

PKF Nepal Updates

New staff welcomed to PKF Nepal

We are excited to welcome Manorama Shah to the PKF Nepal team.

Staff leaving PKF Nepal

PKF Nepal bids farewell to team members Amisha Dhakal, Sunil Timalisina, Nirajan Dahal, Alin Karki, and Ramila Shrees as they embark on new career opportunities. PKF Nepal extends heartfelt appreciation for their invaluable contributions to the firm and wish them continued success in their future endeavors.

Birthdays

PKF Nepal extends warm birthday wishes to its team members: Roshan Kumar Singh, Sudip Khatri, Manorama Shah, Richa Aryal, Nischal Pathak, Roshani Kumari Shah, Kriti Bhattarai and Rakshya Nagarkoti whose birthdays fell in the month of October.



Celebration of birthdays at PKF Premises

Celebrating Unity and Tradition: Tihar Festivities at PKF Nepal

Tihar, Nepal's festival of lights, celebrates the bond between humans, animals, and gods with vibrant rituals, oil lamps, and colorful rangoli designs.

Spanning five days, it honors crows, dogs, cows, and culminates in Bhai Tika, strengthening the bond between brothers and sisters.



Celebration of Tihar Festival at PKF Premises

PKF Nepal celebrated this special occasion by illuminating the office, sharing sweets and blessings, and embracing the festival's spirit of unity and gratitude among colleagues.



Rangoli: A lively art form that celebrates culture and fosters togetherness

Updates

Notices issued by NRB

Amendments in Unified Directives, 2080 for "A," "B," and "C" class BFIs

NRB has added/amended the following provisions to the Unified Directives, 2080:

Directive no. 02/080 Section 17 ka(3): While accounting for interest income, BFIs are required to comply with the "NFRS 9 - Expected Credit Loss Related Guidelines, 2024", issued by NRB. Previously the accounting was in accordance with "Guideline on Recognition of Interest Income, 2019."

Directive no. 04/080 Section 3: While conducting the actuarial valuation of employee liabilities, BFIs must ensure that the valuation is based on historical data and realistic assumptions in accordance with the provisions of NFRS. Furthermore, arrangements must be made to conduct the actuarial valuation only after such data and assumptions have been validated by the internal audit. Previously, there was no such requirement.

Directive no. 6/080 Section 15: The details of shareholders holding more than 0.5% of the paid-up capital must be submitted by licensed BFIs to the relevant supervisory department on a semi-annual basis. This is a new requirement.

Capital Adequacy Framework 2007 (Updated July 2008), Form no. 1: The Supplementary Capital (Tier II) includes the following:

- Cumulative and/or Redeemable Preference Shares
- Subordinated Term Debt
- Hybrid Capital Instruments
- General Loan Loss Provision
- Exchange Equalization Reserve
- Investment Adjustment Reserve
- Accrued Interest Receivable on Pass Loans included in Regulatory Reserve
- Interest Capitalized Reserve included in Regulatory Reserve
- Other Reserves

Note: Points "g" and "h" are new inclusions in the circular.

For the full circular, [click here](#).

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

Amendments to FXMD Unified Circular, 2080

NRB has amended/ added the following provisions to the FXMD Unified Circular 2080.:

Directive no. 1/2080 Section 1.7.7: Under this facility, goods must be imported within 120 days (Previously 90 days) pursuant to the exchange facility provided under this provision. However, in cases of partial exchange facilities where goods are shipped at different times, the first shipment must be imported within 120 days (Previously 90 days) of the initial exchange.

Directive no. 17/080 Section 1(Gha): Indian nationals working in Nepal and receiving remuneration in convertible foreign currency can now open and operate an account in convertible foreign currency based on verified documentation.

Directive no. 17/080 Section 1 thha(2): Hotels may provide exchange facilities for convertible foreign currency to each customer up to a maximum of USD 1,000 (Previously USD 300) or its equivalent during a single stay, either as a lump sum or in multiple transactions.

For the full circular, [click here](#).

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

Amendments in Unified Directives, 2080 for Infrastructure Development Bank

NRB has amended the following unified directives, 2080 for Infrastructure Development Banks:

Directive no. 3/080 Section 8(3): The institution is allowed to extend loans up to a maximum of 50% of its total loan outstanding for projects in the same sector. If the sectoral loan limit is exceeded, the amount exceeding the limit must be deducted from the institution's primary capital.

Directive no. 02/080 Section 25: While accounting for interest income, the institution is required to comply with the "NFRS 9 - Expected Credit Loss Related Guidelines, 2024", as issued by NRB. Previously the accounting was in accordance with "Guideline on Recognition of Interest Income, 2019."

For full circular, [click here](#).

Amendments in Unified Directives, 2080 for Payment Service Providers

NRB has temporarily amended the following unified directives, 2080 for licensed payment service provider institutions:

Directive no. 5/080 Section 3(2): Directive No. 5/080 of the unified payment service directives, clause 3(2), limits individual wallet deposits to 10 times per day. However, during the following periods this limit is increased to 30 times per day.

- Dashain - From 21.06.2081 to 01.07.2081
- Tihar/ Chhath - From 15.07.2081 to 22.07.2081

Institutions must report the total amount as well as the number of transactions made during these periods to the department.

For notice, [click here](#).

Promoting Sustainability: Nepal Green Finance Taxonomy 2024

Nepal Rastra Bank (NRB) officially launched the Nepal Green Finance Taxonomy 2024 on 20.10.2024, marking a significant advancement in the promotion of sustainable finance. This taxonomy establishes a standardized classification system for green investments across various sectors, ensuring that financial institutions contribute meaningfully to Nepal's climate action and sustainable development goals.

By providing clear guidelines, taxonomy assists institutions in assessing, monitoring, and reporting on green investments among licensed Class "A," "B," "C," and "D" banks, financial institutions, and infrastructure development banks. This initiative ultimately aims to drive capital towards environmentally sustainable projects.

For NRB notice, [click here](#).

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

Notices issued by IRD

Transfer Pricing Guidelines, 2081

The Inland Revenue Department has published Transfer Pricing Guidelines, 2081 emphasizing establishing a fair and consistent approach to cross-border transactions between related parties.

By focusing on the "arm's length" principle, the guidelines strive to prevent profit shifting to low-tax jurisdictions, ensuring fair taxation in each country involved.

For IRD notice, [click here](#).

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

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