

CONTEMPORARY SOCIAL SCIENCES

PEER REVIEWED, INDEXED & REFEREED QUARTERLY INTERNATIONAL JOURNAL

ISSN 0302-9298

<https://www.jndmeerut.org>

[Vol. 34, No. 1 (January-March), 2025]

<https://doi.org/10.62047/CSS.2025.03.31.31>

Tax Evasion and Revenue Leakage in Nepal: Historical Perspective

Dipesh Kumar Ghimire

Assistant Professor in Sociology, Central Department of Sociology,
Tribhuvan University, Kirtipur (Nepal)
E-mail:<dipesh.ghimire333@gmail.com>

Abstract

This paper explores into the persistent issue of revenue leakage and tax evasion in Nepal across different historical regimes, focusing on the Shah, Rana, Panchayat, democratic, and republican eras. The study scrutinizes how corruption, mismanagement, and favoritism led to widespread revenue misappropriation, causing substantial losses to the state exchequer. The paper examines instances from various periods, including the exploitation of taxation systems, smuggling operations, duty exemptions, and irregularities in tax collections. It highlights instances of misuse of power by rulers and officials, impacting economic development, hindering entrepreneurship, and causing financial losses to the nation. The study reveals a continuous trend of embezzlement, where loopholes in the tax system are exploited for personal gains, ultimately impeding the country's progress and socioeconomic growth.

Keywords

Revenue, Leakage, Tax evasion, Underdevelopment, Nepal.

Research Foundation International, New Delhi
(Affiliated to UNO)

Editorial Office : D-59, Shastri Nagar, Meerut - 250 004 (INDIA)
Ph. : 0121-2763765, +91-9997771669, +91-9219658788

3

Tax Evasion and Revenue Leakage in Nepal: Historical Perspective

1. Introduction

There has been continuation in events of revenue leakage and tax evasion in Nepal. During the Shah and Rana regime, there was no difference between public and private property. However, some examples of revenue embezzling events can be found during those times as well. The revenue leakage and tax evasion events seem to have increased tremendously in modern regimes. With the corrupt behavior of the officials working in tax administration, tax evasion and unlawful waiving of tax becomes easy, and the state income gets decreased. The quality of investment from public and financial institutions becomes poor which leads to inflation. Holmes (2015) argues that corruption always leads to decreased revenue to the state, as corrupt officials exempt citizens and firms from fines, taxes, etc. in return for bribes.

This paper aims to explore into the historical analysis of revenue leakage and tax evasion in Nepal, shedding light on their impacts and underlying causes. By examining these facets, it seeks to provide insights into potential strategies to mitigate these issues and enhance the country's fiscal stability.

2. Methodology

The research adopts a historical analytical method to examine the persistent problem of revenue leakage and tax evasion in Nepal throughout diverse historical epochs: the Shah, Rana, Panchayat, democratic, and republican eras. Employing a qualitative approach, the study synthesizes primary sources like historical records, government documents, and scholarly works to trace the patterns and evolution of fiscal mismanagement. By conducting a comparative analysis and scrutinizing specific case studies and scandals from each period, the research unveils how corruption, administrative lapses, and exploitation of tax systems have led to significant revenue losses. It integrates economic theories and empirical evidence to comprehend the complex facets of revenue

misappropriation in Nepal and suggests strategic insights for mitigating these persistent challenges in the country's governance.

3. Understanding Revenue Leakage and Tax Evasion

Revenue leakage refers to the loss of government income or funds that should rightfully be collected through taxes, duties, or other sources due to various factors, including evasion, loopholes, or inefficiencies in the tax system (Karki & Bhattarai, 2019). Revenue leakage represents a critical concern for governments worldwide, constituting the loss or shortfall of revenue that should rightfully increase from various sources such as taxes, tariffs, or duties. It denotes the gap between the potential revenue the government could collect, and the actual amount collected, resulting from a myriad of factors including evasion strategies, regulatory loopholes, or inefficiencies within the tax collection mechanisms (Karki & Bhattarai, 2019).

Revenue leakage manifests in multiple forms, encompassing tax evasion, avoidance, non-compliance, and ineffective tax administration. Tax avoidance, however, refers to legal strategies employed to minimize tax liabilities without violating the law, often leveraging loopholes or preferential tax treatments. Several factors contribute to revenue leakage, including inadequate enforcement mechanisms, complex tax structures, global economic influences, and regulatory loopholes. These loopholes and inefficiencies create opportunities for tax evasion tactics and non-compliance behaviors, resulting in substantial revenue losses for governments (Shrestha & Pant, 2020). The implications of revenue leakage are far-reaching, impacting a nation's fiscal health, economic stability, and societal well-being. Reduced government revenue restricts funding for essential public services, infrastructure development, and social welfare programs, hindering socioeconomic progress and exacerbating income inequality (Dhakal, 2018).

Addressing revenue leakage necessitates comprehensive measures, including improving tax compliance through enhanced enforcement, simplifying tax structures, closing regulatory loopholes, and fostering international cooperation to combat cross-border tax evasion (Rai, 2020). Strengthening tax administration, increasing transparency, and leveraging technological advancements for better monitoring and compliance also play pivotal roles in curbing revenue leakage (Thapa & Pokharel, 2019). So, the

revenue leakage represents a multifaceted challenge for governments, significantly impacting their fiscal stability and hindering economic development.

In the other hand, tax evasion involves illegal or unethical practices by individuals or corporations to avoid paying taxes by underreporting income or exploiting legal loopholes (Poudel & Dhungel, 2017). Tax evasion represents a deliberate and illicit effort by individuals or entities to evade paying taxes owed to the government by employing fraudulent, illegal, or unethical means. It involves a spectrum of practices aimed at misrepresenting income, assets, or expenses to reduce tax liabilities, exploiting legal loopholes, or intentionally disregarding tax obligations to avoid paying the full amount of taxes owed (Poudel & Dhungel, 2017). Tax evasion encompasses various activities, including underreporting income, overstating deductions, concealing assets, engaging in cash transactions to evade detection, and utilizing offshore accounts or complex financial structures to hide wealth (Karki & Bhattarai, 2019). It is a violation of tax laws and regulations, compromising the integrity of the tax system and contributing to revenue losses for governments.

Tax evasion assumes various forms, ranging from small-scale individual evasion to sophisticated schemes orchestrated by corporations or high-net-worth individuals (Shrestha & Pant, 2020). Its causes are multifaceted, including a lack of compliance culture, complex tax structures, inadequate enforcement, globalization facilitating offshore tax havens, and gaps in regulatory frameworks that create opportunities for evasion. Tax evasion has profound implications for governments, economies, and societies. It results in significant revenue losses, undermining a government's ability to fund essential public services, infrastructure development, and social welfare programs (Dhakal, 2018). Furthermore, it distorts market fairness, exacerbates income inequality, and erodes public trust in the fairness and effectiveness of the tax system.

Combating tax evasion necessitates robust enforcement mechanisms, enhanced transparency, and international cooperation to address cross-border evasion and offshore tax havens (Rai, 2020). Strengthening tax administration, implementing stricter penalties for evasion, improving taxpayer education, and leveraging technology for better monitoring and compliance are critical strategies in mitigating tax evasion. So, tax evasion poses significant challenges to

governments and societies, undermining fiscal integrity and hindering economic development. Understanding its various forms, causes, and implementing effective enforcement measures and policies are vital in combating tax evasion and fostering fair and equitable taxation for sustainable economic growth.

4. Impact of Revenue Leakage and Tax Evasion

Revenue leakage and tax evasion have substantial impacts on economies globally. Revenue leakage refers to the loss of income or funds that a government or organization should rightfully collect, often occurring due to inefficiencies, loopholes, or intentional evasion. Tax evasion, on the other hand, involves illegal means to evade paying taxes, such as underreporting income, overvaluing deductions, or hiding assets. Both phenomena significantly affect government revenues, public services, and economic stability (OECD, 2020).

The consequences of revenue leakage and tax evasion are multifaceted. Firstly, these practices reduce the government's ability to generate income necessary for funding essential public services. The shortfall in revenue can hamper investments in infrastructure, healthcare, education, and social welfare programs (PwC, 2019). As a result, citizens might experience reduced access to quality public services, hindering societal development and welfare.

Moreover, revenue leakage and tax evasion contribute to economic inequality by placing a disproportionate burden on honest taxpayers. When individuals or corporations evade taxes, the government might compensate by raising taxes on compliant taxpayers or cutting public services, exacerbating income disparities (Alstadsæter *et al.*, 2019). This inequality can breed social discontent and erode trust in the fairness of the tax system and government institutions. Furthermore, revenue leakage and tax evasion have wider implications for national economies. They can weaken investor confidence, hinder foreign direct investment, and limit economic growth opportunities. Reduced government revenue also impacts fiscal deficit levels, potentially leading to increased borrowing or decreased expenditure in critical areas, affecting macroeconomic stability (IMF, 2018).

Similarly, some study indicates that revenue leakage and tax evasion have severe economic ramifications for Nepal, leading to substantial revenue deficits and hindering the government's ability

to fund essential public services and infrastructure projects (Acharya & Basnyat, 2016). The resultant budget shortfalls constrain development initiatives and impede overall economic progress. The societal impact of revenue leakage and tax evasion in Nepal is profound, exacerbating income inequality and impeding efforts to address poverty and social welfare (Bhandari, 2019). Reduced government revenue limits investment in healthcare, education, and social programs, widening the gap between the affluent and marginalized communities.

Studies demonstrate that revenue leakage and tax evasion impede the government's capacity to provide quality services and develop vital infrastructure, stalling progress in sectors crucial for Nepal's socio-economic advancement (Dhungana & Thapa, 2018). Inadequate resources hinder the delivery of basic services, hampering overall societal well-being.

The revenue leakage and tax evasion pose significant challenges to economies worldwide, impacting government revenues, public services, economic equality, and stability. Addressing these issues demands collaborative efforts at local, national, and international levels to strengthen tax systems, promote compliance, and foster transparency to ensure fair and equitable contributions from all entities.

5. Revenue Leakage and Tax Burden over the People in Shah and Rana Regime

During the Shah regime, internal conflict and continuation of state extension led to the reduction in income resources after the death of Prithvi Narayan Shah. Due to the luxurious lifestyle of the King and royal family, the expenses of the palace were increasing. The military management had been a burden to the state and the state had been sinking into crisis (Whelpton, 2005). To manage the crisis, the contemporary government had increased the taxation rate to entrepreneurs and businessmen due to which many cottage industries and business got closed (Aryal, 2061 B.S.). At that time, the big landlords did not bear any responsibility to the state while poor people must pay expensive taxation (Regmi, 1999).

During the Shah Regime, tax was collected from the three levels, palace, state, and local administration. The Kings used to collect tax casually in the name of sacred programs. One of the taxations on public level was darshanbhet which was collected while giving

appointment and promotion to the public service employees and military personnel. Similarly, various traders such as oil and curd also had to pay tax. The hunters and those using meat of dead animals had to offer skin to the government. Later, this tax was collected as cash (Regmi, 1999). There was not a well-managed and scientific system to keep record of the tax collected at that time. Thus, there had been excessive misuse of the tax (Regmi, 2074 B.S.).

The situation remained the same during the Rana regime. With the intension of increasing income, Rana rulers offered the contract of custom to the bidders who gave the most auction amount. The tax collected after the auction amount would be the income of the contractor. The contractor started importing more and more goods to increase tax. The general people were affected by this (Pande, 2076 B.S.). During this time, many custom offices were established towards the south border of the country. Not only the customs, but the Rana rulers also collected money from different checkpoints within the country as Jagaat (a kind of tax). Jagaat was also collected through contractors. The people paid jagaat in seven places while transporting goods from Bhairahawa to Pokhara (Pande, 2076 B.S. : 129).

Similarly, there had been impropriety in exchange rate of Indian coins in Nepal in 1945. Also, the cost of silver was much higher in India than Nepal. At that time, Mahendramalli coins made from silver were smuggled to India. There was black market of Nepali coins in India. The smuggling between Nepal and India started from that time (Pande, 2076a B.S.). The smuggling continued until 1950. To stop the smuggling, the coins were made by mixing silver, copper, and nickel from 1948. However, the smuggling was not stopped. There had been a huge revenue evasion in Nepal due to that smuggling (Pande, 2076b B.S.).

During this time, a heavy tax was levied on the general people to manage the resources for their luxurious lifestyle. Many small and cottage industries were closed because of inability to pay heavy tax. Similarly, a big burden was added to the national treasury when the rulers smuggled a lot of silver coins for their own benefit. While the rulers gave emphasis to their own benefit rather than giving priority to the country's development, development could come in priority. This kind of trend affected the development of the country in three ways. First, the small cottage industries got closed due to inability to pay heavy tax. It destroyed entrepreneurship and decreased employment opportunities in the country. Second, the heavy tax

collected from the people was used for lavish lifestyle of the rulers rather than investing in the economic growth and development related activities in the country. Third, the means and resources of the country were out flown to India by smuggling.

6. Revenue Leakage and Tax Evasion in Post Rana Regime

During the Panchayat regime as well, there had been excessive revenue leakage and tax evasion. The carpet scandal of 1974 was one of the examples. The rulers used to provide custom exempt to the businessmen for importing the foreign currencies and increasing the revenue. During the import of carpet, the contemporary government had provided huge custom-free to the businessmen (ReMAC Nepal, 2063 B.S.). Total 91 people including the contemporary Prime Minister Tulsī Giri, four ministers and other officials along with the businessmen were accused in that scandal. The Commission for Corruption Control had investigated them and convicted them of corruption in 1976 (Subedi, 2069 B.S.). Some businessmen were freed with some fines while the politicians along with Dr. Giri were given clean chit in 1980 (ReMAC Nepal, 2063 B.S.). Similarly, the contemporary director general of the Department of Commerce, Raman Upadhyaya writes; there have been numerous cases of revenue leakage and carpet scandal is representative of all those scandals (Upadhyaya, 2062 B.S.; 52). The contemporary Minister for the Ministry of Commerce Subedi (2069 B.S.: 27-28) writes.

“One day, the contemporary Finance Secretary Dr. Bhesh Bahadur Thapa told me that there had been revenue leakage, we could not stop, please help. Three people were given the right to sell the duty-free goods at that time. Two of them were relatives of Chief Secretary of the King Kaji Hansa Man Singh and another was relatives of ADC of King General Sher Bahadur Malla., nobody could raise voice against them. There had been revenue leakage of about 80 million rupees annually.”

The revenue leakage and tax evasion that flourished during the Panchayat regime increased more during democratic and republican regimes. Sher Bahadur Deuba had provided duty free in purchasing cars and foreign currency exchange facility to the members of the parliament for sustaining his government. With that decision, the members of parliament got cars at half price. They misused the facility received and traded those cars to get profit. Total 479 individuals-236 MPs from the 265 member lower and upper houses

of parliament, 54 special class officials, and 101 officials from the judicial services, 14 officers of the Royal Nepalese Army (RNA) and 74 from the other service categories-imported duty-free vehicles during that time. The State Affairs Committee of Parliament investigated the government decision and concluded that it had caused the nation a loss of Rs. 500 million in revenue and that those that had imported the vehicles for personal use were still using official vehicles for personal conveyance. This provision got dismissed on April 20, 1998 (Parajuli, 2077 B.S. : 195). The King continued this after he took over state power on February 1, 2005. After this, the King imported two luxurious cars costing 140 million rupees each for the palace without paying custom duty (ReMAC Nepal, 2063 B.S.: 15).

The first meeting of the CA held on May 28, 2008, announced Nepal as a republican country. The events of revenue leakage and tax evasion continued in the republican regime as well. The CPN (Maoist) party turned 94 cars and jeeps brought from India custom free into the private ones. According to the agreement made between the contemporary Peace and Reconstruction minister Ram Chandra Poudel and CPN (Maoist) leader Ram Bahadur Thapa on June 2007, the duty-free vehicles the CPN (Maoist) party had were registered formally in the transportation office without paying tax. Up to 170 percent of the price should be paid as custom duty for importing the cars including custom based on the capacity and price, excise, and VAT. While the CPN (Maoist) legalized the cars and jeeps they had, the government had a loss of at least 40 million rupees (Pro Public, 2065 B.S.: 52).

The businessmen who looted the state had domination over the government during the tenure of the contemporary Finance Minister Bharat Mohan Adhikari in 2011. Adhikari was very close to all the businessmen and traders. The decisions of the Finance Ministry were done inside the houses of the businessmen and the tax rate and limit were changed based on the wish of the businessmen. Meanwhile, Finance Secretary Rameshwor Khanal resigned from his post in 2011 because of the activities of the minister (Thapa, 2069 B.S.: 299).

The Internal Revenue Department had formed an investigation committee on December 23, 2010, to investigate false VAT bill use. According to the committee, 3.25 billion rupees of tax invasion was done. During the investigation, 5 hundred and 18 business firms were found to have used a false VAT bill. 70 million VAT, 3.33 billion

income tax and 205 million of excise had been misappropriated. The tax of 6.49 billion was fixed by the Revenue Tribunal. The businessmen had filed a case against this taxation in the Supreme Court. But the Court made the decision in favor of the Revenue Tribunal on January 13, 2020 (Gyawali, 2076 B.S.). Nepal's Department of Revenue Investigation has filed lawsuits claiming a total 24.74 billion rupees in tax evasion in the fiscal year 2020/021 (DRI, 2078 B.S.).

The revenue leakage and tax evasion activities flourished during the Shah and Rana regimes did not stop after the establishment of democracy as well. Rather, it flourished more. The national treasury was exploited by the royal palace, high level politicians and administrative leaders after establishing the democracy. This trend of exploitation continued during the panchayat, democratic, and republican regimes as well. The activities like importing luxury cars without paying custom, making false VAT bills in alliance with the businessmen, and various others leading to excessive financial embezzlement and corruption continued.

7. Loot in Tax Exemption

In the name of tax exempt, the national treasury in Nepal has been emptied. The government of Nepal formed a three-member Tax Settlement Commission in 2014. The committee decided to collect 9 billion 546 million 115 thousand, 6 hundred and 40 rupees out of 30 billion 525 million 778 thousand 9 hundred 37 rupees remnant. According to the report submitted on December 8, 2015, the remaining 20 billion 979 million 663 thousand 2 hundred and 97 rupees was exempt. The tax was decided to be collected in the state treasury, but the majority was recovered by the corporations. A huge amount of tax to be paid from company were exempt (Acharya and Gyawali, 2074 B.S.).

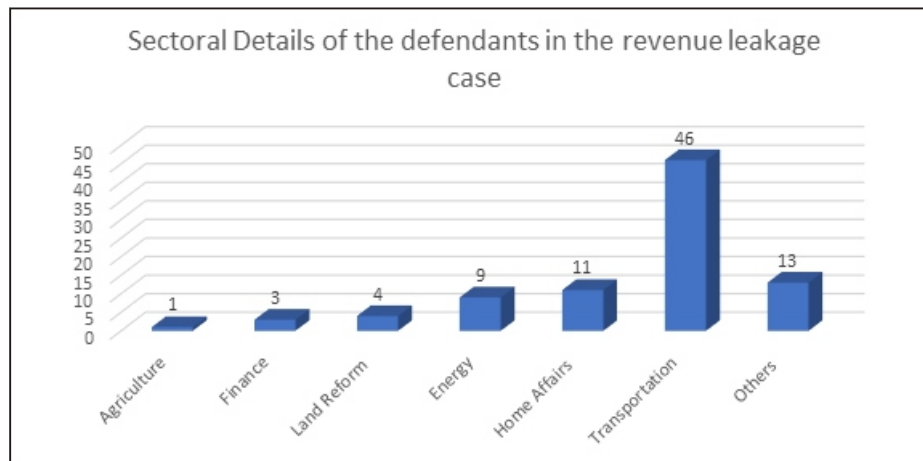
Table-1: Detail of the Tax Exempt

Entity	Tax to be paid	Tax paid	Percentage paid
Government corporation	11 billion 856 million 6 hundred thousand	5 billion 443 million 600 thousand	57
Private enterprises and company	18 billion 668 million	4 billion 102 million 422 thousand	22

Source : Acharya & Gyawali (2074 B.S.)

From the reference data, it is found that the events of revenue leakage have also been increasing. The officials responsible for revenue collection are found to have been involved in illegal tax exemption and irregularities in the revenue amount. With the investigation on the complaints made, CIAA had filed 12 cases related to revenue leakage against 87 people in the fiscal year 2019/20 (Figure-1).

Figure-1: List of Officials against whom the Cases related to Revenue Leakage were Filed



Source: CIAA, 2077 B.S.

In a study carried out during the republican system, 50 percent of revenue could not be collected due to embezzlement. According to the report, the businessmen either do not want to pay the tax or they want to pay less (Pro Public, 2065 B.S.: 189).

Yikona *et al.* (2011) finds out that tax evasion has a negative impact on economic growth and development. Tax evasion siphons away money which could be invested in productive areas like diversifying the economy, infrastructure, and social problem. It also leads to the leakage of financial resources away from the national budget toward private spending. Their study concludes that revenue embezzlement leads to underdevelopment. There are various records of revenue embezzlement in the history of Nepal as well. In this way, the loot over the national treasury in the name of tax settlement continued during the republican regime. The events of tax evasion increased during that time.

The government agencies in Nepal tasked with investigating revenue leakage and tax evasion face multifaceted challenges in

effectively addressing these issues. While agencies like the Inland Revenue Department (IRD) and the Department of Money Laundering Investigation (DMLI) play pivotal roles, their efforts encounter several obstacles. Limited resources, including human capital and technological infrastructure, often hinder the comprehensive investigation of complex financial schemes aimed at evading taxes. The agencies also encounter challenges related to cross-border transactions and international cooperation, as transnational tax evasion requires collaboration with foreign jurisdictions and entities, which can be intricate and time-consuming due to legal and bureaucratic barriers. Furthermore, the prevalence of informal economic activities and the lack of widespread tax literacy among the population contribute to difficulties in identifying and addressing revenue leakage and tax evasion effectively.

Moreover, these agencies often face internal challenges, such as corruption and lack of autonomy, which can undermine their ability to conduct impartial investigations. Political interference and bureaucratic hurdles may impede the agencies' autonomy, affecting their capacity to pursue high-profile cases of tax evasion without external pressures. Additionally, the slow judicial process and gaps in legal frameworks sometimes result in prolonged investigations and inadequate prosecution of tax evaders, leading to a lack of deterrence against such financial misconduct. These challenges collectively present formidable barriers for government agencies in Nepal, limiting their efficacy in combating revenue leakage and tax evasion comprehensively.

8. Conclusion and Way Forward

The historical analysis of revenue leakage and tax evasion in Nepal spans various regimes, revealing consistent patterns of financial misconduct, corruption, and mismanagement. Across the Shah, Rana, Panchayat, democratic, and republican eras, instances of exploitation, embezzlement, and misuse of tax systems have significantly impacted the nation's fiscal stability and economic progress. The study sheds light on the multifaceted nature of revenue leakage and tax evasion, delineating their impact on societal welfare, economic development, and governance. Throughout Nepal's history, these phenomena have led to substantial losses in government revenue, hindered essential public service provisions, exacerbated income inequality, and eroded public trust in institutions.

The implications of revenue leakage and tax evasion are far-reaching, transcending different regimes. The consequences encompass decreased investment in critical sectors, limited infrastructure development, and impediments to socio-economic progress. Moreover, the exploitation of tax systems, corrupt practices, and tax exemptions have further widened the gap between the affluent and marginalized communities.

Way forward may be summarized as under:

- ▶ Implementing robust tax policies that simplify tax structures and eliminate loopholes to prevent evasion. Strengthening regulatory frameworks and enhancing tax administration to ensure fairness and transparency in tax collection.
- ▶ It is recommended to uphold the placement of the Revenue Investigation Department and the Asset Recovery Department within the scope of the Abuse of Authority Investigation Commission. The autonomy and independent functioning of these bodies are crucial factors. Operating free from executive influence allows these departments to conduct impartial and autonomous actions, ensuring fair and unbiased investigations.
- ▶ Investing in technology-driven solutions for better monitoring and compliance. Enhancing investigative capabilities, bolstering enforcement mechanisms, and increasing penalties for tax evasion to deter financial misconduct.
- ▶ Facilitating cooperation with international entities to combat cross-border tax evasion and offshore financial havens. Strengthening partnerships to exchange information and tackle global tax evasion effectively.
- ▶ Promoting tax literacy among the populace, fostering a culture of compliance, and encouraging citizens' participation in accountable governance processes to scrutinize revenue collection and prevent malpractices.
- ▶ Addressing internal challenges within government agencies by ensuring autonomy, reducing corruption, and streamlining bureaucratic processes to enable impartial investigations and prosecutions.
- ▶ Enhancing legal frameworks to expedite judicial processes related to tax evasion cases, ensuring timely prosecution and deterrent actions against offenders.

- Establishing mechanisms for regular monitoring, evaluation, and assessment of tax systems' effectiveness in curbing revenue leakage and tax evasion, enabling timely adjustments and improvements.

References

- Acharya, B. R., *Shree 5 Pratap Singh Shah*, Kathmandu: Shree Krishna Acharya, 2061 (In Nepali).
- Acharya, K. & Gyawali, K., *Kara pharchyôta âyôgakô kartuta dçúakô dhukutimâthi mahâ'aparâdha (The tax evasion commission's act is a great crime against the country's treasury)*, Kathmandu: Centre for Investigative Journalism, Nepal, 2074 (In Nepali).
- Acharya, R., & Basnyat, B., "Revenue Leakage in Nepal: Causes and Control Measures", *Nepal Rastra Bank Economic Review*, 28(2), 2016, 84-100.
- Alstadsæter, A., Johannesen, N., & Zucman, G., "Tax Evasion and Inequality", NBER Working Paper, 23772, 2019.
- Bhandari, S., "Tax Evasion and Its Impact on Income Inequality: A Study in the Context of Nepal", *Journal of Business and Social Sciences Research*, 4(2), 2019, 112-125.
- CIAA, *30th Annual Report of CIAA 2076/77*, Kathmandu: Commission for the Investigation of Abuse of Authority, 2077. (In Nepali).
- Dhakal, R., "Revenue Leakage in Nepal: A Study of Tax Evasion", *Nepal Journal of Finance and Management*, 17(1), 2018, 45-58.
- Dhungana, S., & Thapa, B., "Impact of Revenue Leakage on Development: A Case Study of Nepal", *International Journal of Development Research*, 8(12), 2018, 27785-27792.
- DRI, *Investigation Bulletin*, Year 1, issue 1, Sawan-Asoj, 2078, Kathmandu: Department of Revenue Investigation, Government of Nepal, 2078 (In Nepali).
- Gyawali, K., "Nakkali VAT Bill Prakaranma Nyadhikaran kai Phaisala Sadar. (Tribunal Verdict in Fake VAT Bill Case Accepted)", *Kantipur National Daily*, Push, 28. 2076, p.1 (In Nepali).
- Holmes, L., *Corruption: A Very Short Introduction*, United Kingdom: Oxford University Press, 2015.
- International Monetary Fund (IMF), *Tackling Tax Evasion and Avoidance*. (2018). Retrieved from <https://www.imf.org/en/Publications/Policy-Papers/Issues/2018/12/07/pp121318-tackling-tax-evasion-and-avoidance>
- Karki, S., & Bhattarai, B., "Understanding Revenue Leakage: A Case Study of Tax Evasion in Nepal", *Journal of Economic Studies*, 6(3), 2019, 212-225.
- Koirala, A., "Globalization and Tax Evasion: Challenges for Nepal", *Nepal Journal of Economic Studies*, 15(1), 2017, 56-67.
- Organization for Economic Co-operation and Development (OECD), *Revenue Statistics 2020*, OECD Publishing, 2020.
- Pande, B.B., *Tes Bakhat ko Nepal Part: 1 (Nepal on that time. Part:1)*, Kathmandu: Phoenix Books, 2076. (In Nepali).

- Pande, B. B., *Tes Bakhat ko Nepal Part: 2 (Nepal on that time. Part:2)*, Kathmandu: Phoenix Books, 2076a (In Nepali).
- Pande, B. B., *Tes Bakhat ko Nepal Part: 4 (Nepal on that time. Part:4)*, Kathmandu: Phoenix Books, 2076b. (In Nepali).
- Panta, R., & Bista, M., "Transparency and Enforcement in Taxation: Implications for Revenue Leakage in Nepal", *Journal of Public Administration and Governance*, 11(1), 2021, 112-128.
- Parajuli, M., *Aankhijhyal bata Nepal ko Rajniti. (Nepalese Politics Through Window)*, Kathmandu: Sangrila Books, 2077 (In Nepali).
- Poudel, S., & Dhungel, B., "Revenue Leakage and Tax Evasion: A Review of Nepalese Context", *Journal of Business and Policy Research*, 12(3), 2017, 45-60.
- PricewaterhouseCoopers (PwC), *The Impact of Tax Evasion and Avoidance on the Sustainable Development Goals*. (2019). Retrieved from <https://www.pwc.com/gx/en/tax/publications/assets/pwc-impact-of-tax-evasion-and-avoidance-on-the-sdgs.pdf>
- Pro Public, *Asal Shasan Barsha Pustak (Good Governance Yearbook)*, Kathmandu: Pro Public, Janahit Shamrakshan Manch, 2065 (In Nepali).
- Rai, S., "Addressing Revenue Leakage and Tax Evasion for Sustainable Economic Growth: Insights from Nepal", *Journal of Economic Development, Environment and People*, 9(3), 2020, 112-125.
- Regmi, M. C., *A Study on Nepali Economic History*, New Delhi: Adroit Publishers, 1999.
- Regmi, R.R., *Nepal ko Itihas: Ek Marxbadi Dristikon (History of Nepal: A Marxist Perspective)*, Kathmandu: Jagaran Book House, 2074 (In Nepali).
- ReMAC Nepal, *Sushasan Barsha Pustak 2006 (Good Governance Yearbook 2006)*, Kathmandu: Research and Media Centre Against Corruption, 2063 (In Nepali).
- Shrestha, N., & Pant, R., "Complex Tax Systems and Revenue Leakage in Nepal: A Case Study Analysis", *Journal of Taxation and Regulation of Financial Institutions*, 33(4), 2020, 212-227.
- Subedi, N. R., *Itihas ko Ek Kalkhanda (A Time in the History)*, Lalitpur: Jagadamba Prakashan, 2069 (In Nepali).
- Thapa, A., & Pokharel, S., "Technological Challenges in Combating Revenue Leakage and Tax Evasion: Nepal's Perspective", *International Journal of Information Management*, 45, 2019, 234-248.
- Thapa, H. B., *Daliya Dondha: Rajnitik Chalkhel ka Belibistar (Party Conflict: Expansion of political maneuvering)*, Kathmandu: Sangrila Books, 2069 (In Nepali).
- Upadhayaya, R. R. *Jagire ko Jeevan Yatra (Life Journey of an Employee)*, Kahtmandu: Radha Raman Upadhayaya, 2062 (In Nepali).
- Whelpton, J., *A History of Nepal*, England: Cambridge University Press, 2005.
- Yikona et. al., *Ill-gotten Money and the Economy: Experiences from Malawi and Namibia*, Washington DC: The World Bank, 2011. ★