

PKF Nepal Updates

New staff welcomed to PKF Nepal

We are excited to welcome Rabindra Oli, Dipshikha Ghimire, Nazim Miya and Ashish Bhatta to the PKF Nepal team.

Staff leaving PKF Nepal

PKF Nepal bids farewell to team members: Aashish Thakuri, Mukesh Khati and Jagadish Bhandari 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: Prajwol Shrestha, Bishal Mundhara, Samir Adhikari, Prashamsa Sharma, whose birthdays fell in July.



Celebration of birthdays at PKF Premises

Updates

Notices issued by MoLESS – GoN

Revision in Minimum Wages

Starting 1.4.2082 (mid-July 2025), Nepal's minimum monthly wage will rise from NPR 17,300 to NPR 19,550, comprising NPR 12,170 basic and NPR 7,380 dearness allowance. Daily and hourly wages are NPR 754 and NPR 101 respectively, with part-time hourly rates at NPR 107.

This applies to all sectors except tea plantation workers, whose wages are under separate review. The revision follows the mandatory biennial update by the Minimum Wages Review Committee and is approved by the Ministry of Labour, Employment, and Social Security. No contract can set wages below these rates from the effective date.

For notice, [click here](#).

Notices issued by NRB

Amendment to FEMD Directives, 2081

Nepal Rastra Bank (NRB) has added/amended the following provisions to the Unified Directives, 2081:

Directive no. 7/2081 Section 1 kha (1): Nepali citizens traveling to countries other than India are eligible to receive a foreign exchange facility of up to USD 3,000 or its equivalent in convertible foreign currency per visit. Previously, the limit was up to USD 2,500.

Directive no. 7/2081 Section 2 ka: In the case of proprietary derivatives transactions, the total outstanding amount of both buying and selling combined should not exceed 25 (twenty-five) percent of the core (Tier 1) capital. Previously, the limit was 20 (Twenty) percent.

For circular, [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. 3/081 Section 4: The maximum single obligor limit for margin nature loans disbursed against shares by one or all licensed institutions has been set at a total of NPR 250 million.

Previously, the limit was NPR 150 million.

Directive no. 3/081 Section 12 (5) (1): While calculating the limit as per Clause (gha) of Sub-section No. 4, personal residential home loans of NPR 30 million or less shall not be required to be included.

Previously, the limit was NPR 20 million.

Directive no. 17/081 Section 3 ga: Loans of up to NPR 300,000 per person provided to individuals going for foreign employment, whether secured or unsecured, and up to NPR 500,000 in the case of women.

Previously, the loan limit for individuals going for foreign employment was NPR 150,000 per person, with no specific provisions or higher limits mentioned for women.

Capital Adequacy Framework 2007, Section 2.3(h): There has been an addition to the Elements of Tier 2 Capital:

(h) Regulatory reserve for non-banking assets recorded within the last 24 months.

For Circular, [click here](#).

Directive no. 12 Section 9 (2): Other Conditions for Inclusion in the Blacklist:

- (Na) Directors, chief executives, and other employees of BFIs who have been penalized with cash fines for non-compliance with the directives issued by NRB under the Nepal Rastra Bank Act, 2058, the Bank and Financial Institution Act, 2073, and other policy provisions, until the cash fines are paid;
- (Cha) If a cheque is dishonored due to insufficient funds or no funds available in the account;

- (Chha) If a cheque is returned for any reason other than the cheque holder being able to verify that the details mentioned on the cheque are correct, despite sufficient funds being available in the account;
- (Ja) Notwithstanding anything else stated elsewhere in these directives, construction business institutions will not be included in the blacklist solely due to cheque dishonor until the end of Mangsir 2081 (mid-December 2024).

For circular 1, [click here](#). For circular 2, [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. 12 Section 9 (2): Licensed Microfinance Financial Institutions (MFIs) may charge their customers a maximum interest rate of up to 15% on loans disbursed before 1.4.2082 and still outstanding as of that date.

For loans disbursed from 1.4.2082 onwards, MFIs must set interest rates as follows:

(a) The interest rate charged to customers must be linked to the "Base Rate" calculated pursuant to Schedule 14.1.

(b) Microfinance institutions may add a premium of up to 3 percentage points to their base rate and determine the interest rate on a quarterly basis. While setting the interest rate, they must use the published average base rate of the previous three months plus the premium.

(c) Notwithstanding anything stated in clause (b), when determining the interest rate charged to customers, microfinance institutions must not exceed the interest rate calculated by adding 9 percentage points to the latest monthly average base rate of commercial banks as published by the central bank in the "Current Economic and Financial Situation of the Country," issued under the Unified Directive, 2081.

Therefore, microfinance financial institutions must set their interest rates on loans to customers within the lower limit of the below:

(i) their base rate plus up to 3 percentage points premiums, and

(ii) the commercial banks' latest monthly average base rate plus 9 percentage points as published by the central bank.

For circular, [click here](#).

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

Nepal Rastra Bank (NRB) has released the "Guidance Note on Interest Income Recognition, 2025" to promote consistency and discipline in recognizing interest income from financial assets measured at amortized cost, in alignment with NFRS 9. This also supports the phased adoption of the Effective Interest Rate (EIR) model. Additionally, NRB has published the revised NFRS 9 Expected Credit Loss Related Guidelines.

For Interest related guidelines, [click here](#).

For ECL related guidelines, [click here](#).

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

Notice issued by ICAN

Continued Professional Education Guidelines

The Institute of Chartered Accountants of Nepal (ICAN) has issued the "Continued Professional Education Guidelines, 2082" as per the decision of its 352nd Council Meeting held on 27.3.2082.

These guidelines aim to consolidate and update the existing Continuing Professional Education (CPE) provisions by aligning them with the Statement of Membership Obligations (SMO) of IFAC, Rule 55 of the Nepal Chartered Accountants Regulation, 2061, and the Accounting Technician By-laws, 2067.

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

Library Operation By-Laws, 2082

In order to manage the library of the Institute of Chartered Accountants of Nepal (ICAN) in an organized manner, the "Library Operation By-laws, 2082" have been approved and issued by the 352nd Council Meeting held on 27.3.2082, pursuant to Section 48 of the Nepal Chartered Accountants Act.

For notice, [click here](#). For By-laws, [click here](#).

Amendments to Nepal Chartered Accountants Rules, 2061

The "Nepal Chartered Accountants (13th Amendment) Rules, 2082" have been approved by the Government of Nepal (at the level of the Honorable Deputy Prime Minister and Minister of Finance) on 32.3.2082.

The amendment was proposed to the Ministry of Finance for approval as part of the 13th revision of the existing Nepal Chartered Accountants Rules, 2061. As per Sub-rule (2) of Rule 1 of the amended rules, the amended provisions have come into effect from the date of government approval — i.e., 32.3.2082.

For notice, [click here](#). For amended rules, [click here](#).

Notices issued by National Cooperative Development Board

Directives for Savings and Credit Cooperatives

The National Cooperative Development Board has issued Directive No. 1/2081/82 on 22.3.2082 under Section 103 of the Cooperative Act, 2074.

The Directive applies to cooperatives primarily engaged in savings and credit, aiming to strengthen financial discipline and governance in the sector:

Loan Restructuring Facility: Borrowers who have defaulted due to genuine hardships may apply for restructuring within 3 months, allowing a repayment extension of up to one year, based on the following conditions:

Write-back Provision: Loan loss provisions can only be transferred back to retained earnings if the borrower regularly pays installments for six consecutive months.

Cooperative Borrowing Limits: Cooperatives can include loans up to 5% of total assets from banks, financial institutions, and other bodies within their resource mobilization limits. Excess borrowing must be adjusted by the next fiscal year.

Capital Adequacy Provision on Seized Collateral: Loss provisioning on unsold seized collateral can be counted towards capital adequacy, in line with the new “Regulatory Standards for Savings and Credit-based Cooperatives, 2082.”

Voluntary Loan Loss Provisioning: Cooperatives may set aside additional loan loss provisions beyond the minimum requirement based on their risk assessment.

Regulatory Compliance: Any violation of the Cooperative Act, Rules, Standards, or this directive will be subject to legal action.

For notice, [click here](#).

Notices issued by Inland Revenue Department (IRD)

Directive for Dealers of Precious Metals or Goods

Pursuant to Sub-section (2) of Section 7(na) of the Asset (Money) Laundering Prevention Act, 2064, and in line with the decision of the Government of Nepal dated 2075/07/25, the IRD has been designated as the regulatory authority for businesses engaged in the trade of precious metals and goods.

Accordingly, exercising the authority granted under Sub-section (2) of Section 7(pa) of the same Act, the IRD has issued directives to the dealers of precious metals or goods.

This directive has been introduced to enhance transparency and integrity in the trade of precious metals and high-value goods, as well as to regulate and streamline the activities of reporting entities. It aims to strengthen the national framework for preventing money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.

For directives, [click here](#).

Notice issued by SEBON

Continued Professional Education Guidelines

The Securities Exchange Board of Nepal (SEBON) has issued directives “*Securities Dealers (Stock Dealer and Market Maker) Regulations, (6th Amendment) 2082*” and “*Securities Listing and Trading Regulation (9th Amendment), 2082*”.

The purpose of these directives is to enhance market liquidity and investor confidence by regulating the roles of stock dealers and market makers, and to ensure greater transparency, efficiency, and international alignment in the listing and trading of securities in Nepal.

For Securities Dealers (Stock Dealer and Market Maker) Regulations, [click here](#).

For Securities Listing and Trading Regulation, 2082, [click here](#).

Global Highlights

Politics and Diplomacy

- At the NATO Summit held from July 9 to 11, member countries pledged \$43 billion annually to support Ukraine, reinforcing Western unity amid ongoing conflict. This escalation in East–West tensions indirectly affect Nepal by driving up global fuel and food prices and influencing labor migration patterns.
- The UN Conference on Gaza Peace from July 28 to 30 renewed calls for a two-state solution and a ceasefire, generating diplomatic momentum to stabilize the Middle East. This progress could reduce the strain on UN peacekeeping missions, where Nepali soldiers are actively involved.

Economy and Energy

- The International Auditing and Assurance Standards Board (IAASB) released a landmark Exposure Draft for ISSA 5000 (July 2), proposing the first global standalone standard for sustainability assurance engagements. This draft is a critical step toward providing consistent, high-quality audits of sustainability reports.

Concurrently, the International Sustainability Standards Board (ISSB) launched capacity-building platforms in July to support global adoption of its IFRS S1 and S2 sustainability disclosure standards. For Nepal, the IAASB draft paves the way for future standardized sustainability audits, particularly for banks and ESG-reporting entities regulated by NRB and SEBON.

The ISSB's resources directly aid Nepali regulators and large companies in preparing for mandatory climate and sustainability disclosures, aligning the country with emerging global reporting frameworks and enhancing credibility. Together, these initiatives establish complementary global systems: ISSB sets what to disclose, while ISSA 5000 aims to verify how reliably it's reported.

- China's Q2 GDP growth slowed to 4.7%, impacted by weak consumer spending and a real estate crisis, leading to slower global growth and reduced demand for commodities. This slowdown may affect Nepal's exports and reduce Chinese tourism. Additionally, the EU imposed tariffs of up to 38.1% on Chinese electric vehicles, deepening trade tensions and disrupting global EV supply chains, which could increase EV prices in Nepal, where Chinese models dominate.

Foreign Aid and Trade Relations

- On July 10, the U.S. announced a \$2.3 billion military aid package to Ukraine, reaffirming its support amid ongoing conflict. This prolonged war impacts global defense spending and may divert funds away from development aid, affecting countries like Nepal. On July 15, donors pledged \$2.1 billion to address Sudan's famine and mass displacement, highlighting a major humanitarian crisis that could lead UN agencies and NGOs to shift resources, potentially influencing Nepal's peacekeeping contributions.

Additionally, Kenya secured \$941 million in IMF relief on July 19 to stabilize its economy after protests, offering a potential model for Nepal in managing future debt challenges.

- On July 16, the U.S. lifted its avocado import ban from Mexico, resolving a long-standing trade dispute. This move signals a easing of protectionist measures globally and highlights for Nepal the importance of maintaining strict phytosanitary standards to protect and expand exports such as tea and ginger.

Environment and Climate Updates

- On July 10, eight countries signed a pact to curb deforestation in the Amazon, marking a significant victory for global biodiversity conservation. This agreement aligns closely with Nepal's efforts in forest protection and its REDD+ initiatives aimed at reducing emissions from deforestation.
- On July 27, \$2.5 billion in climate finance was secured at the SIDS4 conference to support Small Island Developing States in building climate resilience, marking a positive step toward climate justice. This development also strengthens Nepal's position to seek concessional financing for its own climate adaptation efforts. Meanwhile, massive wildfires in Canada burned over 15 million hectares, causing transboundary pollution and worsening air quality in Europe and the U.S. Nepal faces similar risks from forest fires, underscoring the need for effective early warning and response systems.

Health and Safety

- On July 11, global dengue cases doubled, with Europe experiencing its first widespread outbreaks, putting significant strain on health systems worldwide. Nepal is also facing a sharp rise in urban dengue cases, highlighting the urgent need for effective vector control measures. Meanwhile, a cholera outbreak in Kenya following heavy floods killed over 120 people by July 22, illustrating the growing threat of climate-linked health crises. This serves as a warning for Nepal's vulnerability to similar post-flood diseases, especially in the Terai and hilly areas.
- On July 9, a U.S. court upheld Medicare's drug price reform, marking a significant first step toward lowering pharmaceutical costs globally. This decision puts pressure on international drug pricing models and holds promise for Nepal to gain access to more affordable generic medicines in the future.

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

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PKF T R Upadhyaya & Co.

124 Lal Colony Marg,

Lal Durbar, Kathmandu, Nepal.

+977 1 4510927 | 4520026

www.pkf.trunco.com.np