

## PKF Nepal Updates

### New staff welcomed to PKF Nepal

PKF Nepal welcomes Amisha Aryal, Ramila Shrees, Ajay Neupane, and Nisha Karki to the PKF family.

### Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family members viz. Nishan Lal Joshi, Sanchita Neupane, Saugat Magar, Ankit Neupane, Krishna Subedi, and Dheeraj Maharjan 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. Rakshya Poudel, Sanila Pandey, Pradeep Chapagai, Amisha Dhakal, and Sandesh Shrestha whose birthdays were in July.

## Updates

### Notices issued by Nepal Rastra Bank

#### Amendment in FXMD Circular, 2078

**Directive 07/ 2078 Section 1 (Kha) point 4:** Money changers licensed to deal in convertible foreign currency may provide exchange facility only up to **USD 200** on the basis of passport to Nepalese citizens traveling to foreign countries. For notice [click here](#).

**Directive 01/ 2078 clause 1.8.4:** Payment may be made in convertible foreign currency on purchase of chemical fertilizers from the Government of India or public entity of the Indian Government under the Government to Government scheme through Letter of Credit by Agriculture Inputs Company Limited. For notice [click here](#).

#### Amendment in Unified Directive, 2078

**Directive 4/ 078 clause 1(Nga) (1):** Financial institutions must publish an interim financial report (abbreviated report) of the fourth quarter **within 21 days** of the end of the financial year. The deadline for such reports is generally 7 days within the end of the quarter. For notice [click here](#).

#### Amendments to the unified directive issued to “A”, “B” and “C” class financial institutions

Through its notice dated 18 Shrawan 2079 (3 August 2022), NRB has announced amendments, additions and deletions to provisions of the unified directive issued to “A”, “B” and “C” class financial institutions, some of such changes are briefly mentioned below:

- The **loan to value ratio** for all kinds of loans disbursed without specific purpose has been decreased to **30%** and **40%** if fixed asset under collateral is situated within or outside Kathmandu valley, respectively at the time of new disbursement, addition as well as renewal of such loans.
- The condition for Single Obligor Limit (SOL) in case of margin lending to be **Rs 40 million** from a single licensed institution has been removed. However, the aggregate SOL remains **Rs 120 million**, any excess disbursement shall be provisioned as loss loan.
- The rate of interest on loans disbursed by Nepal Rastra Bank to other licensed financial institutions has been increased to **8.5%** from 7%.
- The following addition to risk weights have been made:

Nature of credit	Risk Weight
Lending against shares (up to Rs 2.5 million)	100%
Lending against shares (above Rs 2.5 million)	150%
Lending against bonds	100%

For notice [click here](#).

### Notice issued by Inland Revenue Department

#### Changes in Annexures 5 and 13 of D-03 income tax return

When filing the D-03 income tax return for fiscal year 2078/79 taxpayers need to be alert to the following changes:

#### Annexure 5

Taxpayers are required to:

- Enter loan interest, interest on the purchase of asset and other interest expenses separately in the inner column while filling interest expenses as per section 14 of Income Tax Act, 2058;
- Enter opening inventory, cost of direct material, direct labor, other direct costs and closing inventory in the inner column for cost of trading stock as per section 15 of Income Tax Act, 2058;
- Enter details of the depreciable asset on the basis of which the depreciation and allowable repair and maintenance expense shall be auto calculated for each pool;
- Enter segregation of other expenses into employee benefits expense, administrative expense, selling and distribution expense and other expenses;
- For the loss claimed under section 20 (1) of Income Tax Act, 2058, enter details of loss claimed under each fiscal year.

#### Annexure 13

For institutions having employee benefit expenses above **Rs 10 million** annually, report of such expenses, monthly e-TDS payments deposited, and report certifying that TDS has been deducted on all kinds of payments need to be entered along with Annexure 13.

For notice [click here](#).

## Notice issued in Nepal Gazette

### Extension of import ban

The Government of Nepal has notified extension of ban up to **15 Bhadra 2079** on imports of items such as alcoholic beverages except for industrial raw material, cigarette and other tobacco related products except for industrial raw material, chips and similar snacks, diamonds except for industrial raw material, mobile phone sets costing over USD 300, color television sets bigger than 32 inches; jeep, car, vans other than ambulances and hearses; motorcycles over 150 CC, all kinds of toys and playing cards. For notice [click here](#).

For PKF Nepal flash alert [click here](#)

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