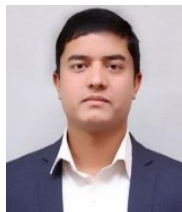


## PKF Nepal Updates

### New Partners introduced

PKF Nepal is delighted to announce the admission of Mr. Sanjeev Dhakal and Mr. Sujan Babu Tiwari and as new partners in the firm.

Sanjeev with over 11 years of experience, excels in auditing, credit and operational reviews, and risk assessments for financial institutions. He also offers tax advisory services to multinational entities in Nepal's hydropower, renewable energy, and infrastructure sectors.



Sujan with over 10 years of experience, specializes in corporate finance, due diligence, mergers and acquisition. He leads the corporate advisory and banking assurance, overseeing services for commercial banks, development banks, and corporations in Nepal.

### New staff welcomed to PKF Nepal

PKF Nepal welcomes Nirmal Rout, Sudip Khatri, Ankit Adhikari and Poshan Bhandari to the PKF family.

### Staff leaving PKF Nepal

PKF Nepal bids farewell to its team member, namely Raju Tamang as he embarks on new career opportunities with other organizations to further his professional growth. PKF Nepal expresses sincere appreciation for his invaluable contributions to the firm.

### Birthdays

PKF Nepal extends warm birthday wishes to its esteemed team members: Alin Karki, Kumar Sharma, Sabik Aryal, Smarika Gharti, Ashish Bhatta, Samikshya Shrestha, Samikshya Bhandari and Aakriti Shrestha whose birthdays fell in May.



Celebration of birthdays at PKF Premises

## Updates

### Government of Nepal, Ministry of Finance

#### Budget Statement FY 2024-25

On Tuesday, 28 May 2024, the Honorable Finance Minister, Mr Barsha Man Pun presented the full budget of NPR 1860.30 billion for the fiscal year 2081-82 (2024-25).

For budget, [click here](#).

For TRU budget highlights, [click here](#).

### Notices issued by NRB

#### Amendment to Unified Circular 2080 issued to "A", "B" & "C" class BFIs

NRB has made the following amendments to the unified circular 2080 issued to "A", "B" & "C" class BFIs:

**Circular 2/2080 Section 9(1):** Loan loss provision for 'pass' loans reduced from 1.25% to 1.20%, positively affecting profitability.

**Capital Adequacy Framework Clause 3.3:** Personal Hirepurchase/Personal Auto Loans shall attract risk weight of 100% (Previously, risk weights were 100% for the loans up to NPR 2.5 million and 125% for loans more than NPR 2.5 million)

**Circular 8/2080 Section 3(5):** BFIs can now sell up to 20% of their primary capital from investments held for over one year, allowing better portfolio management with minimal market impact.

**Circular 2/2080 Section 45:** Debt service to gross income ratio for housing and land acquisition loans shall be maintained at a maximum of 70%.

For notice [click here](#).

#### Financial Inclusion Policy, 2024

NRB has issued its Financial Inclusion Policy for 2024, emphasizing several key priorities. These include enhancing financial literacy, ensuring broader access to financial services, promoting digital and social inclusion, and strengthening consumer protection.

The policy also focuses on fostering inclusive growth and maintaining transparency and accountability within the financial sector.

For Policy [click here](#).

#### Regulation for Licensed Hire Purchase Loan Companies

The NRB has issued guidelines to the licensed hire purchase loan companies aiming to prevent money laundering and the financing of terrorism within these companies. Fines of up to NPR 50 million have been suggested for not complying with the regulations.

For Hire purchase AML CFT Guidelines [click here](#).

#### Directive on Money Laundering Prevention

NRB has replaced the Employee Provident Fund and Citizen Investment Fund Anti-money Laundering and Combating the Financing of Terrorism Guidelines. For EPF CIT AML CFT Guidelines [click here](#).

## Notices issued by IRD

### VAT Registration Requirements for Foreign Air Transport Service Providers

The Inland Revenue Department (IRD) has introduced an additional provision to point number 2 of its notice dated 2080/04/01. It now requires all 'Offline' foreign air service providers that are not registered in Nepal to furnish a notarized copy of their company registration and tax registration certificate from their home country.

For notice [click here](#).

## Notices issued by DOI

### Automated Approval for Foreign Investments

The Ministry of Industry, Commerce, and Supply has implemented an electronic system for swiftly approving foreign investments through the automatic route. This system allows for the establishment of new companies or joint investments with up to 100 percent foreign ownership or participation, with a higher capital limit of NPR 500 million.

Foreign investors seeking to apply for FDI in Nepal can log onto [www.imis.doind.gov.np](http://www.imis.doind.gov.np) to complete the application for approval from DOI by uploading the necessary information and documents as required in the portal. Approval confirmation will be sent to the registered email and the approval letter from DOI can also be downloaded from the portal. Notably, the minimum investment threshold shall not be applicable for technology-based industries.

For notice [click here](#).

## Notices issued by SEBON

### Amendment in Broker Service Fees

The SEBON has revised the service fee to be charged by securities brokers for every purchase and sale of shares of the listed entity outlined in Schedule 14 in accordance with Rule 43 of the Securities Brokers and Securities Dealers Regulations, 2064.

Transactions range	Existing	Revised
Upto 50,000	0.40%	0.36%
50,000-500,000	0.37%	0.33%
500,000-2,000,000	0.34%	0.31%
2,000,000-10,000,000	0.30%	0.27%
Above 10,000,000	0.27%	0.24%

The amendment shall be applicable w.e.f. 1<sup>st</sup> Jestha 2081.

For notice [click here](#).

## Disclaimer

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