

# Newsletter – May 2020

## COVID-19 update in Nepal

The Government of Nepal has extended the ongoing lockdown imposed to control the spread of the coronavirus for the fourth time till 18 May 2020 (Jestha 5, 2077). The lockdown started on 24 March 2020 has completed 44 days as of 6 May 2020. The COVID-19 pandemic has caused the most significant disruption to the economy and the World Bank has downgraded the GDP growth to as low as 1.5% for the FY 2020.

It is expected that the GoN will restrict the movement of people and vehicles during this period considering the spike in the spread of the coronavirus disease at various locations within the country.

Nepal has had a total number of 82 confirmed cases of coronavirus infections as of 6 May 2020 with 16 patients recovering from the disease. Nepal is one of the few countries where no deaths have occurred due to the COVID-19.

## PKF Nepal Updates

### Work from home

PKF Nepal team is continuing to provide its services remotely due to extension of lockdown declared by the GoN. All our team members are safe and healthy and we are also pleased to be informed by our clients that its personnel are also safe. PKF Nepal is constantly communicating with the clients for the support they require and also to plan for the upcoming engagements. Team communication is ongoing on a regular basis where staff check-in through online platforms and collaborate with each other.

### Recent COVID-19 Updates

PKF Nepal has been updating its clients and employees through its COVID-19 Flash Alerts of various updates and relief measures announced by the GoN and other GoN agencies. The summary of the notifications announced in April 2020 are highlighted below:

### 2nd stimulus package announced

The GON announced the 2nd stimulus package on 28 April 2020 targeting the workers of the formal and informal sectors and the business community mostly affected by the COVID-19.



## Extension of deadlines

Considering the impact of the COVID-19, various regulatory authorities have extended deadline for filing statutory returns & statements, settlement of transactions and renewal period as follows:

### Inland Revenue Department

The IRD has extended the dates for filing the monthly/bimonthly VAT returns, excise return, withholding tax return, education service fees, telephone ownership fees, telecommunication service fees for Falgun & Chaitra 2076 and payment to 7 June 2020 (25 Jestha 2077). Further, the due date of submission and payment of 2nd instalment of advance income tax (70% of the estimated tax for FY 2076-77) and VAT has been extended to 13 June 2020 (31 Jestha 2077). For details [click here](#)

### Administrative Review Petition

Deadline for filing administrative review petitions under Income Tax Act, VAT Act and Customs Act has been extended by 15 days from the date of lifting of the lockdown.

### Department of Industry

The DOI has notified all industries to apply for extension if they have not been able to operate, commence commercial production or commence transaction even after registration with DOI and those industries that have failed to operate even after obtaining an extension from DOI earlier. The timeline for submitting the application has been granted till 28 Baishak 2077 (10 May 2020). For notice [click here](#)

### Securities Board of Nepal

The settlement of pending securities transactions and submission of the documents by listed companies under Securities Act has been extended till 31 Ashad 2077.

### Office of Company Registrar

Dates for submission of returns /statement to the Office of Company Registrar (OCR) has been extended till 31 Jestha 2077

### Insurance Board

- a) The collection of premium on life insurance has been extend up to 31 Ashad 2077 without any additional interest.
- b) Renewal of expired policies shall be available up to 15 days from the lifting of the lockdown if applications are submitted electronically.
- c) Renewal of license of the surveyors and insurance agents has been extended till 31 Ashad 2077 without charging any penalty.

### Lockdown period declared as public holiday for government workers

The GoN, through its gazetted notification, directed all the heads of all the government offices, entities and industries to treat the holidays during the lockdown as public holidays, and pay the remuneration to its employees in full. For notice published in Nepal gazette [click here](#)

Right people  
Right size  
Right solutions

### Relief announcement to employees in formal and informal sector

GON has announced relief to both formal and informal sectors worker affected by the COVID-19. The unemployed informal sector workers affected by the COVID-19 will be deployed in public works undertaken by the local, provincial and federal governments, compensated in cash on a daily basis or provided with food. While addressing employee in formal sector GoN has asked the businesses to immediately release 50% of workers' salary till Baisakh 2077 and gradually pay the balance after reopening of the businesses. The GoN has assured these businesses that loans and advances at concessional rates shall be arranged through BFIs for payment of the salary.

### SSF contributions for Chaitra 2076 to be deposited by GoN

Social Security Fund has issued a press release on 29 Chaitra 2076 relating to procedures to be followed to receive the SSF contributions of 31 percent for Chaitra 2076 from the GoN. SSF shall transfer the funds to the respective contributors account based on the application and fulfilment of the criteria set out on the notice. For notice [click here](#)

### Instructions to issue COVID-19 insurance policy to non-life insurers

Insurance Board, regulator of insurance sector has issued press release instructing non-life insurers to issue COVID-19 insurance policy of two categories, insured amount of NPR 100,000 per person or NPR 50,000 per person. For notice [click here](#)

### Amendment in the Public Procurement Regulations (10<sup>th</sup> Amendment)

GoN, through the gazetted notification, has amended public procurement regulation (10<sup>th</sup> amendment) with relation to extension of procurement contracts under section 120 of the Public Procurement Regulations. For details [click here](#)

### Nepal Rastra Bank

#### Amendment in the unified directives by NRB

NRB, using its rights given by Section 79 of the Nepal Rastra Bank Act 2073 has amended various provisions related to loan categorization, calculation of CCD ratio, bank rate, CRR, fixed term loan, refinancing facilities etc in the Unified Directives applicable to licensed institutions under Class A, B and C. For details [click here](#)

#### Relief announced by the NRB

NRB directed the BFIs to reduce the interest rates, increase working capital loan limits, extend time period of repayment of instalment due and provide facility of withdrawal of relief granted to certain sectors mostly affected by the COVID-19. For details [click here](#)

#### Relaxation continued on FX facility

FX facility provided to Nepali students pursuing their education abroad without obtaining 'No Objection Letter/Certificate' (NOC) from Ministry of Education as previously announced by the GoN has been extended till 31 Ashad 2077.

Right people  
Right size  
Right solutions

+977 4410927 | 4420026

trunco@ntc.net.np

www.pkf.trunco.com.np

PKF TR Upadhyia & Co.,  
124 Lal Colony Marg,  
Lal Durbar, Kathmandu,