

Liquor Act, 2031 (1974)

Date of Royal Assent and Publication:

2031.6.20(6-10-1974)

Amending Acts:	Date of Authentication and Publication
1. Judicial Administration Reforms (First Amendment) Act, 2043(1986)	2043.7.24(10-11-1986)
2. Administration of Justice Act, 2048(1991)	2048.2.16(30-5-1991)
3. Liquor (First Amendment) Act, 2057(2001)	2057.10.4 (17-1-2001)
4. Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010) ¹	2066.10.7(21-1-2010)

Act Number 10 of the year 2031

.....²

An Act Made to Control Liquor

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;

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)."

¹ This Act came into force on 15 Jesta 2065(28-5-2008).

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

- (2) It shall come into force throughout.....³ Nepal.
- (3) It shall come into force at once.

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

- (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 wine, *Jaad*, *Chhyang*, whisky, rum, gin, brandy, vodka, beer, wine, sherry, champagne, cider, Perry, mid, maltan, industrial alcohol, rectified alcohol, malt spirit, silent spirit, denatured spirit and heads spirit.
- (b)⁴ "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.
- (c)⁵ "License" means the license issued pursuant to Section 6A. to produce, sell, distribute, export or import liquor.
- (d) "Prescribed" or "as prescribed" means prescribed or as prescribed by the rules framed under this Act.

3. Control on the production of liquor: No person shall produce liquor without obtaining the license and even a person who has obtained the license shall not produce liquor except in accordance with the terms and conditions specified in the license.

³ Deleted by Republic Strengthening and Some Nepal Laws Amendment Act, 2066(2010).

⁴ Amended by First Amendment.

⁵ Amended by First Amendment.

- 4. Control on the 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 who has obtained the license shall not sell, distribute liquor or operate a bar, restaurant or shop offering liquor except in accordance with the terms and conditions specified in the license.
- 4A.⁶ Restriction on the 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 the export and import of liquor:** No person shall export or import liquor without obtaining the license and even a person who has obtained the license shall not export or import liquor except in accordance with the terms and conditions specified in the license.
- 6.⁷ Application to be made for license:** A person who intends to produce, sell, distribute, export or import liquor has to make an application in such form and to such authority as may be prescribed to obtain the license.
- 6A.⁸ To issue license:** If any application is made for the license pursuant to Section 6, the prescribed authority shall make necessary examination of the application, and if the authority thinks it reasonable to issue the license to the applicant following such an examination, the authority shall issue the license in such form and by collecting such fees as may be prescribed to produce,

⁶ Inserted by First Amendment.

⁷ Amended by First Amendment.

⁸ Inserted by First Amendment.

sell, distribute, export or import liquor subject to such terms and conditions as may be prescribed.

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

6B.⁹ Period and renewal of license: The provisions relating to the period of the license and renewal fee shall be as prescribed.

6C.¹⁰ 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 wine or *Jaad* in the prescribed quantity for personal consumption.

8.¹¹ Power to make search, possession or arrest: (1) If there is a reasonable reason to believe that any offense punishable by this Act 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

⁹ Inserted by First Amendment.

¹⁰ Inserted by First Amendment.

¹¹ Amended by First Amendment.

owner of the place to be searched or the person who is using that place for the time being before entering into that place and only then make 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 offense may be taken into possession.

(4) If the excise duty officer thinks 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 go away, the excise duty officer may arrest him or her.

(5) In making search, possession 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, possession or arrest pursuant to this Section shall be as prescribed.

9. Report of arrest and possession to be made: If any person is arrested or any place¹² searched or any goods taken into possession under this Act, the excise duty officer shall send a report thereof to the one level higher authority within twenty four hours through fast 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

¹² Amended by First Amendment.

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.

11.¹³ Punishment to one who makes search, possession 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 possession or seizure of any goods that are not liable to be possessed or seized 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.

12.¹⁴ Punishment: (1) A person who commits any act in contravention of this Act 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.

(2) A person who attempts to commit or instigates the commission of or aids and abets in any act in contravention of this Act shall be punished with imprisonment for a term not exceeding three months or fine of up to fifty thousand rupees or with both punishments.

13.¹⁵ 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.

¹³ Amended by First Amendment.

¹⁴ Amended by First Amendment.

¹⁵ Amended by First Amendment.

(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.

13A.¹⁶ 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.

(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.

15. Appeal: An appeal may lie in the Revenue Tribunal against a decision made by the excise duty officer and in the Appellate Court ¹⁷against a decision made by the Government of Nepal or the authority designated by the Government of Nepal pursuant to this Act.

¹⁶ Inserted by First Amendment.

¹⁷ Amended by Administration of Justice Act, 2048(1991).

15A.¹⁸ 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 produce the same,
- (c) Thirty percent of the amount in question to the person who arrests both person and liquor and produce the same.

(2) For the purpose of awarding reward pursuant to sub-section (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 proper 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.

17. Saving: Notwithstanding anything contained in this Act, this Act shall not be deemed to be prejudicial to the contract or license obtained to produce liquor form an inn or distillery pursuant to the prevailing Nepal law.

¹⁸ Inserted by First Amendment.

- 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.

NEPAL LAW COMMISSION