

Nepal GOVERNANCE WEEKLY

Inside the Bhutanese Refugee Scam Verdict

The Bhutanese Refugee Scam Case has reached a major milestone after three years as the Kathmandu District Court convicted several high-ranking politicians and government officials for their involvement in an elaborate scheme of forgery, fraud, and organized crime. The convicts were found guilty of deceiving [hundreds](#) of Nepali citizens with false promises of legal resettlement in the United States and other countries by fraudulently portraying them as Bhutanese refugees, a crime the court noted had severely damaged Nepal's international reputation.

A total of 16 individuals were found guilty, either for direct involvement or as accomplices in the integrated crime scheme. The most notable convicts include former Deputy Prime Minister Top Bahadur Rayamajhi, former Home Minister Bal Krishna Khand, and former Home Secretary Tek Narayan Pandey. Meanwhile, seven defendants have been found not guilty, and the hearing of eight suspects who did not appear before the court is postponed until their arrest. With the convictions now finalized, the court has scheduled a hearing for July 13, 2026, to determine the exact punishments for the convicted individuals.

According to the ruling, the scam was carried out by tampering with an official Home Ministry report, adding fake schedules, and issuing counterfeit refugee identity cards. For decades, Nepal hosted thousands of Bhutanese refugees and collaborated in international resettlement programs that concluded in 2016. Following the resettlement process, efforts to identify and verify unregistered refugees continued until 2019. But the very process was exploited through fabricating fake names into official reports by establishing the illegitimate refugee status of the victims.

With several bureaucrats implicated, the case initially appeared to be an administrative error but gradually unfolded into one of Nepal's largest organized fraud cases. The court report states that around 800 victims were affected over several years, with 115 identified victims manipulated into making payments ranging from Rs. 150,000 to Rs. 4.8 million. Although complaints were reportedly filed as early as 2022, they were shelved due to the Nepal Police's weak handling of the case. After key arrests in 2023, the case remained tied up in procedural hearings and bail appeals for nearly three years, with two supplementary charge sheets further extending the trial as investigators identified additional suspects and evidence.

While names of high-profile individuals, including Arzu Deuba, KP Sharma Oli, CIAA Chief Prem Kumar Rai, and others, resurfaced in the supplementary charges, the court rejected their summons, citing jurisdictional constraints and the limited scope of the filed charge sheet. But the public has demanded proper investigations into their involvement in the case as fragmented evidence points towards them.

Weekly Snapshot



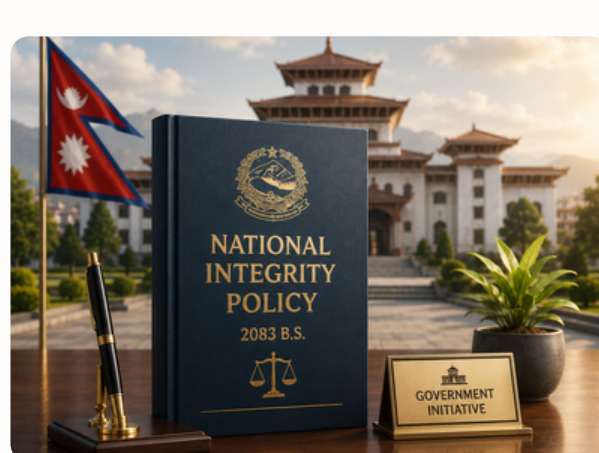
- Parties Quit Amendment Taskforce:** The government's constitutional reform strategy is gradually losing support as parties including the CPN-UML, LSP, JSP, and Rastriya Janamorcha have withdrawn from the Rastriya amendment task force. In a joint memorandum, they argued that the task force has been operating under an unclear agenda and the discussions bypass Parliament's sovereign authority to amend the Constitution. Coordinator Asim Shah, however, defended the process, claiming the opposition withdrew deliberately to obstruct reforms amid the government's growing public support. [Read More](#)

Over 13,000 asset declarations submitted, 1,500 complaints filed: The Nepal Assets Investigation Commission has received 13,660 asset declarations from the former public officials and employees, along with the 1,500 complaints alleging illegal wealth. The Commission has begun reviewing submissions by comparing them with the complaints and will recommend further actions if suspicious assets are found. However, the current prime minister, sitting judges, military officials, and constitutional officeholders remaining outside the commission investigation mandate raise concern about the scope and the fairness of the process. [Read More](#)



Monetary Policy for the year 2083/84: Nepal Rastra Bank (NRB) has issued its monetary policy for FY 2083/84 by disclosing several targets, projections, and regulatory reforms to promote economic stability and growth. The policy aims to maintain inflation at 5.5%, achieve 7% GDP growth, and expand the broad money supply by 14%. NRB has also introduced measures to address structural credit challenges, promote digitalization, improve liquidity management, reduce unnecessary blacklisting, and study peer-to-peer (P2P) lending and the reclassification of banks and financial institutions. [Read More](#)

Integrity Policy introduced by the government: The government's good governance and anti-corruption agenda have further expanded with the implementation of the National Integrity Policy 2083, which maintains ethical standards for citizens, businesses, media, NGOs, and diplomatic missions to strengthen transparency, accountability, good governance, and integrity across both public and private sectors. The policy mandates asset disclosure by politically appointed officials, promotes ethical business conduct, requires the avoidance of misleading media reporting, and calls on citizens to uphold social harmony and constitutional values in civic life. [Read More](#)



NHRC urges proper resettlement for landless squatters: The National Human Rights Commission (NHRC) has urged the government to ensure mindful eviction and proper resettlement of landless squatters in designated holding centers. During its monitoring, the NHRC found inadequate food, sanitation, and livelihood support and a lack of alternative arrangements for displaced families. Stating that any violation of their rights to life, freedom, equality, and dignity would contradict Nepali laws, government commitments, and international human rights obligations, the NHRC called for a humane, rights-based approach to resettlement. [Read More](#)

“The federal structure is not a context for development projects. It is the theory of change.”

The article written by **Policy Expert Raju Sharma** emphasizes that the theory of change for a development project should illustrate a causal chain from project activities to sustained outcomes in the community.

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