

PKF Nepal Updates

New staff welcomed to PKF Nepal

We are excited to welcome Alin Karki and Surakshya Ranabhat to the PKF Nepal team.

Staff leaving PKF Nepal

PKF Nepal bids farewell to team members: Smriti KC and Samrat Pathak 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 partner: Sanjeev Kumar Mishra along with the team members: Aarati Paudel, Sima KC, Rachita Aryal, Sunita Khatiwada, Chandrakant Chaudhary, Ankit Adhikari, Aliza Paneru, Abhishek Kumar Jha, Pratikshya Chhetri and Kishor Khatri, whose birthdays fell in April.



Celebration of birthdays at PKF Premises

Bank Audit Trainings at PKF Nepal

PKF Nepal organized a bank audit training focused on recent developments and key considerations in the banking sector. The program covered practical approaches to branch audits, loan file reviews, and branch operations, emphasizing risk-based auditing and regulatory compliance. Key topics included the interpretation of the Working Capital Guidelines, 2079, credit appraisal procedures, ESG considerations, cybersecurity risks, digital banking oversight etc.



Bank Audit Training at PKF Nepal

The training aimed to enhance auditors' understanding of evolving regulatory expectations and equip them with effective tools for conducting high-quality audits.

Updates

Notices issued by NRB

Amendments to Foreign Exchange Unified Directives, 2080

The Nepal Rastra Bank (NRB) has issued the Unified Directives, 2081 to licensed institutions, incorporating all amendments, revisions, and updates made up to 19 Falgun 2081 and 2080 as per the authority granted by Section 45 of the Nepal Rastra Bank Act, 2058.

For directives, [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 8(5): Licensed institutions may, based on the borrower's request and a cash flow analysis, restructure and/or reschedule loans related to construction projects funded by public bodies where construction is completed or ongoing but payment is pending.

Before doing so, at least 10% of the payable interest must be collected. This restructuring or rescheduling must be completed by the end of Ashadh 2082 (mid-July 2025). The restructured loan must be classified in at least the same category as it was in as of Mangsir-end 2081 (mid-December 2024), and no penal interest can be charged for the intervening period.

Additionally, a 5% loan loss provision must be maintained, but any previously created provision cannot be reversed. Institutions must also obtain documentation confirming that payment is pending from the concerned public body.

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

Amendments in procedures for Hire Purchase Loan Approving Companies

NRB, under Section 79 of the NRB Act, 2058, has issued the "Policy and Procedural Arrangements for Granting Approval to Companies Providing Hire Purchase Loans, 2070 (Fifth Amendment 2082)", replacing the previous fourth amendment.

For procedure, [click here](#).

Notice issued by SEBON

Global Money Week – 2025

On the occasion of Global Money Week – 2025, the Securities Board of Nepal (SEBON) has conducted financial literacy and awareness programs targeting children and youth, with the theme "Think Before You Follow, Wise Money Tomorrow."

As part of this initiative, SEBON has published basic knowledge materials related to the securities market and financial literacy. These materials cover a broad range of topics—from savings, investment, and portfolio management to emerging areas such as artificial intelligence, cloud computing, and cyber-attacks—with the goal of promoting responsible and informed financial decision-making among the younger generation.

For notice, [click here](#).

Global Highlights

Politics and Diplomacy

- On 7.5.2025, India launched missile strikes on Pakistan-administered Kashmir and Punjab in retaliation for the 22.4.2025 Pahalgam attack that killed 26 civilians. Termed "Operation Sindoor," the action escalates tensions between the two nuclear-armed nations, raising concerns of broader conflict. For Nepal, such instability poses risks including trade disruptions, fluctuations in fuel prices, weakened investor confidence, and potential downturns in tourism. Globally, the conflict adds to geopolitical uncertainty, impacting markets and energy supply.
- Under President Trump's renewed leadership, the U.S. has reinstated tariffs on Chinese goods, aiming to protect domestic industries. In response, China is expanding trade ties in Asia, Africa, and Latin America. The move raises global supply chain risks and investor uncertainty, especially in tech and manufacturing.
- At April's global forums, top institutions (UN, IMF and World Bank) focused on debt relief for low-income nations, climate finance, and digital inclusion. A proposed tax on financial transactions to support climate goals sparked debate, signaling growing efforts to align finance with sustainability.

Economy and Energy

- Organization of the Petroleum Exporting Countries (OPEC)+ agreed to boost oil output by 411,000 barrels per day in June, leading to a sharp decline in oil prices. This decision raises concerns about market oversupply amid uncertain demand.
- UK-China Trade Relations: The UK is reassessing its trade relationship with China, aiming to balance economic opportunities with national security concerns, particularly in sectors like green finance.

Foreign Aid and Trade Relations

- The U.S. has canceled 34 USAID projects in Nepal, worth over NPR 46 billion, impacting 83% of its programs across health, education, agriculture, and inclusion. This abrupt withdrawal disrupts development efforts, affects over 300 NGOs, and raises concerns about funding gaps, project continuity, and donor reliability.
- Nepal's lower 10% U.S. tariff, compared to higher rates on India (26%), Pakistan (29%), and Bangladesh (37%), offers a unique trade advantage. To capitalize, Nepal can expand export-oriented manufacturing (e.g., garments, pashmina, tea), attract foreign investment, and develop export zones. Nepal can boost competitiveness by strengthening trade diplomacy, meeting U.S. compliance standards, improving logistics, and diversifying into high-value exports like herbal products and IT services.

Environment and Climate Updates

- New research indicates that the Antarctic Ice Sheet gained mass from 2021 to 2023 due to increased snowfall. While this offers a temporary reprieve in rising sea-level concerns, climatologists caution that this trend does not negate the broader threats posed by global warming.
- Multiple regions experienced extreme weather events in April. Southeast Asia was hit by unseasonal heatwaves, while parts of Brazil and the Southern U.S. faced severe storms and flooding underlining growing concerns about climate resilience.

Health and Safety

- Scientists have raised the alarm over the spread of *Aspergillus*, a deadly fungal pathogen, into Ireland and other parts of Europe—attributed to warming climates possessing serious health risks, particularly to immunocompromised individuals, and adds pressure to already burdened healthcare systems.
- Following pandemic aftershocks and rising economic stress, global mental health trends continue to decline. International NGOs report rising cases of depression, anxiety, and burnout, especially among youth and urban populations. Policymakers are being urged to allocate more resources toward mental wellness initiatives.

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

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