

PKF Nepal Updates

New staff welcomed to PKF Nepal

PKF Nepal welcomes Bibek Subedi, Richa Aryal, and Samir Adhikari to the PKF team.

Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF team members viz. Rojina Gautam, Romik Bhattarai and Mukesh Kumar Yadav who have decided to move on for career enhancement with other entities. PKF Nepal expresses gratitude for their valuable contributions to the firm.

Birthdays



PKF Nepal extends birthday wishes to PKF team members viz. Achutam Dhungel, Pratibha Mishra, Sunil Timalisina, Ekta Dangol, Prashant Giri, Tek Narayan Yadav, Prajwol Rimal and Sushmita Neupane whose birthdays were in August.



Celebration of birthdays at PKF Premises

Qualified CAs

PKF Nepal cordially extends felicitation to Mr Sanjog Dulal on qualifying CA Final and becoming a Chartered Accountant and Mr Rajesh Kumar Adhikari and Mr Abhishek Karn on Passing group-II of CA Final Exams and wishes them further success in the future.

Updates

Notices issued by NRB

Amendment in FXMD Unified Circular 2079

Circular No. 1/2079 clause 1.19: There is a provision in Circular 1/2079 that in case of imports made by a commercial organization and other industries, 10% and 2% have to be deposited in the customs office, respectively. However, if such import has been made through the customs offices which have implemented an electronic payment system and where there is a system of receiving customs revenue only through electronic means only, commercial organizations have to pay 3% and other industries have to pay 1% as deposit.

For notice [click here](#).

Amendment in Unified Directive, 2079 issued to “D” class BFIs

Directive No. 17/079 clause 4(e)(1): The loan amount exceeding the single obligor limit due to merger and acquisition can be brought within the prescribed limit according to the prevailing payment schedule.

Directive No. 17/079 clause 4(e)(7): One of the additional benefits of commencing the joint operation within 31 Ashadh 2081 by the licensed institutions in the process of merger and acquisition is that if annual dividends (cash or bonus) of more than 15% is proposed to be distributed, out of 50% of the proposed dividend above 15% to be allocated to the general reserve fund, 35% to the customer protection fund and 10% to the corporate social responsibility fund, 10% to the CSR fund shall be exempted for 1 year from the date of commencement of integrated business.

For notice [click here](#).

Amendment in Unified Directive, 2078 issued to Infrastructure Development Banks

Directive 2/078 clause 9(4): The existence of any of the following conditions shall be considered that the borrower's ability to pay the debt has decreased:

- If loan installments or interest are not paid on the scheduled time due to a decrease in income as a result of short-term reasons such as Cost Overrun, Time Overrun, and Cash flow Mismatch.
- Even if loan installments or interest are paid in a fixed schedule, if there is a situation where the future installments or interest of the borrower cannot be paid in the fixed schedule due to adverse external conditions or any other reasons.
- If the borrower Company is delisted or in the process of delisting by the Nepal Stock Exchange Ltd.
- If the borrower's actual financial condition or estimated financial condition is not sufficient for the payment of the loan installments or interest.

Directive 5/078 clause 4(12): The infrastructure bank shall accept only such audit reports that mentions Unique Document Identification Number (UDIN). It should be clearly mentioned in the loan file that the details submitted from the UDIN portal on the website of ICAN are confirmed to be correct.

For notice [click here](#).

Cyber Resilience Guidelines issued by NRB

In order to identify, analyze and manage cyber risks that have increased with the spread of electronic transactions, the payment system department of NRB has issued Cyber Resilience Guidelines.

For Cyber Resilience Guidelines [click here](#).

Amendment in Unified Directive, 2079 issued to "A", "B" & "C" class BFs

Directive 2/079 clause 2(9): Any loan in the non-performing category (except for restructured and rescheduled) shall be upgraded to a 'Pass' category loan and loan loss provisions maintained thereagainst, only if the overdue amount has been paid and the loan installments or interest are regular for 6 consecutive months.

Loans classified in the non-performing category should be upgraded only after 6 months from the date of complying with the requirements stated in the directives for classification in the appropriate category and loan loss should be maintained accordingly.

Directive 2/079 clause 2(9): If a borrower entity has taken loans under more than one title and if one of the loans is classified in the non-performing category, all other loan arrears taken by the borrower categorized as 'Pass' loans shall be classified into 'Watchlist' category.

For notice [click here](#).

Notices issued by IRD

Notice relating to VAT on transport service

The Finance Act of 2080 brought about modifications to Schedule-1 of the VAT Act, 2052, introducing a new legal framework for levying Value Added Tax (VAT) on vehicle rental and transportation services. The IRD has issued an official notice, instructing individuals engaged in taxable transactions exceeding the prescribed threshold to register for VAT, operate in compliance with legal requirements, and has also reminded transport service providers to keep the invoices for goods sold at the time of providing transportation service.

For notice [click here](#).

Notice for implementation of Rule 29C and 29D of Excise Regulations, 2059

Rule 29C: The 24th amendment in the Excise Regulations 2059 has amended rule 29C, mandating the use of a transparent plastic shell (shrink cap) for the protection of the excise stamp on the bottles of liquor (except beer, wine and cider) imported by licensees from 1st Ashwin 2080. For notice [click here](#).

Rule 29D: The 24th amendment in the Excise Regulations 2059 mandates the packaging of tobacco, khaini, gutkha, pan masala, sweet betel nut or similar products only with biodegradable materials other than plastic from 1st Baisakh 2081 and in the case of the import of such goods, the packaging should be of the material prescribed by this rule. For notice [click here](#).

Concession facility for construction business

IRD has notified persons conducting construction business to avail of the VAT concession facility as per the legal provision in sections 36(1) and 36(2) of the Finance Act, 2080 by fulfilling the prescribed procedures by

depositing the VAT payable until Chaitra 2079 end by the end of Poush 2080.

For notice [click here](#).

Notice regarding the trimester filing of VAT return

Rule 26 of the VAT Regulations, 2053 has been amended and the provision that existing brick industries, hotels, tourism, and movie theaters can keep the period of submission of 4 months if they want, has been repealed.

According to the revised provision, the brick industry, hotels, tourism, and movie theaters with an annual turnover of more than NPR 10 million have to file the VAT return on a monthly basis from Shrawan 2080. IRD has also notified that the taxpayers who have an annual turnover of more than NPR 10 million shall file the returns on a monthly basis.

Also, Rule 26 allows small taxpayers with annual turnover up to NPR 10 million to submit VAT returns every four months from Shrawan 2080.

For notice [click here](#).

Notice regarding IRD Approved Billing Software

IRD has issued the updated list of IRD-approved software up to 4th Bhadra 2080 as per Electronic Billing Directive, 2074. For notice [click here](#).

Notice issued by ICAN

Notice regarding Audit Firm's Quality Guideline and Minimum Audit Fee

Audit firm's quality and minimum audit fee Directive, 2078 had come into effect from 1st Shrawan 2078. In sub-section 1 (i) of section 6 of that directive, if the fee of the professional services contracted by the firm before the enforcement of the directive is lower than the minimum fee specified in the directive, there is a provision that the fee must be made equal to the minimum fee within 2 years. Since the period of 2 years expires on 31st Ashadh 2080, the auditors and related service providers are informed to accept engagement by determining the minimum prescribed fees and other matters as per the directive.

For notice [click here](#).

Notice for incorporating UDIN

ICAN has published this notice again for the effective implementation of the provision to generate and include the UDIN while issuing the report for audit and verification. Also, ICAN notified that it shall not recognize the reports issued without including UDIN and members who issue such reports shall be liable for punishment.

For Notice [click here](#).

Notice issued by OCR

Notice regarding share registration and paid-up certificate

In an effort to bolster the reliability of capital investments at various stages within companies, ensure orderly and dignified service delivery, adhere to existing laws, eliminate ambiguities, and maintain consistency in service provision, senior officials within the OCR have proposed a revision of the current procedures and establishing a new framework for handling records related to financial transactions in companies, including IPO allotment, share price determination, capital increase, share trading, and the transfer of rights through deeds.

In response to this proposal, the OCR, exercising its authority under sections 16 and 178 of the Companies Act, 2063, has released comprehensive guidelines for share registration and the issuance of paid-up certificates.

These guidelines are applicable to all employees of the office, company directors, company secretaries, company representatives, trust service providers, and all relevant parties involved in these processes.

The aim is to enhance transparency, compliance, and institutional governance in the realm of capital investment.

For guidelines on share registration and paid-up certificate [click here](#).

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PKF T R Upadhy & Co.

124 Lal Colony Marg,

Lal Durbar, Kathmandu, Nepal.

+977 1 4410927 | 4420026

www.pkf.trunco.com.np