

PKF Nepal Updates

New staff welcomed to PKF Nepal

PKF Nepal welcomes Anita Chaulagain and Ayushma Sharma Khadka to the PKF family.

Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family members viz. Supreme Mandal, Sagar Pandit and Shovana Dahal 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. Shashi Satyal (Managing Partner), Anjan Shah (Director), Rudrakant Jha, Subash Bhatta, Sujana Shrestha, Eliza Shrestha, Prerana Gautam, Kumar Bista, Baburaja Bohaju, Tina Mahat, Amrit Shahi whose birthdays were in the month of December.



Celebration at PKF Nepal premises

Workshop at Radisson



PKF TRU has successfully implemented the subcontract with Chemonics International Inc. to provide technical assistance to Chemonics in the areas of municipal finance capacity building and due diligence reviews of fund payment packages in support of the Nepal Climate Change Support Programme 2 (NCCSP2), funded by FCDO. In December 2021, an exit workshop was conducted by Chemonics with representation from PKF TRU, Mott MacDonald, Ministry of Forests & Environment and British Embassy Kathmandu (BEK) to formally handover the work completed by Chemonics and PKF TRU to BEK/FCDO.

Congratulations to newly-wed couples

PKF Nepal extends heartiest congratulations to the newly wed TRU staff members Sunil Ghimire and Shyam Kumar Pandit



Shyam & Pooja



Sunil & Srijana

May the new chapter in your lives be filled with happiness and joy!

New Year Eve Bonfire

A small gathering of the PKF family members was organized to recollect the achievements of 2021 and celebrate the oncoming of 2022 on the eve of the New year at the Office premises.



Updates

Notices issued by Nepal Rastra Bank

Amendments and additions to unified directive issued to 'A', 'B' and 'C' class financial institutions

NRB, through its notice dated 16 December 2021, introduced amendments to unified directive issued to 'A', 'B' and 'C' class financial institutions. The amendments are summarized below:

Restriction in interest rate revision

Directive 15/ 078 point no 3 clause 13: Interest rates can only be revised for the first time after 7 years and subsequently in each 5 years of disbursement when written agreement with the debtor is made for the same and for no other reason. This clause is applicable to fixed interest rate loans.

Terms of agreement with Valuator of collateral

Directive 12/ 078 point no 7 clause 1: The valuator's work, duties, rights and responsibilities shall be clearly specified in the agreement by the BFIs for valuation of collateral.

Objectivity of evaluator

Directive 12/ 078 point no 7 clause 2: BFIs shall ensure that assessment of property to be accepted as collateral is done freely and without prejudice by the valuator not having any interest in doing so. Further, it is to be ascertained that the valuation is done in internationally recognized way by following good practices.

Maintenance of Credit-Deposit Ratio

Directive 05/ 078 point no 6 clause 6 (ब): To ensure maintenance of prescribed credit-deposit ratio (CD ratio), deposit mobilization and credit flow has to be managed such that monthly monitoring is possible. To maintain the CD ratio within limits by Ashad 2079, necessary action plan approved by the Board of Directors shall be submitted to NRB and implemented.

For notice [click here](#)

Amendment in unified circular on integrated payment systems

Addition to standards to be complied

Directive 03/ 078 point no 6: To ensure the security of transactions and sensitive information related to the card, the institution authorized to conduct payment transactions through the card must have complied with internationally accepted standards such as Payment Card Industry – Data Security Standards (PCI-DSS), **EMV standard**, **EMV contactless standard** according to the nature of the card.

For notice [click here](#).

Due date of submitting report

Directive 10/ 078 Annexure 10.1: The due date for submission of monthly by licensed BFI through Reporting Portal/ Supervisory Information System (SIS) has been changed to 7th day of the next month. For notice [click here](#).

Amendment in unified circular – 2076

Directive 01/ 2076 clause 1.17: A list of items along with harmonic codes have been published by NRB on 20 December 2021 specifying the compulsory percentage

margin on import. It is also mentioned that such goods are to be imported only through LC fulfilling the covenants specified therein. Such as restriction in: advance payment, applying interest on margin amount and so on. For notice [click here](#).

Notice issued by Inland Revenue Office

Notice regarding Annexure 10

Addressing the issues faced by taxpayers regarding Annexure 10, IRD has published a notice on 26 December 2021. Following reasons for TDS amount not being shown in Annexure 10 and process to rectify the same have been mentioned:

Reason: Withholding agent filed the e-TDS return mentioning FY other than current FY (2077-78).

Or, withholding agent makes payment of TDS through voucher without filing e-TDS and mentions wrong FY or revenue code or does not mention PAN of withholder.

Process for rectification: Withholding agent shall submit an application for correction in verified e-TDS return to the IRO where TDS amount was deposited.

If not done by the withholding agent, the withholder can submit an application to the IRO where the withholder is registered. The withholder will need to submit the application along with evidence when TDS payment was made without filing e-TDS return.

The rectification shall be made at once for error in multiple heads. The income return should be filed only after the credit claim is entered by the office.

Furthermore, if withholding agent has submitted a single voucher for TDS payment of multiple withholder by mentioning the agent's PAN, such TDS amount will be loaded in Annexure 10 only after the withholding agent has filed the e-TDS return.

However, if the payment is made without mentioning the agent's PAN, withholder can themselves file the e-TDS return on the basis of revenue voucher from which payment is made without mentioning withholding agent's PAN and get the return verified from IRO where the withholder is registered. For notice [click here](#).

Notice issued by ICAN

Notice Regarding Guidelines on Anti-Money Laundering and Counter Financing of Terrorism

ICAN has issued Directive on Prevention of Financial Investment in Asset Laundering and Terrorist Activities 2078 as notified on 28 December 2021.

For notice [click here](#).

For Directive [click here](#).

Disclaimer

This publication has been compiled and distributed exclusively for the information of clients and staff of PKF T R Upadhyaya & Co. with an understanding that the firm is not responsible for the results of any actions which are undertaken on the basis of the information which is contained within this publication, nor for any error in, or omission from, this publication. The firm expressly disclaims all and any liability and responsibility to any person, entity or corporation who acts or fails to act as a consequence of any reliance upon the whole or any part of the contents of this publication.

PKF T R Upadhyaya & Co. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

PKF T R Upadhyaya & Co.

124 Lal Colony Marg,
Lal Durbar, Kathmandu, (Near Jai Nepal Hall), Nepal.
+977 1 4410927 | 4420026
www.pkf.trunco.com.np