

PKF Nepal Updates

New staff welcomed to PKF Nepal

We are excited to welcome Akash Kumar Rauniyar, Sumit Pokharel, Vaskar Paudel, Prashamsa Sharma, Karuna Shrestha, Anugya Khatiwada, Krishna Gautam, Ashim Khatri, Samyog KC, and Apitosh Mehta to the PKF Nepal team.

Staff leaving PKF Nepal

PKF Nepal bids farewell to team members: Presha Bhandari, Ankit Awasthi and Rajesh Kumar Adhikari 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 team members: Shivam Rauniyar, Swikar Khatiwada, Basanta Shahi, Upasna Karna, Samyog KC and Binda Kunwar whose birthdays fell in February.



Celebration of birthdays at PKF Premises

PKF Nepal Team Retreat

For a delightful day filled with fun, relaxation, and team bonding, PKF Nepal organized a special outing, bringing the entire team to the scenic and serene Godavari Village Resort, where everyone enjoyed a refreshing escape from their daily routines while strengthening camaraderie and team spirit.



PKF Nepal Outing: A Day of Fun, Relaxation, and Bonding

Updates

Notices issued by NRB

Amendments to Payment System Unified Directives, 2080

NRB has amended/ added/ revised the Payment System Unified Directives, 2080:

Directive No. 3/080 Section 3(5) and 3(6): Licensed institutions (including banks and financial institutions) must conduct DC-DR drills for systems used in payment-related operations at least once every two years.

The DC-DR drill report must be submitted to NRB within 15 days of the completion of the drill. Additionally, a semi-annual report on such transactions must be submitted.

Directive No. 5/080 Section 3(7): The maximum limit for payment transactions based on the USSD system is now set at NPR 10,000 per day and NPR 5,000 per transaction. This limit was absent previously.

Directive no. 12/080 Section 2(1) Ja: The institutions must identify Key Risk Indicators (KRIs) such as Transaction Errors and Transaction Processing Delays, and put in place a system to monitor the transaction trends based on these indicators.

Directive no. 12/080 Section 2(1) Jha: The institutions must assess past incidents that caused disruptions in the payment system/service and analyze the disruption patterns to prevent similar incidents in the future. Proper records/logs of past incidents must be maintained for this purpose.

Directive no. 12/080 Section 2(4): The institutions must prepare a strategic plan for business continuity and growth covering a period of at least 3 years. A detailed action plan should be developed for the implementation of this strategic plan, specifying timelines, responsible departments, units, and employees, among other details.

Directive no. 13/080 Section 1(7): The institutions must ensure that customers have the ability to deactivate and reactivate various electronic payment services through electronic means (such as the relevant app or web portal) on their own.

Directive no. 13/080 Section 12: The Payment System Operators (PSOs) must be registered as a public limited company. Any institution with an operating license as a PSO before issuance of this directive must convert into a public limited company by the end of Ashar 2085 (mid-July 2028)

Directive no. 5/080 Section 7(6): The institutions can only maintain their Data Center (DC) with entities that have been listed by the Ministry of Information Technology of the Government of Nepal as authorized data center operators.

Licensed institutions must verify whether their existing data center has been listed within the time specified in the "Data Center and Cloud Service (Operation and Management) Directive, 2081."

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

Amendments in Unified Directives, 2081 for "A," "B," and "C" class BFIs

NRB has added/amended the following provisions to the Unified Directives, 2081:

Directive no. 2/081 Section 9 (1): The loan loss provisioning (LLP) for 'Pass' loans is now 1%. Previously, it was 1.10%.

Directive no. 3/081 Section 12 (7): Licensed BFIs must ensure that the Loan to Value Ratio (LTV) for vehicles purchased through loans, including electric cars for all purposes and personal use vehicles, does not exceed 60% of the vehicle's loan value.

For notice, [click here](#).

Amendments in Unified Directives, 2081 for "D" class BFIs

NRB has added/amended the following provisions to the Unified Directives, 2081:

Directive no. 2/081 Section 2: The loan loss provisioning (LLP) for 'Pass' loans is now 1%. Previously, it was 1.10%.

For notice, [click here](#).

AML/CFT guidelines for hire purchase companies

NRB has issued new guidelines for hire purchase loan companies licensed by NRB, replacing the previously issued guidelines on AML/CFT, with updated arrangements for asset laundering and preventing financial investment in terrorist activities.

For guidelines, [click here](#).

AML/CFT guidelines for EPF-CIT-SSF

NRB has issued new guidelines on AML/CFT for the Employees' Provident Fund, the Citizen Investment Fund, and the Social Security Fund, replacing the previously issued guidelines. This is in accordance with Subsection (2) of Section 7 of the Money Laundering Prevention Act, 2064, which designates NRB as the regulatory authority for the prevention of money laundering for these funds.

For guidelines, [click here](#).

Addition to FXMD Unified Circular 2080

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

Circular 20/2080 Section 10: The Central Bank of Denmark has invalidated the legal tender status of certain Danish Kroner (DKK) banknotes after 31.05.2025. These banknotes must be exchanged at the Banking Department of NRB or the provincial offices conducting banking operations by 13.03.2025 and deposited by 20.03.2025. After this date, the bank will no longer be obligated to accept such banknotes. Furthermore, licensed banks, financial institutions, and other entities must publish this notice on their websites.

For notice, [click here](#).

Half Yearly Review of Monetary Policy 2081/82

NRB has released its half-yearly monetary policy review for FY 2081/82 (2024/25), outlining key policy measures to balance economic growth and financial stability. Key highlights are as follows:

Policy Stance: NRB maintains a flexible approach to support economic growth while ensuring financial stability despite inflationary pressures.

Policy Rate & Interest Rate Corridor: The policy rate remains unchanged at 5.0%, while the deposit collection rate is set at 3.0%, and the bank rate stands at 6.5%.

Reserve Requirements: Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) remain unchanged for liquidity stability.

Microfinance Interest Rate Regulation: Starting Jestha 2082 (May/June 2025), microfinance institutions must link lending rates to the base rate for improved transparency.

Non-Deliverable Forward (NDF) Transactions: Capital requirement for NDF transactions increased from 15% to 20% of core capital to enhance risk management in the forex market.

For policy review, [click here](#).

Notice issued by SEBON

Guidelines on Targeted Financial Sanctions

The Securities Board of Nepal (SEBON) has issued guidelines on targeted financial sanctions for securities market participants. The purpose of Targeted Financial Sanctions (TFS) is to prevent designated individuals from accessing funds, financial assets, or economic resources that could be used to threaten international peace, support terrorism, or finance weapons proliferation.

Securities Markets Participants (SMPs) must ensure they have proper controls in place to comply with evolving TFS restrictions, as updated sanction lists are published by the Ministry of Home Affairs and the UN.

For notice, [click here](#).

Notice issued by OCR

Penalty Waiver and Compliance Guidelines for Companies

The Office of the Company Registrar (OCR) has granted certain exemptions and facilities under the Ordinance published in the Nepal Gazette (Part 2, Section 74, Supplementary Issue 48), that amended the Companies Act, 2063.

In accordance with this Ordinance, companies that have yet to submit the required details, information, or reports at the time of its commencement can avail themselves of these exemptions through the Company Administration Management Information System. As per the decision on 2081/11/19, companies submitting overdue details online by the end of Asadh 2082 will receive a 90% waiver on late penalties. However, annual reports must be submitted separately for each fiscal year; otherwise, exemption requests will not be considered.

Companies that had already submitted details before 2081/09/29 will not receive any penalty waiver. To qualify for the exemption, companies must have completed all necessary actions as outlined in the notice published on 2081/10/30. Additionally, further clarification on the exemption process for deregistration under the newly amended Section 136(k) will be issued soon.

For notice, [click here](#).

Compiled and contributed by Bipin Aryal. Bipin is an Audit Executive in the firm.

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PKF T R Upadhy & Co.

124 Lal Colony Marg,

Lal Durbar, Kathmandu, Nepal.

+977 1 4510927 | 4520026

www.pkf.trunco.com.np