



Press Release

SOPPAN Calls for Urgent Reconsideration of Restrictive ISIN Regulations That Threaten Nepal's Investment Climate and Renewable Energy Future

Kathmandu, Nepal – July 30th 2025

The Solar Power Producers' Association, Nepal (SOPPAN) expresses serious concern regarding the recent proposal by the Central Depository System and Clearing Ltd. (CDSC) to introduce a new class of ISIN for promoter shares of companies entering the Initial Public Offering (IPO) process. The move, which seeks to dematerialize promoter shares as a separate class of shares and impose restrictions on their secondary market tradability, risks destabilizing Nepal's burgeoning energy and infrastructure sectors and undermines national economic ambitions.

SOPPAN's principal concerns regarding the current proposal from CDSC are as follows:

▲ **Threat to Investment in Renewable Energy** This regulation comes at a time when Nepal is aggressively pursuing a 28,500 MW renewable energy development target by 2035, including expansive solar PV and hydropower projects. Restricting share liquidity, particularly for promoters, deters the very patient and visionary capital needed for high-risk, capital-intensive renewable energy investments.

🌐 **Discouragement of Foreign Direct Investment (FDI)** By curbing the freedom of foreign investors to repatriate dividends and trading gains, the policy jeopardizes one of Nepal's critical financing sources. Such restrictions contradict the Government of Nepal's commitment to attracting foreign capital and dilutes confidence in Nepal as a viable investment destination.

⚠️ **Policy Inconsistency and Risk to Investment Grade Ratings** SOPPAN notes with regret the severe policy incoherence reflected in this move. While the government champions investment drives and sustainable development goals (SDGs), regulatory bodies such as CDSC and SEBON are introducing counterproductive provisions. Nepal's investment grade, already fragile, could be further downgraded—jeopardizing future capital inflows and economic progress.

🤝 **A Call for Coordinated Governance** The prevailing “left hand does not know what the right hand is doing” syndrome in policymaking is dismantling the capital markets and discouraging both domestic and international stakeholders. SOPPAN urges that policy harmonization across institutions be treated as a national priority.

💡 **Protecting the Golden Goose** Infrastructure and energy projects demand long-term, patient capital, with returns commensurate to risk. These restrictive measures could extinguish investor optimism just as the sector begins to thrive. The metaphor is clear: don't kill the golden goose that lays the golden eggs.



 **Impact on National Growth, Employment, and Climate Goals** The implications extend beyond economics. Nepal's pursuit of climate resilience, carbon reduction, and SDG alignment depends on robust and inclusive investment frameworks. Jeopardizing investor confidence is tantamount to stalling national progress.

 **SOPPAN's Appeal** We respectfully call on the Government of Nepal, the Parliament, Ministry of Finance, Nepal Rastra Bank, SEBON, and CDSC to urgently reconsider these regressive provisions. Regulatory stability, transparency, and investor-friendly policies are essential to ensuring that Nepal remains on course to achieve its development, sustainability, and prosperity goals.

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About SOPPAN:

SOPPAN is dedicated to fostering sustainable solar PV and renewable energy development and inclusive growth in Nepal. Our mission is to advocate for policies that empower solar, BESS, renewable energy, infrastructure, and climate resilience while ensuring equitable opportunities for all stakeholders.