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PART 3

Nepal Government

NOTICE-1 OF

Ministry of Environment, Science and Technology

ELECTRONIC TRANSACTIONS RULES 2007

Nepal Government has in exercising the power conferred by Section 78 of the Electronic Transactions Act 2006 framed the following Rules.

Chapter – 1 **Preliminary**

1. **Short Title and Commencement:** (1) These Rules may be referred as "**The Electronic Transactions Rules 2007**".
(2) These Rules shall come into force at once.
2. **Definitions:** Unless the subject or context otherwise require, in these Rules,-
 - (a) "Act" means Electronic Transactions Act 2006.
 - (b) "Auditor" means a person appointed pursuant to Rule 26 to audit annual performance of the Certifying Authority.

This is translation copy of Nepali version

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Chapter - 2

Provisions Relating to Electronic Record and Generating Digital Signature and Safety

3. **To Authenticate Electronic Record:** (1) A person desirous to authenticate the information in electronic form or electronic record by digital signature may authenticate such record or information by fulfilling the following processes:
- (a) generating hash result using hash function through the software having in one's own computer, and
 - (b) the result pursuant to clause (a) by generating digital signature using the private key of person who affixes digital signature through software.
- (2) Any electronic record or digital signature authenticating such record by the digital signature generated pursuant to Sub-rule (2) shall be recognized as having legal validity.
4. **Verification of Digital Signature:** Electronic record or information shall be attributed to the originator having the digital signature in the information or electronic record if the verifying software verified the digital signature while verifying by generating new digital signature by means of hash function using public key to any verified to electronic records or information pursuant to Rule (3) by showing the following condition.
- (a) If generated digital signature is complied with digital signature of a person who affixes digital signature comparing with public key.
 - (b) If there exists the same source hash result produced from the digital signature involved in electronic record and hash result produced through public key by the verifier.
5. **Secured Digital Signature and Record:** (1) if the conclusion derived pursuant to Clause (a) and (b) of Rule 4 while auditing and verifying any digital signature generated pursuant to Rule (3) and such digital signature shall be deemed to be secured digital signature.
- (2) If the conclusion derived pursuant to Clause (a) and (b) of Rule (4) while auditing and verifying electronic record certified by digital signature generated pursuant to Rule (3), such electronic record shall deemed to be secured record.
- (3) Electronic record audited and verified pursuant to Sub-rule (2) by generating electronic form since the time of auditing and verification and there is the existence of basis to believe that there is no any alteration in the record, such record shall deemed to be electronic record

6. Standard to be maintained by the Certifying Authority Relating to Information Technology:

(1) Quality of service and standard to be maintained by the Certifying Authority relating to Information Technology shall be as prescribed by the Controller.

(2) Standard relating to Information Technology to be maintained by the Certifying Authority as specified in Schedule-1 if standard is not prescribed pursuant to sub-rule (1)

(3) In case of standard prescribed by the Controller under Sub-rule (1) shall have to be made public by publishing in any newspaper of national level.

7. Receipt of Electronic Record:

The Originator shall have to obtain receipt or acknowledgment of electronic record from the addressee within three days counting from the date of receipt of such electronic record except the condition mentioned binding after the receipt or information of such electronic record in his case relating to the electronic record by the Originator.

Provided that the duration shall not be applicable if there exists the condition of acknowledgement of transaction of any electronic record with the mutual consent of the Originator and addressee.

8. Time of Receipt of Electronic Record:

Save as otherwise agreed between the Originator and the addressee time of receipt of electronic record shall be as follows:

(a) Time of receipt of record in the computer system transmitted to the address of computer system operated by the addressee or computer system having his own right.

(b) Time of receipt of such information from the computer system except the time mentioned pursuant to Clause (a).

Chapter - 3

Provisions Relating to the Certifying Authority and the Controller

9. Qualifications of the Controller: (1) Nepal Government may, appoint any person to the post of the Controller who has the following qualifications:

(a) A person who holds Bachelor's Degree in Law from the recognized educational institution and who has, at least, ten years of experience in the field of Information Technology, and

- (b) A person who holds, at least, Master's Degree in Information Technology subject or in any subject, and who has, at least, ten years experience in the field of information technology.
- (2) Nepal Government shall invite application publicly for the appointment of a Controller from amongst the individuals having the qualifications pursuant to Sub-rule (1).
- (3) Nepal Government shall appoint a Controller out of the applicants from the received applications as invited on the basis of meritorious under Sub-rule (2).

10. Terms of Office, terms of Service and Facilities of the Controller: (1) The term of office of the Controller appointed pursuant to Section 9 shall be five years and he/she shall be eligible for re-appointment.

(2) Service, other terms and facilities of the Controller shall be as prescribed at the time appointment.

11. Functions, Duties and Powers of the Controller: In addition to the functions, Duties and Powers of the Controller as mentioned in Section 14 other functions, duties and powers shall be as follows:

- (a) To monitor or cause to be monitored functions of the Certifying Authority,
- (b) By supervising functions of Certifying Authority whether he/she is carrying out the functions in accordance with license or not and if he/she is found not working in compliance with the license, to cause him/her to perform according to the license.
- (c) To fix the scale of standards of service to be delivered by the Certifying Authority.
- (d) To prescribe the terms and conditions for the Certifying Authority while issuing a license.
- (e) To appoint auditor as per requirement.
- (f) To monitor the functions proceedings to carry by the auditor
- (g) To carry out the functions prescribed by Nepal Government, and
- (h) To carry out other necessary works for the implementation of the objectives of the Act or these Rules.

12. Application to be submitted for a Certifying License: (1) Any person, firm or company willing to work as Certifying Authority having the following qualifications shall have to submit an application before the Controller in a format as prescribed in the Schedule-2 along with five hundred rupees fee.

- (a) Any person, firm or company has, at least, ten million rupees paid up capital or property equivalent to that amount.
- (b) In case of foreign firm or foreign company, at least, twenty percent share owned by Nepali citizen or Nepali firm or Nepali company.

Provided that the Controller may, if he/she deems reasonable, provide exemption, without the application of the provisions of this Clause partially or fully, to a firm or a company willing to work as the Certifying Authority by agreeing to fulfill the terms and conditions of preparing necessary technical human resource within Nepal or fulfilling workers and employees requirement from amongst Nepali citizens and in this pursuance signing the assurance within one year of commencement of operation.

- (c) An individual, a firm or a company having required technical human resource for working as Certifying Authority.
- (d) An individual, a firm or a company having, at least, ten years of experience in Computer related works.
- (e) An individual, a firm or a company having no Director who is convicted by a court on criminal offence.

(2) The applicant submitting an application pursuant to Sub-rule (1) shall attach the following documents:

- (a) Certificate of Incorporation of a company or firm.
- (b) Paid up capital of the company or firm or other required written documents to verify the property.
- (c) Original bank guarantee of Rs.2.5 million having validity, at least, upto six months duration issued by any Commercial Bank of Nepal in the form of guarantee to commence the activities of certifying within six months from the date of obtaining the license to work as Certifying Authority.
- (d) Statement, in case of involvement jointly with any foreign national, firm, company or institution in computer related functions.
- (e) Evidence of any Agreement of joint investment entered with any foreign national, firm, company or institution for carrying out functions related to computer.
- (f) Other details as demanded by the Controller.

13. Investigation upon an Application: (1) While carrying out investigation of the application in accordance with Rule 12 the Controller may give order to submit documents or statement if any documents or statement to be submitted were found to be missing or incomplete.

(2) The applicant shall have to submit documents or statement in accordance with the request of the Controller under Sub-rule (1).

14. Granting of a License: (1) If the Controller thinks reasonable to grant a license to the applicant while investigating upon the applicant's application by him/her pursuant to Rule 13, the applicant shall be granted a license in a format as prescribed in Schedule-3 within sixty days receiving fee of twenty-five thousand rupees from the applicant.

(2) An application submitted by the applicant pursuant to Sub-rule (1) of Rule 12 attached with additional documents, the Controller may request the applicant to serve additional documents and details pursuant to Sub-rule (2) of Rule 13 in such situation receipt of such documents or details shall be the registration date of the application.

(3) If the Controller finds unreasonable to issue license to the applicant while investigating upon the application submitted by him/her pursuant to Rule 13, information in writing shall be given to the applicant along with reason within sixty days from the date of registration of the application.

15. Duration of a License: Duration of the license issued to the Certifying Authority shall be valid for two fiscal years.

16. Renewal of a License: (1) A Certifying Authority desirous to renew the license obtained pursuant to Clause (C) of Sub-rule (2) of Rule 12 shall have to submit an application together with Bank Guarantee and renewal fee of twenty thousand rupees in the prescribed format of Schedule-4 before the Controller prior to the expiry of 30 days.

(2) The Controller shall have to decide whether to renew license or not within fifteen days of the registration of the application for renewal of the license pursuant to Sub-rule (1).

(3) If decision is reached to renew the license pursuant to Sub-rule (2) the license shall be returned to the applicant mentioning the description of renewal in the license.

17. Renewal of a License May be Denied: (1) The Controller may deny renewal of a License of the Certifying Authority in following circumstances:

- (a) If the Certifying Authority fails to submit any documents or statement as required along with the application for renewal.

- (b) If the Certifying Authority fails to submit any documents or statement under their ownership or access as requested by the Controller.
- (c) If the Certifying Authority has accessed the information that the Certifying Authority having the license to carry out the activities of Certifying Authority is in the process of liquidation from the reliable basis.
- (d) Upon the insolvency of the Certifying Authority, the case related to it is sub-judice in any court.
- (e) If the Bank Guarantee submitted by the Certifying Authority under the control of the Controller is seized or prevented.
- (f) If a firm or a company acquiring license to carry out functions as the Certifying Authority and a Director or Proprietor or partner of such a company or a firm who is convicted of offense of cheating, deceiving and forgery under the Act.
- (g) If the Certifying Authority fails to perform or cause to be performed the submitted process of certification or giving direction related to the safety of electronic record or violates such process of giving direction and certification.
- (h) Upon the failure to submit Performance Audit Report.
- (i) If it is seen unreasonable to confer responsibility to carry out certification activity to the Certifying Authority from the Performance Audit Report.

(2) Regarding non-renewal of a license pursuant to Sub-rule (1) the concerned Certifying Authority shall have to be given reasonable opportunity to present his/her defense stating the reason of denial of renewal of the license prior to decide not to renew it.

(3) If the defense is not submitted or the submitted defense is not found satisfactory the Controller shall have to provide information to the concerned Certifying Authority after deciding not to renew the license.

(4) Where a decision is taken not to renew the license pursuant to Sub-rule (3), such decision shall have to be published in the newspaper of national level.

18. To Initiate the Activity: (1) Activity of certification in accordance with the license shall be initiated after the completion of the following activities: -

- (a) the Controller shall have to recognize the statement relating to

- the process of certification submitted by the Certifying Authority.
- (b) Public key should have to be submitted to the Controller among the Key Pair created by the Certifying Authority.
 - (c) The physical and technical infrastructure required for the arrangement and issuance of the license of digital signature generated by the Certifying Authority shall have to be given approval by the Controller or the Officer designated by him/her.
 - (d) Evidence relating to mutual arrangement with other Certifying Authorities relating to certification shall have to be submitted before the Controller.
- (2) Duration to initiate to work by the Certifying Authority pursuant to Sub-rule (1) shall not exceed six months from the license obtained date.

19. Procedures to be adopted to Suspend a License: (1) Where a license of the Certifying Authority is to be suspended pursuant to Section 20 of the Act, the Controller shall have to fulfill the following procedures:

- (a) To request written clarification from the Certifying Authority if the documents, statement, financial and physical resources submitted by the Certifying Authority before the Controller at the time of conferring the license are found incorrect.
 - (b) To request the Certifying Authority to prove cash or other financial resources under the possession in the name the Certifying Authority submitted are found contrasting in capital formation for the purpose of inquiry.
 - (c) To block bank account of the Certifying Authority or having in the name of his/her relative till the submission of the valid proof of financial resources pursuant to Clause (b).
- (2) The Certifying Authority shall have to submit written clarification as requested pursuant to Clause (a) of Sub-rule (1) within three months before the Controller.
 - (3) The Controller may suspend the license of the Certifying Authority if he/she finds reasonable ground to suspend while undertaking procedures pursuant to Sub-rule (1).
 - (4) While taking action to suspend the license of the Certifying Authority pursuant to Sub-rule (3), duration of such suspension shall not exceed thirty days.

- (5) The procedures of the suspension of the license shall be completed within the duration as mentioned in Sub-rule (4).
- (6) The notice of suspension of the License of the Certifying Authority pursuant to Sub-rule (3) shall be published in any daily newspaper of national level.
- (7) While publishing the notice pursuant to Sub-rule (6) the Certifying Authority shall bear the expenses incurred.

20. Procedures and Other Arrangements to Revoke the License: (1)

While revoking a license of the Certifying Authority the Controller shall have to fulfill the following procedures:

- (a) Where a license of the Certifying Authority is to be revoked mentioning the reason, as the case may be, the Controller shall give opportunity to the Certifying Authority to submit defense relating to the offense against him/her before the Controller within seven days.
 - (b) Where any additional document or statement as the case may be, to be requested upon the defense submitted by the Certifying Authority pursuant to Clause (a), the Controller may give order to the Certifying Authority to submit such document or statement within three days.
- (2) The Controller shall give order to revoke the license of the Certifying Authority if he/she finds the defense presented by the Certifying Authority pursuant to Clause (a) and (b) of sub-rule (1) is unreasonable.
 - (3) The Certifying Authority shall bear the responsibility of providing reasonable compensation for the loss occurred due to non-implementation of the Act, these Rules or the order given by the Controller or due to the activities of Certifying Authority or his/her staff intentionally or carelessly.
 - (4) Compensation pursuant to Sub-rule (3) shall be deducted from the bank guarantee pursuant to Clause (d) of Sub-rule (2) of the Rule 12.
 - (5) Deducting the compensation amount pursuant to Sub-rule (4), the bank guarantee equivalent to the remaining amount shall be released within fifteen days from the revocation date of the license.

21. Certifying Authority May Close Work: Any Certifying Authority may close the work relating to certification fulfilling the following procedures:

(a) By providing written notice to Controller, at least, ninety days prior to the expiry of the validity of the license of the Certifying Authority or from the date desirous to close the job relating to certifying.

(b) By publishing public notice about the desire to close the work after giving notice pursuant to Clause (1), at least, before ninety days in the daily newspaper of national level.

(c) By giving notice to the subscriber and other Certifying Authority mutually arranged digital signature certification regarding the closure of the work, at least, before sixty days of closing the work.

(d) By displaying notice pursuant to Clause (a), (b) and (c) by registry through Post Office or E-mail with digital signature.

(e) By revoking all digital signature certificate issued within the date fixed to close the work whether any subscriber requests or not.

(f) By making arrangement to close the work without giving any inconvenience to the subscriber as far as possible.

(g) By making arrangement of keeping documents, records relating to transaction carried out, issued digital signature certificate safety for seven years from the date of closure of the work.

(h) By making arrangement of providing compensation equivalent to the fee to be charged for issuing new certificate to subscriber of Digital Signature certificate issued prescribing the validity period after the date of closing the work.

(i) By giving notice to the Controller about the date and time of the destruction of the Private Key by the Certifying Authority after the expiry of the duration of the validity of certificate of the subscriber.

22. To Deposit Royalty: Certifying Authority shall have to deposit, at least, two percent amount out of the total income acquired by issuing digital signature certificate within the first week of every month as royalty at the Office of the Controller or any bank or financial institution prescribed by him/her.

23. Other Functions, Duties and Power of the Certifying Authority: In addition to the functions, duties and stipulated in Section 17 following shall be the other functions, duties and power of the Certifying Authority: -

(a) To fix the procedures to issue a license,

(b) To fix the procedures while revoking or suspending a license,

(c) To fix procedures to release in the case suspension of a license,

(d) To undertake necessary monitoring whether the work is done or not in pursuant to the issued license.

24. To investigate by the Controller: (1) The Controller may, if he believes that the Act or Rules are not complied with by the Certifying Authority or by any other concerned person, conduct or cause to conduct necessary investigation by any other officer designated in this regard.

(2) While carrying out investigation pursuant to Sub-rule (1) the Controller or the officer designated by him/her shall take on the following proceedings:

(a) To interrogate the concerned Certifying Authority or other concerned person presenting before him/her,

(b) To proceed forward the proceeding by forming a Investigation Committee involving an expert of the concerned subject in cooperation with the Controller or the officer designated by him/her if investigation is seen to be done in any special matter,

(c) To suspend or revoke a license of the Certifying Authority if it is found to be done so from the investigation pursuant to Clause (b),

(d) To provide reasonable compensation to anybody for loss and damages occurred from the Certifying Authority or other concerned individual due to non-compliance of the Act or these Rules.

25. Procedures to give Recognition to the Foreign Certifying Authority: (1) Any Certifying Authority having a license to carry out certification pursuant to the law of foreign country desirous of working within Nepal as Certifying Authority may submit an application before Controller attached with the following documents and statement:

(a) Attested copy of a license to work as Certifying Authority in foreign country,

(b) Paid up capital or statement of the property,

(c) Terms and conditions to be fulfilled by Certifying Authority under Act and these Rules and complete the statement and evidence showing statement showing the qualification completed.

(d) Other statement as requested by the Controller.

(2) If the Controller finds reasonable to provide recognition to such foreign institution to work as Certifying Authority from the application together with documents and details received pursuant to Sub-rule (1), the Controller shall have to submit proposal before Nepal Government for approval proposing the terms and conditions to be abided by such Certifying Authority for recognition.

(3) A proposal submitted before Nepal Government for approval pursuant to Sub-rule (2) Nepal Government may provide approval to carry out work as Certifying Authority by adding or modifying the terms and conditions proposed by the Controller.

(4) If the approval has been received from Nepal Government pursuant to Sub-rule (3), notice of conferring recognition to work as Certifying Authority clearly mentioning the terms and conditions to be complied with by such foreign Authority after taking required fee and bank guarantee while issuing a license to such foreign institution to work as the Certifying Authority pursuant to these Rules shall have to be published in the Nepal Gazette.

(5) If the terms and conditions prescribed in the notice pursuant to Sub-rule (4) are not complied with or the work is found contrary to the Act or these Rule, Nepal Government shall repeal recognition of such Certifying Authority by taking consent of the Controller and such notice shall be published in Nepal Gazette.

Chapter - 4

Provisions Relating to Auditor and Audit Performance

26. Appointment of Auditor: (1) The Controller shall appoint an auditor on contract basis every year as per necessity for audit performance of Certifying Authority.

(2) While appointing an auditor pursuant to Sub-rule (1) from amongst the individuals having following qualification shall be appointed:

(a) A person who holds, at least, Bachelor Degree in Information Technology or in the subject equivalent to that from the recognized educational institution and ten years experience in the computer related field.

(b) A person who holds at least Bachelor Degree in management, economics or commerce from the recognized educational institution and ten years experience in the computer related field.

27. Remuneration and Benefit for the Auditor: Remuneration and benefit shall be in accordance with the contract at the time of his/her appointment.

28. Procedures for Performance Audit: (1) Auditor may request the following statement while carrying out audit of the Certifying Authority:

(a) All the statement of the performances done throughout a year by the Certifying Authority,

(b) All the statements of issued licenses throughout a year by the Certifying Authority,

(c) All the matters relating to the evaluation and monitoring done by Certifying Authority related to the proceedings mentioned in the licenses issued pursuant to Clause (b),

(d) Statement of collected amount by the Certifying Authority in lieu of issuance of licenses throughout a year.

(2) Auditor shall apply following procedures while auditing performance audit of Certifying Authority after accessibility of details pursuant to Sub-rule (1):

(a) To inspect security system adopted used by the Certifying Authority to secure electronic record.

(b) To inspect physical system of materials involved within electronic record

(c) To evaluate standard of Information Technology used by Certifying Authority.

(d) To examine service provided by Certifying Authority to subscriber.

(e) To analyze Certifying Authority's total certification practice.

(f) To evaluate whether the terms and conditions complied with or not related to consent or contract done between Certifying Authority and other concerned part or subscriber.

(g) To evaluate whether terms and conditions mentioned in the license and the direction given by the Controller from time to time pursuant to the existing law are complied with or not.

(3) Auditor shall have to submit a report before the Controller within three months from the date of initiation of the work after evaluating pursuant to Sub-rule (2).

(4) In addition to other matter, following matter shall be incorporated in the report pursuant to Sub-rule (3):

(a) Defects found from the performance audit of examined Certifying Authority throughout the year.

(b) Dealing of such additional direction, in case, to be given upon the Certifying Authority.

(c) Dealing of such action, in case, to be taken upon the Certifying Authority.

29. Duration to Undertake Performance Audit: Certifying Authority while undertaking yearly performance audit by the auditor shall have to be done within the following term:

- (a) Within three months while auditing the depository
- (b) Within six months while auditing security system, status of physical security and plan of performance.

30. Disqualification of Auditor: Following person shall not be eligible to be appointed to the post of Auditor:

- (a) A person who has taken any share from the Certifying Authority whose performance audit has to be done immediately or who has economic or commercial transaction or any interest.
- (b) A person who has commercial or economic interest with Certifying Authority or his/her employees.
- (c) A person who is the member of same family of the Certifying Authority or his/her employees.

Chapter -5

Provisions Relating to Digital Signature and Certificates

31. Apply to obtain a Certificate: (1) Any person, firm or company desirous to obtain digital signature pursuant to Section 31 of the Act shall have to submit an application before the Certifying Authority in a format as mentioned in Schedule-5.

(2) Certifying Authority shall investigate upon the application submitted pursuant to Sub-rule (1), while investigating specially the following matters shall be investigated:

- (a) Whether the received application is legal or authoritative or not,
- (b) Whether the subscriber is in the list of mistrust or not,
- (c) Basis of belief of Certifying Authority that the applicant is capable to utilize such a certificate without the help of any other person.
- (d) Whether the applicant consented to publish the statement of certification in the directory or not.
- (e) Whether the evaluation of truth of recognition upon the statement of certification process submitted by the applicant is complete or not.

(3) While investigating pursuant to Sub-rule (2) Certifying Authority may request any additional statement if he/she deems necessary from the applicant.

(4) Concerned applicant shall have the duty to submit additional statement as requested by Certifying Authority pursuant to Sub-rule (3).

32. To Issue a Certificate: If the applicant is found reasonable to be provided a certificate while investigating upon the application submitted him/her pursuant to Rule 31 Certifying Authority shall issue a license fulfilling the following procedures in a format as mentioned in Schedule-6:

- (a) New certificate to be generated,
- (b) Key pair to be involved
- (c) Public key to be provided.

(2) The applicant shall have to be given opportunity to examine whether the statement mentioned in such a statement is correct or not prior to issue a certificate to the applicant pursuant to Sub-rule (1) and if the applicant expresses the statement is correct then certificate shall be issued to such an applicant taking one hundred rupees fee.

(3) A certificate issued pursuant to Sub-rule (1) shall consist of recorded digital signature signed or shall consist of notice of more than one Archives and listing shall be done in case of suspension or revocation of such certificate.

(4) A certificate issued pursuant to Sub-rule (1) recorded shall be published in Archives.

(5) After issuance of a certificate if Certifying Authority receives any information of the effect of regularity or reliability of such certificate he/she shall have to promptly give such information to the subscriber who obtained certificate.

(6) Term of validity of a certificate issued pursuant to Sub-rule (1) shall be as mentioned in such a certificate.

33. Suspension of a Certificate: (1) Certifying Authority may suspend a Certificate issued in the following conditions:

(a) If Certifying Authority believes that such digital signature is used for any illegal purpose or used for attainment of illegal objective or going to be used or there is condition of being used.

(b) If information about any criminal case against the subscriber sub-judice in any court.

(c) If Controller dispatches in writing to Certifying Authority stating that certificate is used contrary to the public welfare or is going to be used or there is the possibility of using.

(2) While suspending any certificate pursuant to Sub-rule (1) and Clause (b) of Section 32 Certifying Authority mentioning the reason of suspension may request the subscriber to present defense in written form providing three days time.

(3) Certifying Authority may suspend a certificate issued if the clarification submitted pursuant to Sub-rule (2) is found not satisfactory or clarification is not submitted.

(4) Duration of suspension of a certificate shall not be more than fifteen days pursuant to Sub-rule (3).

34. Release of Suspension of a Certificate: (1) Certifying Authority shall carry out necessary investigation whether a certificate is used contrary to the public welfare or not considering the clarification submitted by the Subscriber pursuant to Sub-rule (2) of Rule 33.

(2) Certifying Authority shall release suspension of such certificate if it is not found pursuant to Sub-rule (1) of Rule 33 while investigating in accordance with Sub-rule (1).

Provided that release of suspension of a certificate shall be done upon the approval of Controller in case of a certificate suspended in accordance with the direction of Controller pursuant to Clause (c) of Rule 33.

35. To Revoke a Certificate: (1) While investigating pursuant to Rule 34 relating to a certificate suspended under Rule 33 if it is proved to suspend, the concerned subscriber shall be given three days time to submit any reason and evidence of not to revoke a certificate.

(2) Certifying Authority shall revoke such certificate if defense presented within the time period pursuant to Sub-rule (1) is not satisfactory or defense is not presented.

(3) Clarification may be asked through email with digital signature in the address provided by the subscriber in the case of clarification to be requested from him/her pursuant to Sub-rule (1).

Chapter-6

Miscellaneous

36. Provisions Relating to Certificate to Use by Government Agency:

(1) Nepal Government shall publish notice requesting an application from Certifying Authority desirous to issue a certificate of digital signature to be used by Government Agency.

(2) If appropriate Certifying Authority is found from amongst the received applications pursuant to Sub-rule (1), Nepal Government assigns to such Certifying Authority to work as to issue digital signature certification to be used by the government agency.

(3) The Government agency, in case, desirous of acquiring a certificate pursuant to Sub-rule (2), certificate may be acquired from the prescribed Certifying Authority.

37. To Accept Documents in Electronic Form: (1) To accept documents in electronic form or desirous of receiving and accepting any fee or amount through electronic medium by any governmental agency or corporation under the ownership of Nepal Government by publishing such matter in the public notice regarding such acceptance, or obtaining, receiving fee or amount, documents and together the electronic address where electronic documents are dispatched shall be made public.

(2) Documents of electronic form together with digital signature, fee and amount etc. dispatched in the electronic address made public pursuant to Sub-rule (1) shall be presumed to have been received and accepted by such institution or corporation.

38. To Comply with Security Guidelines: (1) Practice and working method of the Certifying Authority shall be in compliance with the existing law.

(2) The Certifying Authority shall perform guaranteeing fully the digital signature, security of information, reliability, privacy and other matters.

(3) Information technology and security directives to be used by the Certifying Authority shall be as pursuant to have been issued by Nepal Government with recommendation of the Controller.

(4) Information technology and security policy to be used by the Certifying Authority issued pursuant to Sub-rule (1) shall be based on security directives.

39. Delegation of Authority: The Controller may delegate any power acquired pursuant to these Rules to any subordinate officer employee.

40. English Language May be Used: Unless the subject and context otherwise requires in the existing law, application to be submitted, issuance of license, certificate or while issuing order or direction by the Controller or Certifying Authority or subscriber as per requirement pursuant to these Rules may carry out also such activities in the medium of English language.

41. Modification May be Done in the Schedule: Nepal Government, with the consent of the Controller may carry out necessary alteration or addition reduction in the Schedule.

42. Repeal and Saving: (1) Electronic Transaction Act 2004 has been repealed.

(2) Already done pursuant to the Electronic Transaction Rules 2004 shall be deemed to have been done pursuant to these Rules.

Schedule-1

Related to Sub-rule (2) of Rule 6

Measurement of Standard Relating to Information Technology

Certifying Authority may bring in use information technology infrastructure having the open standard and reliable standard established in the world. Following standard, at least, shall be established to perform various electronic transactions:

PRODUCT	STANDARD
Public Key Infrastructure	PKIX
Digital Signature Certificates and Digital Signature Revocation list	X.509, version 3 certificates as specified In ITU RFC 1422
Directory (DAP and LDAP)	X.500 for publication of certificates and Certification Revolution Lists (CRLs).
Database Management Operations	Use of generic SQL/Structured Query Language
Public Key Algorithm	DSA and RSA
Digital Hash Function Algorithm	MD5, SHA-1&HAVAL
Digital Encryption and Digital Signature	PKCS#7, ECDSA
Digital Signature Request Format	PKCS#10
Symetric Cryptography	DES or AES
Distinguished Name	X-520

Schedule-2

Related to Sub-rule (1) of Rule 12

Mr. Controller,

subject: **An application for Grant of a license to work as Certifying Authority**

This application is submitted seeking grant of a license to work as Certifying Authority pursuant to Electronic Transaction Act 2006 and Electronic Transaction Rules , 2007. I/we would request you to grant a license to work as Certifying Authority.

(a) **Individual/Firm or Company's:**

1. Name:
2. Address of registered office:
3. Address of other Branch Offices having transactions:
4. Name and Address of P.E.N Number and Issuing Office:
5. Name and Address of ISP:
6. Website Address:
7. E-mail, Telephone and Fax Number:
8. Name, surname and address of all partners and shareholders having ownership of ten percent or more than shares:
9. Paid up capital/Total property:
10. Gross transaction of previous year:
11. Type of Certifying Digital Signature:
12. Place of expediency in Nepal to carry out Certification:

(b) **Attached Documents:**

1. Certificate of Registration of a firm/a company,
2. Audit Report of previous year,
3. Statement of process desirous to use while certification to work as Certifying Authority,
4. Certificate of Tax clearance of previous fiscal year,
5. Performance Bank Guarantee,
6. Receipt or Bank Voucher of application fee deposited,
7. Details showing the work experience in the related field,
8. Attested copy of a decision taken by the Board of Directors for submitting an application on behalf of a firm or company,
9. Other required documents eligible for certification pursuant to Sub-rule (1) of Rule 12.

In accordance with the Electronic Transaction Act 2006 and the Electronic Transaction Rules 2007, eligibility has been met to work as Certifying Authority and the details written herein are trustworthy, if found false forbearance in accordance with the law.

Seal of a Company or Firm

Applicant's

Signature:

Name:

Designation:

Date :

Schedule-3

Related to Sub-rule (1) of Rule 14

LICENSE

License No:

Issued Date:

This license has been issued to Mr..... (Name of license holder individual/firm or company) from the dateto date..... to carry out the activity as Certifying Authority to abide by the Electronic Transaction Act 2006, Electronic Transaction Rules 2007 and the following terms and conditions.

Description

Name of license holder (Individual or Firm or a company):

Address:

Address to make availability of Service of Certification:

Applicant's

Seal of office

Signature:

Name:

Date:

Terms and conditions to be abided by Certifying Authority:

- (a)
- (b)
- (c)
- (d)
- (e)

Description of Renewal

Renewed Date	Completion of Renewal Date	Signature of Renewal Authority	Remarks

Schedule-4
Related to Sub-rule (1) of Rule 16

Mr. Controller

Subject: Request for Renewal

This Institution has been working as Certifying Authority and desirous of continuing the work of certification we, I have come to submit this application attached herewith with voucher/receipt of paid fee for renewal. Therefore, kindly renew a certificate.

Enclosed documents:

Original Certificate:

Voucher/receipt of paid fee:

Bank Guarantee:

Applicant's:

Signature:

Name and designation of a Person who signs:

Name Certifying Authority:

Certificate No. and Issued Date:

Schedule-5

Related to Sub-rule (1) of Rule 31

Mr..... (Name of Certifying Authority)

Subject: Issue Digital Signature Certificate

I have applied to acquire certificate which is needed to obtain authentic digital signature together with the following documents and details relating the aforesaid subject.

1. Name, surname and address of a Subscriber:
2. Legal status of a Subscriber:
3. Certificate which gives identification of a Subscriber:

Regarding Natural Person:

- a. Citizenship or Passport No:
- b. Office that Issued:
- c. Date of Issue:
- d. Valid date (Regarding Passport):

Regarding Firm, Company or Corporate Institution or Organization:

- a. Registration certificate or formation order, relevant Act or Notice issued in the Gazette:
 - b. Date of Issue:
 - c. Issuing Office:
 - d. Objectives:
4. For what purpose desirous of acquiring Digital Signature and its Statement:
 - a. For all kinds of possible transactions (mention possible statement)
 - b. For banking transactions
 - c. For other related purchase and sale transaction
 - d. Any written correspondence issue for certificate except any exchange
 5. Maximum limit of each transaction if decision of doing financial transaction as well.

Description written above is trustworthy. I shall submit other details or evidence necessary for that institutions on the condition of request and pay fee at the time of issuance of certificate.

Seal of office in case of
Applicant is a corporate
Body

Applicant's
Signature:
Name:
Applicant's on behalf of
institution:
Signature, name and
Designation

Schedule-6

Related to Sub-rule (1) of Rule 32

Digital Signature Certificate

Name of Certifying Authority Issuing Certificate

Certificate No:

Serial No:

Mr.....

This Digital Signature Certificate is issued to you..... to carry out service proceedings subject to the directions given from time to time and Electronic Transaction Act 2006 and Electronic Transaction Rules 2007.

1. Type of Digital Signature Certificate:
2. Signature Algorithm Identifier:
3. Statement of Public Key:
4. Duration of validity of certificate:

Seal of Certifying Authority

Certificate Issuing Authority's

Signature:

Name:

Designation:

Date:

This is translation copy of Nepali version

Translator: **Dr. Bal Bahadur Mukhia**, Notary Public

Registration Number at Notary Public: 60