



AMENDMENT IN UNIFIED CIRCULAR-2080 (FOREIGN EXCHANGE TRANSACTIONS)

NRB has amended the Unified Foreign Exchange Circular-2080 through Circular 3/2081-82. These amendments and additions are applicable to all licensed institutions dealing in foreign currency.

1. Amendment in Circular 1/2080 (Related to Foreign Exchange Facilities for Import of Goods)

- a) The period for submitting the original document has been increased to 60 days from the date of submission of copy documents against which Bi.Bi.Ni.Fa.No.4/4(3) and Bi.Bi.Ni.Fa.No.4 were issued. (Earlier it was 45 days)
- b) The period for importing goods has been extended up to 120 days from the date of availing foreign exchange facility. (Earlier it was 90 days)
- c) Parts of aircraft, telecommunication and medical equipment worth max USD 100,000 can be imported through international airport customs checkpoints. (Earlier it was for up to USD 10,000)
- d) Foreign exchange is also to be provided based on documents prepared for payment of demurrage or detention charges to the shipping/container service provider.
- e) Foreign exchange facility also to be provided based on Pro-forma invoice containing clear details of nature, brand, place of manufacture, quantity, quality, cost, mode of payment, HS code, Exim code, etc. of the product (earlier nature of invoice wasn't clarified)
- f) The period for submission of Transport documents for availing Draft/Telegraphic transfer facility while importing goods has been increased up to 120 days from 90 days.
- g) Harmonic code for LABSA (Raw material used in detergent) has been changed from **34.02.90.10** to **34.02.31.00**.
- h) Harmonic code 1905.90.40 has been introduced for 'Empty capsules for filling medicine'.

2. Amendment in Circular 7/2080 (Related to Foreign Currency Exchange Facilities)

- a) A maximum of USD 500 can be provided to Nepali citizens going to Australia for employment. (Earlier it was USD 200).
- b) BFI's can provide exchange facilities up to USD 15,000

per annum for medical treatment or medical equipment purchase. (earlier it was USD 10,000 per annum)

- c) Foreign currency if not utilized for the required purpose can be returned within 60 days of receipt of such currency and the limit for this has been increased to USD 10,000 from USD 5,000.

3. Amendment in circular 8/2080 (Related to Foreign Currency Exchange Facilities for Abroad Studies)

- a) For payment of fees to foreign subsidiary educational institutions operating in Nepal, the limit has been increased from USD 12,000 to USD 25,000.

4. Amendment in circular 11/2080 (Related to Foreign Exchange Facilities for Import of Services)

- a) Payment for the import of service will also include payment made for software, training and membership fees.
- b) For payment of service fee to be made in foreign currency the additional documents are also to be submitted: PAN card copy, document certifying tax filled/paid for purchase of service, Latest Audit report if applicable, Certified copy of contract done with service provider and Bill of lading, copy of decision BOD/Authorized person regarding request made for foreign exchange and self-declaration against misutilization and document substantiating completion of work if available.
- c) Exchange facility up to INR 1.5 million per vehicle can be provided to Nepali citizens making payment to Indian companies for the construction of bus/minibus body upon submission of certain documents. The approval/recommendation of a regulatory body shall not be required for the said facility. (New Addition)
- d) Based on the receipt of foreign currency from abroad, the relevant commercial bank that receives foreign currency can provide foreign currency facilities to firms, companies, and organizations importing services from India and third countries and doing export of that service

to other countries (including India).

- e) According to NRB Remittance Regulations, 2079, licensed remittance companies shall submit the details as per Annexure-5 to the Anti-Money Laundering Supervision Department of NRB within 15 days from the end of FY. For FY 2081/82, such details shall be submitted by the end of Kartik 2081.

5. Amendment in circular other than mentioned above

- a) Under Circular 12(5), the word 'Branch' has been replaced with 'Branch and Permanent Establishment'.
- b) In the case of an Indian citizen working in Nepal and receiving salary in convertible foreign currency, it is possible to open and operate accounts in convertible foreign currency on the basis of documents substantiating the receipt of salary in convertible foreign currency. (New addition)
- c) If the installment of the loan taken in convertible foreign currency cannot be paid in convertible foreign currency due to various circumstances, the concerned BFI shall recover the installment amount converting it into prevalent equivalent Nepali rupees up to a period of Ashadh end 2082. (New addition)
- d) Hotels may provide convertible foreign currency up to a maximum of USD 1,000 or equivalent per guest per stay, either once or repeatedly. (Earlier it was up to 300 USD only and only once).

PKF TR Upadhyaya & Co., 124 Lal Colony Marg, Lal Durbar,
Kathmandu, Nepal
Phone: +977 1 4510927 | 4520026 | Fax: +977 1 4513307 |
Email: trunco@ntc.net.np | www.pkf.trunco.com.np

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