |
| <i>Types of Person</i> .....                             | 200 |
| <i>Concept of Company</i> .....                          | 200 |
| <i>Definitions of Company</i> .....                      | 201 |
| <i>Characteristics of a Company</i> .....                | 202 |
| <i>Types of Company</i> .....                            | 203 |
| Incorporation of a Company.....                          | 203 |
| <i>Meaning</i> .....                                     | 203 |
| <i>Purpose of Incorporation</i> .....                    | 204 |
| <i>Procedure of Incorporation of Company</i> .....       | 205 |
| <i>Advantage of Incorporation</i> .....                  | 208 |
| Capital: Share and Debenture.....                        | 209 |
| <i>Use of the Term 'Capital'</i> .....                   | 209 |
| Share.....   | 210 |
| <i>Types of Shares</i> .....                             | 210 |
| Debentures.....  | 213 |
| <i>Types of Debenture</i> .....                          | 213 |
| <i>Difference between Debentures and Shares</i> .....    | 215 |
| Minutes of Resolutions of a Company .....                | 215 |
| Board of Directors (BOD).....                            | 216 |
| <i>The BOD of a Public Company</i> .....                 | 216 |
| <i>Meetings of the Board of Directors</i> .....          | 217 |
| Auditing.....  | 218 |
| <i>Appointment of an Auditor</i> .....                   | 218 |
| <i>Rights and Power of an Auditor</i> .....              | 219 |
| <i>Removal of an Auditor</i> .....                       | 219 |
| Dissolution of the Company .....                         | 220 |
| <i>Modes of Liquidation/Dissolution of Company</i> ..... | 220 |
| <i>Powers and Duties of Liquidator</i> .....             | 223 |
| <i>Role of Office of the Company Registrar</i> .....     | 224 |
| <i>Role of the Courts</i> .....                          | 224 |
| ■ Summary for Memory .....                               | 225 |
| ■ Practice Questions .....                               | 227 |

## Chapter 8: Legal and Regularity Compliance

|   |     |
|---|-----|
| I. Industrial Enterprises Act (IEA), 2076 .....                       | 229 |
| <i>Introduction</i> .....   | 229 |
| <i>Major Provisions of the IEA, 2076</i> .....                        | 229 |
| II. Foreign Investment and Technology Transfer Act (FITTA) 2075 ..... | 235 |

|   |            |
|---|------------|
| <i>Introduction</i> .....   | 235        |
| <i>Major Provisions of the FITTA, 2075</i> .....                                | 235        |
| <b>III. Bank and Financial Institution Act (BAFIA), 2073 .....</b>              | <b>246</b> |
| <i>Introduction</i> .....   | 246        |
| <i>Banking in Nepal</i> .....   | 246        |
| <i>Major Provisions</i> .....   | 246        |
| <b>IV. Negotiable Instruments Act, 2034 .....</b>                               | <b>248</b> |
| <i>Introduction</i> .....   | 248        |
| <i>Definitions</i> .....  | 248        |
| <i>Characteristics</i> .....  | 249        |
| <i>Types of Negotiable Instruments</i> .....                                    | 250        |
| <i>Promissory Note</i> .....  | 250        |
| <i>Bill of Exchange</i> .....   | 251        |
| <i>Cheque</i> .....   | 252        |
| <i>Parties to Negotiable Instruments</i> .....                                  | 253        |
| <i>Holder</i> .....   | 253        |
| <i>Discharge of Liability</i> .....   | 254        |
| <b>V. Insurance Act, 2049..</b>   | <b>255</b> |
| <i>Introduction</i> .....   | 255        |
| <i>Characteristics of Insurance Contract</i> .....                              | 255        |
| <i>Insurance in Nepal</i> .....   | 255        |
| <i>Major Provisions</i> .....   | 256        |
| <b>VI. Employment and Labour Laws: Labour Act, 2074 .....</b>                   | <b>257</b> |
| <i>Introduction</i> .....   | 257        |
| <i>Labour Law in Nepal</i> .....  | 258        |
| <i>Labour Act, 2074 (2017)</i> .....  | 258        |
| <i>International Labour Organization (ILO)</i> .....                            | 261        |
| <b>VII. Environment Protection Laws: Environment Protection Act, 2053 .....</b> | <b>261</b> |
| <i>Introduction</i> .....   | 261        |
| <i>Environmental Protection Act (EPA), 2053 (1997)</i> .....                    | 262        |
| <i>Major Provisions of EPA, 2053 .....</i>                                      | 262        |
| <i>Environmental Protection Rules, 2053 (1997)</i> .....                        | 263        |
| <b>VIII. Right to Information Act (RTI), 2064.....</b>                          | <b>264</b> |
| <i>Introduction</i> .....   | 264        |
| <i>Major Provisions of RTI, 2064 .....</i>                                      | 264        |
| <b>IX. Consumer Protection Act (CPA), 2054 (1998) .....</b>                     | <b>265</b> |
| <i>Introduction</i> .....   | 265        |
| <i>Major Provisions</i> .....   | 265        |
| <b>X. Law on Securities &amp; Stock Exchange: Securities Act, 2063 .....</b>    | <b>266</b> |
| <i>Introduction</i> .....   | 266        |
| <i>Securities Act, 2063 (2007)</i> .....  | 266        |
| <i>Major Provisions</i> .....   | 266        |
| <b>XI. Asset (Money) Laundering Prevention Act, 2064.....</b>                   | <b>268</b> |

|                               |     |
|-------------------------------|-----|
| <i>Introduction</i> .....     | 268 |
| <i>Major Provisions</i> ..... | 268 |
| ■ Summary for Memory.....     | 269 |
| ■ Practice Questions .....    | 273 |

## Chapter 9: Laws Relating to Intellectual Property and Information Technology

|  |     |
|--|-----|
| I.     Intellectual Property Rights .....  | 275 |
| <i>Introduction</i> .....  | 275 |
| <i>Definition of Intellectual Property</i> .....   | 275 |
| <i>Types of Intellectual Property</i> .....  | 275 |
| Industrial property law .....  | 276 |
| <i>Introduction</i> .....  | 276 |
| <i>Patents</i> .....   | 276 |
| TRIPs .....  | 278 |
| <i>Differences between Nepal IP Law and TRIPs</i> .....  | 279 |
| <i>Patent, Design and Trademark Act (PDTA), 2022</i> .....   | 279 |
| <i>Major Provisions of PDTA, 2022</i> .....  | 279 |
| <i>Copyrights Law</i> .....  | 281 |
| <i>Introduction</i> .....  | 281 |
| <i>Copyrights Act, 2059</i> .....  | 282 |
| <i>Major Provisions of Copyright Act, 2059</i> .....   | 282 |
| II.    The Law relating to Information Technology: The Electronic Transactions Act (ETA), 2063 ..... | 283 |
| <i>Introduction</i> .....  | 283 |
| <i>Advantage of Cyber Law</i> .....  | 283 |
| <i>Major Provisions of ETA, 2063</i> .....   | 284 |
| <i>The Provision of Digital Signature</i> .....  | 287 |
| <i>The Provisions relating to Computer Offence and Punishment</i> .....                              | 287 |
| III.   Nepal Telecommunications Act (NTA), 2045 .....  | 290 |
| <i>Introduction</i> .....  | 290 |
| <i>Definitions</i> .....   | 291 |
| <i>Major Provisions of NTA, 2045</i> .....   | 291 |
| ■ Summary for Memory .....   | 296 |
| ■ Practice Questions .....   | 297 |

## Chapter 10: Court and Arbitration (*Dispute Settlement Systems*)

|   |     |
|---|-----|
| I.     Court System.....                  | 299 |
| <i>Introduction</i> .....                 | 299 |
| <i>Definitions</i> .....                  | 299 |
| <i>Organisation of Court System</i> ..... | 299 |
| <i>Jurisdiction</i> .....                 | 300 |

|   |            |
|---|------------|
| <i>District Court</i> .....   | 301        |
| <i>High Court</i> .....   | 301        |
| <i>Supreme Court</i> .....  | 302        |
| <b>Civil Procedure</b> .....  | <b>303</b> |
| II. <b>Arbitration</b> .....  | <b>304</b> |
| <i>What is Arbitration?</i> .....                                     | 304        |
| <i>Definitions</i> .....  | 305        |
| <i>Features</i> .....   | 306        |
| <i>Importance of Arbitration</i> .....                                | 307        |
| <i>Difference between Court and Arbitration</i> .....                 | 308        |
| <i>Arbitrator</i> .....   | 308        |
| <i>Number of Arbitrator</i> .....                                     | 308        |
| <i>Appointment of Arbitrators</i> .....                               | 309        |
| <i>Disqualifications of Arbitrators</i> .....                         | 310        |
| <i>Removal of Arbitrator</i> .....                                    | 311        |
| <i>Reference of Disputes</i> .....                                    | 311        |
| <i>What Kind of Matters may be referred to Arbitration?</i> .....     | 312        |
| <i>What Kind of Matters May Not be Referred to Arbitration?</i> ..... | 312        |
| <i>Power and Duties of Arbitrator</i> .....                           | 313        |
| <i>Duties of Arbitrator</i> .....                                     | 313        |
| <i>Revocation of Arbitrator's Authority</i> .....                     | 315        |
| <i>The Award</i> .....  | 316        |
| <i>Execution of Award</i> .....                                       | 316        |
| <i>Arbitration Act, 2055</i> .....                                    | 317        |
| ■ <b>Summary for Memory</b> .....                                     | 318        |
| ■ <b>Practice Questions</b> .....                                     | 319        |
| <b>Bibliography</b> .....   | <b>320</b> |
| <b>Exam Questions</b> .....   | <b>324</b> |
| <b>Glossary</b> .....   | <b>327</b> |