GOVERNMENT OF NEPAL

MINISTRY OF FOREIGN AFFAIRS

INSTITUTE OF FOREIGN AFFAIRS

Measuring Where Nepal's Remittances Come From: A Data Request to the Republic of Korea

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PROBLEM STATEMENT

Remittances reached NPR 17.23 kharba in 2024/25, about 28 per cent of GDP and Nepal's largest source of foreign exchange. Nepal cannot say how much came from any one country. Nepal Rastra Bank publishes the year's total as a single number and confirmed in July 2026 that no country-wise series is compiled, and there is no split between formal and informal channels because nothing in Nepal measures one.

This is now a compliance problem. Nepal was retained under FATF increased monitoring in June 2026, and item three of its action plan requires Nepal to identify and sanction materially significant hundi providers without hindering financial inclusion. Significance is a quantity, and Nepal has no measure of it. Enforcement that cannot tell a large operator from a worker sending wages home falls on the worker.

EXECUTIVE SUMMARY

Can Nepal find out how much of its remittance income comes from one source country, and how much arrives outside the banking system? The method is indirect estimation by counterpart data: ask the host state for what it already records, rather than model flows Nepal cannot test or ask households to disclose a criminal offence. The evidence is fourteen interviews across seven institutions, a written response from the Embassy in Seoul, and the Bank of Korea's operating procedure.

The finding is an asymmetry. Korea records the destination country of every transfer reported into that system, a mandatory field captured at origination. Nepal cannot reconstruct it, because a Nepali institution records the counterparty it received funds from, not where the worker sent from. Korea holds a figure it does not publish, Nepal does not hold it at all, and the Embassy confirmed in July 2026 that it has never asked. Asking is a diplomatic act only MoFA can perform, and Korea is a test of method rather than the priority corridor.

KEY TAKEAWAY

Nepal must identify materially significant hundi providers, has no measure of significance, and has never asked Korea, whose remittance records already contain the number.

POLICY RECOMMENDATIONS

01 Direct the Embassy of Nepal in Seoul to transmit a note verbale to the Korean Ministry of Foreign Affairs requesting quarterly totals for personal transfers from Korea to Nepal, by value and transaction count, for a twelve-month pilot plus the four quarters already elapsed. Attach a one-page specification agreed beforehand with Nepal Rastra Bank, the Ministry of Labour and the Ministry of Finance. One named desk officer in MoFA's North East Asia Division carries the file and reports to the Foreign Secretary each quarter against four milestones: specification agreed, note transmitted, response received, statistic delivered. No new body, committee or budget line is required.

02 Direct the Embassy to convene a Nepali and a Korean bank on a transfer arrangement whose price is published in full, on the model of the Lao Development Bank and BNK Busan Bank memorandum of August 2025. The object is a disclosed exchange-rate margin, not a lower headline fee: published fees on this corridor are already near zero at the sizes Nepali workers send.

KEY VISUALS

