

PKF TRU Newsletter – December 2022



PKF Nepal Updates

New staff welcomed to PKF Nepal

PKF Nepal welcomes Kumar Sharma, Bishal Jung Thapa, Amrita Mai Phuyal and Mukesh Yadav to the PKF family.

Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family members viz. Sujan Shrestha, Indira Thapa Magar, Aayushma Khadka Sharma and Sabin Kumar Yadav 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. Nikita Agrawal (Partner), Pooja Neupane, Deepak Luitel, Nisha Karki, Gambhir Bidari, Shekhar Karki and Anil Khanal whose birthdays were in November.



Celebration of birthdays at PKF Premises



Updates

Notices issued by IRD

Additional taxpayers specified for compulsory e-billing

IRD has made it compulsory for the following additional taxpayers to issue invoices through electronic medium to be applicable from 15 January 2023 as per Section 14A(2) of the Value Added Tax Act, 2052 and Section 81(4) of the Income Tax Act, 2058:

- Entity manufacturing alcohol, beer, wine and spirit;
- Entity manufacturing cigarettes;

- Gutkha Industries;
- Tobacco Industries having annual transactions of more than Rs 50 million in the FY 2078/79;

Provision relating to other taxpayers for compulsory e-billing remains the same. For notice [click here](#).

Clarification on filing Annexures 5 and 13 of the Income Tax Return

While filing the Income tax return of FY 2078/79, IRD has specified the following matters to be incorporated while entering details in the columns of Annexure 5 and Annexure 13 related to D-03 return:

- Zero (0) should be entered if there is no transaction amount in any income or expense headings of annexure 5.
- PAN should be entered compulsorily in Annexure 13 while mentioning the purchase, sales, debtors and creditors of value more than Rs 0.1 million.
- Facility of entering amount as per income statement from which auto calculation of the variation from the amount claimed in annexure 5 of income tax return has been introduced. For notice [click here](#).

Notices issued by Social Security Fund

Notice regarding the time limit for the claim

SSF vide its notice dated 18 November 2022 has issued the time limit to apply for the claim in the given circumstances:

Claim Type	Time Limit
Medical/ Maternity OPD	within 90 days after treatment
Medical/ Maternity IPD	Within 90 days of discharge
Accident Claim	Within 90 days of treatment or discharge
Maternity Care Allowance	Within 90 days of birth
Maternity Leave Allowance	Within 120 days of birth
Sick Leave Allowance	Within 120 days of being sick/ being discharged

Temporary Disability Allowance	Within 90 days of returning to work
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For notice [click here](#).

Notices issued by Nepal Rastra Bank

Amendment in Unified Circular, 2078 issued to “D” class financial institutions

Directive 1 clause 13: In case dividend (in cash or as bonus shares) above 20% is proposed; an amount equivalent to 50% of the amount above 20% shall be deposited in the general reserve fund.

Previously, the restriction was applied on disbursing cash dividends in excess of the weighted average interest rate derived from the ratio of savings and deposits maintained at the end of Asadh 2078. Furthermore, licensed microfinance financial institutions having net distributable profits less than 5 percent of total paid-up capital were not allowed to distribute cash dividends except for tax purposes. Such provision. For notice [click here](#).

Amendment in Unified Circular, 2078 issued to “A”, “B” and “C” class financial institutions

Directive 19/ 078

Clause 2 (1): To open an account or establish a business relationship through electronic means, in addition to customer identification, geographic location and the assurance of its verification shall also be required.

Clause 2 (7): Nepal Rastra Bank or other agencies shall prepare an updated list of people whose accounts have been blocked/released and such list shall be taken as the basis of the customer identification system.

Clause 9 (1): Licensed BFIs shall submit a report of evaluation of industrial risk related to AML/ CFT to the relevant supervision department and financial intelligence unit within the first quarter of the end of each financial year.

While making an assessment of risk, the licensed institutions shall take into account factors such as customer, product, geographical location and delivery channel.

Clause 16 point 7: In the case where a person cannot

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comply with the provisions related to customer identification, account of such person shall not be opened or no business relationship shall be established. If an account has already been opened, the business relationship should be terminated.

Additionally, when such a situation arises, the organization shall submit the suspicious transaction/ activity report to the financial intelligence unit (FIU) if deemed necessary.

For notice [click here](#).

Amendment in the FXMD Circular

Issue of Risk Assessment Guidelines for BAFI, 2022

NRB through its notice dated 4 December 2022 has announced the issue of **ML/ TF Risk Assessment Guidelines for Bank & Financial Institutions, 2022**. The guideline outlines:

- The roles and responsibilities of the Board and Senior Management in relation to identifying and assessing ML/ TF risks,
- Identification of risks related to products and services, customer types, delivery channels and geographical location,
- Risk assessment,
- Control measures and,
- Application of risk assessment.

For guidelines [click here](#)

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