

## PKF Nepal Updates

### New staff welcomed to PKF Nepal

PKF Nepal welcomes Kailash Raj Pandeya to the PKF family.

### Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family members viz. Khyam Raj Adhikari and Binod Parajuli who have decided to move on for career enhancement with other entities. PKF Nepal expresses gratitude for their valuable contribution to the firm.



### Birthdays

PKF Nepal extends birthday wishes to PKF family members viz. Bimal Sharma, Santosh Kandel, Ankit Awasthi, Sanchita Neupane, Sagar Malakar, Niranjana GC, Shreejana Ghimire, Binu K.C., Inesh Shrestha, Ekta Nepali, Nitish Jha whose birthdays were in the

month of January.

## Updates

### Notices issued by Nepal Rastra Bank

#### Notice on deposit not claimed

On 13 January 2022, NRB issued a notice regarding treatment of unclaimed deposits with BFIs:

- Deposits covered under Section 112(1) that have not been claimed for more than 20 years shall be deposited in the banking development fund (unclaimed deposit) of NRB.
- It shall be the duty of the concerned BFIs to keep detailed information of the depositor safe.
- In case the depositor or their legal heir makes a claim following the legal process for the amount already deposited in the fund as BFIA, the concerned BFI shall

make the claim for the amount to NRB along with documentary evidence.

- If satisfied, NRB shall return the amount to the depositor without any interest amount.
- The amount deposited in the fund shall be used for banking development. For notice [click here](#).

#### Amendment in FXMD Circulars 2078

**Directive 18/2078 clause 6 (क) & (ख):** Keeping other terms in the provision intact, previous “1.25% in excess of one year LIBOR” has been replaced by “1.75% in excess of one year benchmark interest” in clause 6(क)

In the same way, “0.25% on one year LIBOR” has been replaced by “0.75%\* one year benchmark interest” in clause 6(ख).

Furthermore, amended annexure 10 of foreign loan management bylaw has been uploaded along with the notice. For notice [click here](#).

#### Amendment in Unified Circulars 2078

#### Conditions for participation in co-financing

#### Directive 11 clause 3(1):

Only such institutions licensed by NRB to conduct financial activities and Hydroelectricity Investment and Development Company Limited (in related sectors) can participate in co-financing.

However, the clause does not restrict Employee Provident Fund and Citizens Investment Trust to participate in and disburse loans through co-financing with institutions licensed by NRB to carry out financial activities and Hydroelectricity Investment and Development Company Limited (in related sectors) as a lead partner. For notice [click here](#).

#### Notice regarding branchless banking

Using the power conferred to it by section 45 of the Payment and Settlement Act, 2075, NRB issued a notice on 4 February 2022 to licensed institutions with respect to branchless banking service and authorized representative:

- BFIs may conduct branchless banking itself or through an agent.

- While commencing operation of branchless banking, information shall be provided to the Payment System Department of NRB.
- BFIs may provide following branchless banking services to account holders in areas other than sub-metropolitan and metropolitan cities through **Point of Transaction** machine:
  - Deposit, payment and remittance,
  - Providing Bank statements,
  - Disburse approved loan and collect installments.

The notice also sets out the process to be followed by BFIs interested in commencing branchless banking services, written agreement with the customers and authorized representatives. For notice [click here](#).

#### Circulation of Rs 2 denomination coins

Through the notice dated 14 January 2022, NRB has announced the circulation of Rs 2 denomination coins with the year 2077 written on it. The map has been updated showing the seven provinces of Nepal and two dots have been placed above the map to assist visually impaired individuals in recognizing the value of the coin. For notice [click here](#).

#### Issue of guidelines on financial literacy 2078

To assist in the implementation of the Financial Literacy Framework, NRB has issued the Financial Literacy Guidelines, 2078 on 17 January 2022 using the power conferred to it by section 79 of the Nepal Rastra Bank Act, 2058. For guidelines [click here](#).

#### Notice on Cryptocurrencies and Network Marketing

Since virtual currency/ cryptocurrency has not obtained legal validation as a foreign exchange or currency in Nepal, NRB has issued a notice on 23 January 2022 warning Nepalese citizens, even those residing in foreign countries of possible legal consequences if found transacting in or conducting related business. For notice [click here](#).

## Notice on Interoperability and Access

**Interoperability** is the facility by which system, mechanism and instrument of one licensed institution can be combined with that of another licensed institution.

On 4 February 2022, NRB published a directive on interoperability for institutions providing mobile banking, mobile wallet, QR Code, institutions participating in Retail Payment System and other small value payment tools defined by NRB from time to time.

Few points set out by NRB through its directive are highlighted below:

- minimum matters to be contained in the agreement between licensed institutions for the interoperation,
- restriction to institutions licensed to operate small value payment tools to impose rules that forbid access to their payment system or prevent use of the technology by other licensed institutions except in circumstances causing threat to such institution with immediate notice,
- instruction to licensed BFIs acting as settlement banks to allow smooth operation of settlement accounts run by non-bank payment service providers,

The concerned institutions shall implement the terms of the directive within 6 months of the issue of the directive.

For notice [click here](#).

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