



## **Electronic Contracts in Nepal: Analyzing IT Bill, 2019 and Judicial Challenges**

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### **Abstract**

The rapidly growing use of Information and Communication Technology (ICT) in Nepal has revolutionized business transactions particularly through electronic contracts (e-contracts) although there are still legal, technological and economic challenges in its implementation. Exploring security, adjudication, judicial capacity and challenges of e-contracts in Nepal, this study aims to recommend the ways such challenges could be addressed for a robust digital economy. In addition, it aims to analyze e-contracts in Nepal concentrating on the capacity of Nepali court system in handling diverse e-contract disputes, and provisions for security, settlement mechanisms, adjudication powers, and remedies in the IT Bill, 2019. Employing an analytical research design, this study uses secondary data obtained from various legal documents, academic literature, and industry reports. The findings show that there are disputes on Nepal's legal framework for e-contracts such as the Information Technology Bill, 2019. There are issues to be considered including legal recognition, authentication, jurisdiction, and consumer protection. Strengthening digital infrastructure, adopting block chain, enforcing cyber security, and promoting training and awareness programs could make the legal practice, policy, business, infrastructure, capacity building, dispute resolution, and international collaboration more effective.

**Keywords:** consumer protection, e-contracts, legal framework, policy recommendations, consumer protection

### **Introduction**

Despite being one of the least developed countries in the world, Nepal has witnessed the intervention of Information and Communication Technology (ICT) in different dimensions of life, including business transactions and contract formation. E-contracts are at the elevation



of peak with the rapid adoption of ICT as it offers varieties of benefits such as reduced dependency on traditional contract based on paper and facilitating commerce across geographical boundaries. Besides wide range of benefits, there are diverse challenges of e-contract including technological, economical and legal challenges need to be addressed to have a secured e-contracts and online transactions activities.

With the rapid development of ICT and digital literacy among people, e-world has become an integral part of daily activities. People are using the internet technology for commercial purposes and transactions called as electronic contract. Settles (2005) had indentified that electronic contract system has decreased paper or physical payment while online payment system has been increased, leading the country in the path of digital advancement and enhancing the activities of digital economy. Due to the development of digital platforms, online contracts have become fundamental tools in the corporate world. The unique social and legal landscape of Nepal has to be tied up for the facilitation of e-contract.

Robins & Gready (2022) pointed out that although there have been earlier studies conducted to assess the position, challenges and opportunities of e-contract in Nepal but there are no sufficient studies in areas such as security, adjudication, and the capacity of judiciary's to handle e-contract disputes. This paper seeks to deals with the security, settlement mechanisms, and adjudication of e-contracts with a focus on the provisions of the Information Technology (IT) Bill, 2019.

### **Historical Development of Contract System in Nepal**

The concepts of contracts developed in Nepal since the ancient time which is multifaceted journey that reflects the combination of legal, cultural, and economic forces. From ancient times, Nepalese society has engaged in various forms of contractual agreements, rooted in traditional practices and social norms. Traditional methods of contracts include expressed agreement, written contract and notarial deeds which were deeply rooted in the social behavior particularly based on trust and cohesion.

In the late 20<sup>th</sup> and the early 21<sup>st</sup> first century, advancement of digital technology leads change in traditional contract practices which resulted into the change in the procedure for the formation, execution and enforcement of contract systems. The commercial transactions are done electronically due to the rapid development of internet, mobile technology and online payment methods. The transformation from traditional paper based contract to modern e-contract has not only changed the procedural aspects of contract formation, execution and enforcement but also change the shape of business patterns of Nepal. Although there are no only benefits of e-contract, it also possesses different problems and challenges which need strong legal frameworks, technological infrastructure and regulatory oversight to maintain security, authenticity and enforceability of electronic contracts. The different issues like digital literacy, internet accessibility and equitable participation are very important to solve for getting benefits from electronic contract for Nepal's economic development.

The Electronic Transaction Act, 2063 (2008) marked a significant step in Nepal's journey toward digitalization and became the fundamental law that governs the electronic



transactions which provides legal identification and validity to online documents, signatures of the parties and online transactions between them. Overall, it helps to digitalize the economy and streamline the online business. This Act contributed for the beginning of e-contracts in Nepal. Despite various provisions in the Act, there is lack for managing different evolving technologies like smart contracts as well as contracts of complex nature. In conclusion, the historical development of contract system in Nepal plays a dynamic role between traditional and modern aspects, local practices and global trends. Nepal to achieve economic development and to integrate digital transactions, the development of the contract laws and system will remain a key area of focus, shaping the commercial relations and legal structure in the country.

### **Research Gap**

There is rapid rise on the use of e-contracts in Nepal due to diverse advantages. People are adopting digital economy and are conducting different e-contracts although the degree of its use is more in city and urban areas than in the rural and remote areas. Despite this reality, e-contracts have been undergoing different challenges and problems which cannot be handled by the existing legal and technological infrastructure. This paper has tried to bring an in-depth exploration of different challenges in-depth, particularly focused on the security, adjudication, and judicial challenges in the IT Bill, 2019 of Nepal.

### **Research Questions**

- i. What are the provisions related to security, settlement machinery, adjudication power, or remedies concerning electronic contracts in the Information Technology (IT) Bill, 2019 of Nepal?
- ii. To what extent is the Nepali court system equipped to adjudicate disputes arising from electronic contracts?
- iii. What are the key issues within electronic contract laws in Nepal that may impede the judicial process?

### **Objectives of the Study**

The general objective of this research is to critically analysis the condition of electronic contract system including different challenges and prospects in Nepal. Based on this objective, there are the following specific objectives:

- i. To find out the provision of security, settlement machinery, adjudication power or remedies related to electronic contracts in Information Technology (IT) Bill 2019.
- ii. To identify whether Nepali court system is fully capable to adjudicate disputes arising out of electronic contract or not.
- iii. To assess the issues of electronic contract laws likely to cause impediments in judicial process.

### **Rationale and Limitation of the Study**

Nepal is prepared for digital transformation by making different laws and regulations for electronic payment activities. The understanding of legal provisions for electronic contract is important before entering into the contracts with Nepali promoters and businessmen. This study has focused whether the laws and regulations made in Nepal are sufficient to protect the



electronic contracts and online payments. Undertaking strengths, weaknesses and potentiality of legal framework in Nepal, it evaluates concerning whether Nepali court system is fully capable to adjudicate disputes arising out of electronic contract. In this sense, it is limited to legal provision of Nepal while its findings may not be applicable into other jurisdiction. In other words, its main concern is on the legal provision on the IT Bill, 2019 while it does not go beyond this area. As such, it is confined to the current capacity of court for the settlement of e-contract disputes in Nepal.

## **Literature Review**

### **Overview of E-contracts in Nepal**

An electronic contract can be defined as a legally binding agreement that is signed and executed digitally which include elements like offer, acceptance, consideration, intention to create legal relations, and capacity to contract. Different types of e-contract include Click-wrap agreements, Browse-wrap agreements and Scroll-wrap agreements.

Waran & Rajan (2018) concentrated on the thought and functionality of smart contracts, a contract that is conducted under predetermined rules and situations particularly with the help of software program. These contracts are linked with block chain technology and online currencies becoming advantageous in the context of Nepal. Likewise, in their qualitative study, Ghazizadeh & Sun (2020) stated about different types, features, advantages and disadvantages of e-contract in Nepal particularly based on the provisions stated in the Electronic Transactions Act 2008. Evaluating the legal structure of e-contract in Nepal, they focused in the legal problems and difficulties of e-contract related to security, privacy, evidence as well as protection of consumer.

Bhandari & Shrestha (2019) analyzed the legal framework governing e-contract in Nepal and stated that the Electronic Transactions Act, 2063 (2008) has been working as the principal law despite having several problems particularly about the formation and enforcement of e-contract. There are ambiguities mainly about the contract formation and the dispute resolution provisions. Highlighting such challenges of e-contract, Khadka & Pantha (2020) state that there is the lack of specific provisions for digital signatures and electronic records in the ETA that can pave ways for the validation of e-contract. They state that due to e-contract illiteracy and absence of technical knowledge among judicial authorities and legal practitioners, there is complication in the enforcement of e-contract. Concerning the theme of e-contract problems particularly faced by business persons in Nepal, Adhikari & Rai (2021) state that despite having legal framework for e-contract, there are technological hindrances and infrastructural constraints. The small and medium enterprises are affected in doing e-contracts primarily because there is no effective regulatory environment. The findings of Adhikari and Rai show infrastructural constraints, lack of regulatory support and infrastructural constraints for the adopting e-contracts in Nepal.



### **E-Contract Legal Framework in Nepal**

Nepal is in striving to align its national laws with international laws and legal practices for building trust or confidence among consumers to facilitate e-contract. The key laws include National Civil Code, 2074 and Electronic Transactions Act.

The National Civil Code, 2017 (2074 BS) is the fundamental legislation that governs and controls contracts in Nepal. All the commercial transactions are governed by this legislation. Different provisions for the creation, validity, execution, breach, and remedies of contracts are mentioned under it. It identifies different classes of special contracts, including partnership, agency, sale, lease, and loan agreements. Some industries or contract categories such as banking, insurance, securities and such others could be governed and controlled by laws or rules different from those found in the National Civil Code. Usually, Commercial contracts are written either in English or in Nepali. The dispute can be settled down voluntarily, mediation and arbitration. If these techniques cannot settle down the dispute, the court settle downs those disputes.

The government has identified Electronic Transactions Act (ETA) of Nepal as a major framework governing e-contracts in the country. This act provides legal recognition to electronic records and signatures, establishing the validity and enforceability of contracts formed electronically (Government of Nepal, 2008). A study by Subedi (2019) concludes that ETA is not enough clear when it comes to address evolving new technologies like smart contract and block chain technology which leads to legal ambiguities and make it difficult to interpret and apply the law to complex contractual agreements. A study conducted by Ghimire, K. (2020) reveals that there are ambiguities, unclear for contract formation and dispute resolution provision is weak for e-contract (2020).

### **Conditions for Contract Formation**

Bhandari & Shrestha (2017) reveals that ETA in Nepal has identified specific conditions for the formation of contract like utilization of digital signatures and the accuracy of online documents. Digital signature holds a pivot role at the time of e-contract formation providing a means to authenticate the identities of the parties involved and ensuring the integrity of the document. There should be an accurate online document as it determines the terms and conditions of an e-contract. Another study (Rai, 2018) raises doubt in the effectiveness of these provisions in guaranteeing the legality and reliability of e-contracts particularly because the existing procedures and technological standards are not effective. To address these issues there must be clear and detailed guideline and standards that figure out the methods for digital signature implementation and ensuring the accuracy of digital signatures. These must be continuous support and collaboration between various stakeholders to update and refine these types of standards to keep aligns with technological innovation and emerging security threats.

### **Legal Validity and Enforceability**

Sharma (2021), in an article "Legal validity of e-contracts in Nepal: Challenges and prospects", argues for the need of precision and clarity in e-contracts in Nepal to make them



legally valid and enforceable. He states that determining the legal structure of e-contracts and dispute settlement in online transactions as a quite a tough job mainly because of the legal ambiguities in the framework and the limitations of judicial precedent. The enforceability of e-contracts hinges on clear legislative guidelines and established technological standards to ensure their reliability and security. Enhanced legal clarity and judicial consistency are crucial for fostering confidence in e-contracts

### **Regulatory Compliance and Consumer Protection**

The regulatory compliance standards as well as consumer protection safeguards are incorporated in the legal structure of Nepal. It is important to maintain a balance between innovation as well as entrepreneurship in the e-commerce domain and regulatory monitoring maintenance for safeguarding the consumers avoiding stifling market expansion. If the regulatory frameworks are effective, it helps in promoting the fair practices, transparency and accountability which will ultimately builds trust and confidence among the consumers. Ultimately it provides a suitable environment for e-commerce.

### **Case Law and Judicial Interpretation**

There is limited case law in Nepal to address e-contract but scholars like Thapa (2020) urges that judicial interpretation is vital in forming the legal framework and settling conflicts pertaining to electronic transaction. To improve legal ambiguities and encourage uniformity in e-contract disputes settlement, they support programs aimed at strengthening judicial capacity and taking a proactive approach to the process.

### **Suggested Legal Reforms**

The changes in the fundamental legislation and policy proposal are essential to address the inadequacies and gaps in legal framework for e-contract in Nepal. Bhattarai & Acharya (2022) aver that the improvement of legal clarity, increase consumer safeguard mechanism and encourage digital innovation as well as entrepreneurship in e-commerce are essential prerequisites for the implementation of e-contracts. The literature review highlights the significance of the legal framework in shaping the landscape of e-contracts in Nepal. While the ETA lays the foundation for electronic transactions, challenges such as legal uncertainties, regulatory compliance, and consumer protection persist. Addressing these challenges requires concerted efforts from policymakers, legal experts, and other stakeholders to ensure the legal framework effectively facilitates the adoption and acceptance of e-contracts in Nepal.

### **Research Methodology**

Adopting analytical research design, this study has used secondary data obtained from various sources like legal documents, academic journals, reports and case studies necessary for exploring and examining the legal aspects, technological aspects and challenges of electronic contract in Nepal.

### **Result and Discussion**

The Information Technology (IT) Bill 2019 is important legislative step for controlling online-transactions and e-contract. All the provisions of IT bill are analyzed that provides the legal structure for e-contract which represents it for the adoption of e-contract. It also identifies



the potential challenges for improvement to make the favorable environment for e-contract in Nepal.

### **Security Provisions**

The IT Bill, 2019 provides a strong mechanism for the security of electronic contracts as well as transactions. To maintain the integrity, confidentiality as well as authenticity of e-records of contract these provisions provide the legal framework. Different measures can be included like encryption, digital signatures as well as access controls to protect and secured the e-contract. To increase the trust and confidence in e-contract different cyber security protocols and rules can be implemented to defend with cyber threats and attacks.

### **Settlement Machinery**

The IT Bill, 2019 is believed to establish a robust mechanism for the settlement of dispute that arises from the e-contract. Besides different method of alternative dispute resolution like mediation, arbitration and conciliation the dispute of electronic contract can be settled by court regular procedure. The methods of alternative dispute resolution provide flexibility and confidentiality in regard to traditional litigation process. Further, the bill makes the provision of specialized bodies responsible for conduction alternative dispute resolution process as well as facilitating the settlement of e-contract disputes.

### **Adjudication Power**

The IT Bill, 2019 also gives adjudication power to designated authorities or tribunal besides the alternative dispute settlement mechanism. These bodies play a significant role in contractual terms interpretation, evidence examination as well as giving decisions with in the regime of prevailing and applicable laws.

### **Remedies**

The IT Bill, 2019 also provides a detailed remedy by the breaches of e-contract to aggrieved parties. The remedies may include restoring the aggrieved party back into previous condition as well compensation from the damages that occur due to breaches of e-contract. Damage, specific performance, injunctions as well as other equitable relief may be available to aggrieved party due to the breaches of e-contracts. Furthermore, the Bill outlines the procedural mechanism for seeking remedies from courts as well as quasi-judicial proceedings.

### **Legal Validity and Enforceability**

There is also the affirmation of legal validity as well as enforceability of e-contract, digital signatures as well as electronic records in IT Bill, 2019 besides the special provision of security, dispute settlement, adjudication and remedies of e-contract. All these provisions aggregated the contract laws principles as well as online transactions which ensures legal certainty and protection in e-contract. The Bill helps for the adoption and acceptance of e-contracts by building trust and confidence. It provides a suitable environment for e-contract which is an essential branch for e-contract as well as online transactions. The Bill provides different provisions for e-contract like security, dispute settlement, adjudication power and remedies in case of breaches of e-contracts in the IT Bill, 2019. It provides clarity as well as certainty and protection of the parties that are involved in e-contract area which ultimately



includes increasing trust, efficiency as well as innovation in online marketplace in Nepal. There must be always movement in the forward direction, continuity in the monitoring, evaluation and amendments in the existing provision is fundamental for meeting the current scenario with technological landscape.

### **Evaluation of the Capability of Nepali Court System**

The evaluation of the capability of Nepali court system for the settlement of disputes arising from e-contracts is very important for making suitable environment for the acceptance and adoption of e-contract in Nepal. The different factors must be assessed like the legal structure, infrastructures of judiciary, judges expertise's, procedural mechanism as well as technological readiness which are discuss in below section.

### **Judicial Infrastructure**

For the successful and on time adjudication of e-contract disputes, physical infrastructures like courts, tribunals as well as administrative services must be easily available. For timely and effective settlement there must be the presence of sufficient resources like courtrooms, legal personnel as well as supporting staffs regarding e-contract. There is the distribution and accessibility of courts in different parts across the country in Nepal. Similarly, the modern technology is adopted into our system which provides the readiness for the handling of e-contracts. The legal framework governing e-contract is very good while the capability of courts in the interpretation of complex technological aspects as well as settlement of e-contract disputes is questionable. There is a challenge in the capacity of courts for the interpretation of complex technological issues involved in e-contracts disputes which hinder the fair and effective management of dispute of e-contract. So training must be provided to judge for the judges to enhances their capacity and capability for solving technology related disputes of e-contract. Nepal is continuously developing judicial infrastructure for adopting modern to upgrade the capability of courts to handle the dispute related to e-contract. Overall this will create a suitable environment for e-contracts adoption in Nepal and the cross border trade will also rises up.

### **Expertise of Judges**

The judges must be expert as well as specialized in managing e-contract disputes. If the judges are not the expert in the field, then the adjudication could not be fair and competent. The possession of knowledge on information technology law, principles of contract law, electronic transaction as well as trends of e-commerce is essential to judges. In the context of Nepal, there are some positive developments in the field of judiciary infrastructure and modern technology adoption however the expertise of judges regarding e-contracts remains an important questions. For solving the disputes related to e-contract the judges must have depth knowledge regarding legal and technical dimension of e-contract. All the stakeholders' coordination will be required to i.e. judiciary, individuals, international bodies etc. to bring expertise in judges of Nepal. The judicial expertise in the field of e-contract can be increased by training programs, workshops as well as legal education continuation. Overall judicial expertise will create a suitable environment for the adoption of e-contract in Nepal.





### **Procedural Mechanisms**

The procedural mechanisms for the settlement of e-contract dispute in Nepal involve various steps like case management; pre-trial procedures as well as evidence presentation possess efficiency and effectiveness.

In Nepal there is a mix and blend scenario of procedural mechanism. There are many areas which need improvement regarding e-contract disputes. There is very best practice regarding case management tools and pre-trial procedure but the inconsistency as well as limitation of technology causes serious problems. Uniform adoption of electronic systems, encouraging ADR methods, enhancing electronic evidence handling and standardizing expert testimony etc. are the recommendation for making the judicial process effective and efficient. This will overall increase the digital transactions fostering favorable environment for e-contract which will increase e-commerce in Nepal.

### **Technological Readiness**

Courts in Nepal have accepted and adopted modern technology in legal proceedings such as electronic filing system, online evidence management as well as the platforms for the dispute settlement online indicates the court system capacity to handle the disputes that arise due to e-contract. The advancement of technology in to the Nepalese court system marks the significant steps toward the effective and efficient e-contract dispute resolution. The implementation of technology depends up on various aspects like the uniformity adoption across all courts and the continuity in the training of judiciary staffs. In Nepali court system the technology in accepted to make the activities of judiciary automatic. The various acts like registration of case, case automation, hearing of case, cases decision as well as cause list are administered through case management software. Furthermore, the capacity of judiciary staff must be enhanced to adopt digital technology.

### **Case Precedents and Legal Interpretation**

There are no case laws regarding the e-contract in Nepal. However, there are different provisions as well as judicial interpretation regarding e-contract that have been playing positive role for the settlement of e-contract dispute.

The evaluation of Nepali court systems identified both the strengths and weaknesses for e-contract. The weaker areas must be improved in order to facilitate e-contract. The legal framework of e-contract is aligned with the international best practices of e-contract but there are still the doubt regarding the judiciary capacity for the interpretation of complex e-contract issues as well as settlement of e-contract dispute effectively. The challenges of judiciary system can be solved by providing continual education and training programs. The courts' technological readiness and absence of specific case law of e-contract is ongoing effort to adopt and innovate in Nepali legal system. Different aspects such as legal reforms, capacity building programs and technological advancement is necessary for strengthening Nepali court system for the effective settlement of e-contract disputes.



### **Identification of Issues in E-Contract Laws**

In the context of Nepal, there are various challenges that need to be solved for the facilitation of e-contract. Otherwise, it could bring obstacles in the judicial process for the settlement of e-contract dispute. Let us examine different problems of e-contract in Nepal.

### **Legal Recognition of E-Contracts**

The electronic transaction in Nepal is governed by the Electronic Transactions Act, 2063 (2008). It provides free facilitation on e-contract. However, there exist challenges regarding the enforcement as well as validity of e-contract with traditional legal principles. Ambiguities in terms such as "electronic signature, electronic record and digital transaction" may lack clear definitions or may be interpreted differently by court.

### **Authentication and Electronic Signatures**

In Nepali legal system, legal validity as well as authenticity of digital signatures to their hand written possesses a substantial problem. There is no clear legal structure and detail guideline that causes several problems for e-contract dispute resolution. There is no clear definition of the use as well as validity of electronic signature leading problems in authentication and enforcement. There is clear legal recognition of hand written signature but the electronic signature are scrutinized for their originality and reliability at the time of legal proceedings.

The Nepalese courts face the problem for the authentication of electronic signature as there are no standard methods for authentication of digital signature. The handling of electronic evidences as well as digital signatures faces different difficulties as it is very challenging because due to lack of technological experts staff in courts. These all problems have created havoc condition for the resolution of e-contract dispute. In order to solved these problems there must be clear legal structure, proper guideline, standardized methods and technological knowledge among staffs in court which will obviously increase favorable environment for e-contract in Nepal. By addressing these issues, Nepal can enhance its legal system's capability to handle e-contract disputes effectively, promoting the broader adoption of e-contracts in the digital economy.

### **Jurisdictional Issues**

The present world is the world of e-commerce. It is facilitated by e-contract that has caused the jurisdictional complexities in developing countries like Nepal. The diverse jurisdictions have caused various problems like delay and time consuming due to the lack of applicable law. As the international trade flourishes across the borders, there is increasing demand on e-contract which has also created complexity in jurisdictional problems. The settlement of cross border e-contract dispute may take longer time for its settlement for its dispute that may hinder the judicial process.

There are several solutions in order to combat with jurisdictional issues regarding e-contract. Foremost, there must be the harmonization of laws across jurisdictions aligning national laws with international laws for the creation of favorable cross border transactions as well as trade.



The international cooperation is very important for solving e-contract disputes. Furthermore specialized courts having jurisdictional authority over cross border e-contract will streamline the resolution process regarding e-contract disputes. Nepal is also using and promoting the use of alternative dispute resolution mechanisms like arbitration and mediation can offer expedited and cost-effective solutions, bypassing jurisdictional complexities. By the implementation of these above prescribed measures the digital transactions and e-commerce will flourish in our country Nepal.

### **Consumer Protection**

The online transactions are increasing day by day in Nepal. In this context, there is the need of security for conducting e-contract. There is need of urgent security in digital transactions which is very important for the protection of consumers related to e-commerce especially with regards to e-contract. However the current legal structure and guideline of Nepal possess serious problems because it is somehow unable to protect the rights and provides in the remedies in the breaches e- of contract. The existing legal structure doesn't provide complete security to consumer leading to exploitation of customers and unfair trade practices in e-commerce. As a result Nepal domestic law must be aligned with the international legislations in order for the consumer protection regarding e-commerce. The clear guidelines should be made and implemented by Nepal for the protection of consumer's right, obligation of e-commerce platforms as well as dispute resolution mechanism. By these ways Nepal can increase trust and confidence among consumers for digital transactions which will obviously led to the overall development of e-commerce.

### **Electronic Evidence**

The electronic evidences suffer from different challenges regarding admit as well as evaluation for authentication. It has created obstacles and delay in judicial process. Finally, creating impede in dispute settlement is also there. The complexity of technology, ensuring data integrity, maintaining a clear chain of custody, jurisdictional issues, and privacy concerns are key obstacles.

E-contract can be solved by applying standardized procedures for handling electronic evidence, advance authentication technologies like block chain, legislative reforms and collaboration in an interdisciplinary approach. A clear and strong legal structure upgrades the trust among consumers, facilitates dispute resolution mechanism, provides legal certainty and flourishes the global trade by the harmonization of electronic evidences across different jurisdictions. So, addressing and solving these challenges has become the urgent need. So if we can solved these challenges then the judicial process can be streamlined the there will sustainable growth of e-commerce by facilitating favorable environment for e-commerce in Nepal.

### **Implications and Policy recommendations**

The depth analysis of IT Bill, 2019 of Nepal gives several important implications for the security and adjudication of electronic contracts. To build environment in e-contracts it is



essential to strengthen digital infrastructure and ensured secure system. The present legal structure further needs refinement to combat enforcement challenges and judicial capacity.

**Policy Recommendations:**

1. Strengthen legal definitions like contracts, digital signatures, and related terms in the legislation to minimize ambiguities.
2. Frequent judicial training to judges and legal professionals on digital transactions and cyber security for the efficient adjudication of e-contract disputes.
3. Cyber security measures should be mandatory in Nepal to prevent fraud and data breaches.
4. For the execution of cross border e-contract there must be cross-border Cooperation which must meet standard with global best practices
5. Public awareness programs should be launched for the effective formation and execution of e-contract.

By following the above recommendations, there will a good environment for e-contract fostering the economy development of Nepal.

**Concluding Remarks and Suggestions for Future Research Directions**

The IT Bill, 2019 of Nepal is very important step for regulation of e-contract in Nepal. There are different provisions for security, adjudication and remedies regarding e-contracts in Nepal. But there are different challenges regarding technological readiness, legal definitions and Nepalese court system for the successful adoption of e-contract. To solve these challenges we need judicial training, upgrade court infrastructure and adopt global best practices on e-contract. In the future the researcher can research about the impact of emerging technologies like block chain on e-contract, comparative study of e-contract between different countries and examine the role of artificial intelligence in e-contract.



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