

## PKF Nepal Updates

### New staff welcomed to PKF Nepal

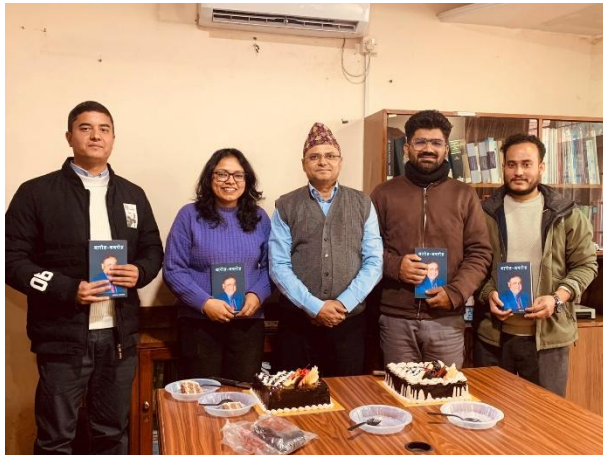
We are excited to welcome Bishal Mundhara and Samir Bhattarai to the PKF Nepal team.

### Staff leaving PKF Nepal

PKF Nepal bids farewell to team members: Deepak Kumar Luitel, Rajan Lopchan, and Upendra Lama as they embark on new career opportunities. PKF Nepal extends heartfelt appreciation for their invaluable contributions to the firm and wishes them continued success in their future endeavors.

### Birthdays

PKF Nepal extends warm birthday wishes to its partners: Nikita Agrawal and Sujan Babu Tiwari along with the team members: Bibek Subedi, Jagadish Bhandari, Gambhir Bidari, Shekhar Karki, Anil Khanal, Sagar Mainali, Shishir Kumar Acharya, Khemraj Khanal and Saurabh Bhusan Shrestha whose birthdays fell in November.



Celebration of birthdays at PKF Premises

## Updates

### Notices issued by NRB

#### Amendments to FXMD Unified Circular, 2080

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

**Directive no. 20/2080 Section 3:** NRB has authorized the use of the Omani Riyal (OMR) for foreign exchange transactions under the provisions of Section 12 of the Foreign Exchange (Regulation) Act, 2019, and Section 66 of the Nepal Rastra Bank Act, 2058.

For notice, [click here](#).

#### First Quarter Review of Monetary Policy for FY 2081/82 (2024/25)

NRB has published the monetary policy review for the first quarter of FY 2081/82 continuing the policy direction set in mid-July 2024. The review emphasizes maintaining price stability and supporting economic growth while ensuring external sector stability.

### Key points from the review:

- **Policy Continuation:** The flexible direction of monetary policy has been upheld, reflecting the current economic outlook, inflation analysis, and foreign exchange reserves.
- **Interest Rates:** The policy rate remains at 5%, the deposit collection rate at 3%, and the bank rate at 6.5%, sustaining the interest rate corridor.
- **Liquidity Management:** Efforts focus on supporting economic growth by managing liquidity effectively with available resources.
- **Reserve Ratios:** No changes were made to the cash reserve ratio or statutory liquidity ratio, indicating consistency in monetary tools and regulatory instruments.

### Other metrics:

In the first quarter of FY 2024/25, Nepal's merchandise exports fell by 6.1% to NPR 38.38 billion, while imports declined by 4.2% to NPR 390.75 billion, reducing the trade deficit by 4.0% to NPR 352.37 billion.



Fig: Trade Metrics (Current vs. Previous)

Tourist arrivals rose from 810,000 in the first ten months of 2023 to 941,000 in 2024, alongside growth in tourism infrastructure, IT, and reconstruction projects, boosting demand and supporting economic growth targets.

### Tourists Arrival Comparison



■ Tourist Arrivals (2023) ■ Tourist Arrivals (2024)

Fig: Tourists Arrival Comparison (2023 vs. 2024)

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

### Notice issued by ICAN

#### Auditing Standards for Less Complex Entities

The Nepal Auditing Standards Board prepared the Nepal Standards on Auditing for Audits of Financial Statements of Less Complex Entities (NSA for LCE) based on ISA for Audits of Financial Statements of Less Complex Entities (ISA for LCE) issued by the IAASB in December 2023.

The 336th meeting of the Council of ICAN held on 8 Kartik 2081, as per Section 11(d) of the Nepal Chartered Accountants Act, 2053, approved the implementation of NSA for LCE for auditing financial statements of less complex entities starting from 1 Shrawan 2083. For financial statements before this date, its application will be voluntary.

For notice, [click here](#).

## Notices issued by SEBON

### Regulations for NRN Investment in Joint Companies

The Securities Board of Nepal (SEBON) has amended the Securities Issuance and Distribution Directive, 2074, effective from 20<sup>th</sup> September 2021, to regulate the issuance of securities by investment companies established with a joint investment from the Government of Nepal and Non-Resident Nepalese (NRNs). Key provisions include:

- a) NRNs can invest in shares of such investment companies, which will only be traded among NRNs in the secondary market.
- b) NRNs can apply for shares through the ASWA system by opening accounts in Nepalese banks.
- c) The minimum application for shares is 1,000 shares.
- d) NRNs must provide NRN citizenship or identification and a PAN number.
- e) NRNs can invest as founders or general investors.
- f) Share trading will follow the securities market's system.
- g) No share guarantee is required during issuance.

For notice, [click here](#).

For guidelines, [click here](#).

## Notice issued by NIA

### Risk-Based Capital & Solvency Directive 2024

The Nepal Insurance Authority (NIA) issued the Risk-Based Capital & Solvency Directive 2024 on 27 November 2024 replacing the 2022 version.

The Directive provides guidance to insurers to maintain capital adequacy levels aligned with their risk profiles, ensuring they possess sufficient financial resources to withstand financial challenges requiring a robust governance system, including effective risk management and prudent policies for underwriting, investment, and asset-liability management.

For notice, [click here](#).

For the directive, [click here](#).

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