

## PKF Nepal Updates

### Staff leaving PKF Nepal

PKF Nepal bids farewell to Niharika Tiwari and Sushant Shah as they embark on new career opportunities. PKF Nepal extends heartfelt appreciation for the 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: Tirth Raj Aryal, Bishal Shrestha, Kamal Panthi, Samir Bhattarai, Asmita KC, Bibek Jha, Karuna Shrestha, Naresh Bohara, Shreya Gyawali, Apitosh Mehta, Surakshya Ranabhat, Aparajita Bhattarai, Sushmita Khadgi and Gulsan Kumar Roy whose birthdays fell in September.



## Updates

### Notices issued by NRB

#### Amendment to FXMD Directives, 2081

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

**Directive no. 1/081, Section 1.1.1 ga:** Mustang customs point, Mustang has been added for import from China through roadways or railways using letter of credit. To the customs points in Tatopani, Sindhupalchowk and Rasuwa.

**Directive no. 1/081, Section 1.3; Schedules 1.5, 1.6, 1.7:** Addition of Mustang custom points to the Tatopani, Sindhupalchowk and Rasuwa.

For 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 8(6):** Licensed BFIs may restructure debts of industries, businesses, or organizations directly impacted by the Gen-Z movement, upon borrower request and verification. Restructuring must be completed by the end of Poush 2082.

**Directive no. 2/081 Section 8(7):** If a borrower with direct forward or backward linkage is affected by the Gen-Z movement, BFIs must deduct at least 5% of applicable interest before restructuring the debt, which should be completed by Poush end, 2082.

**Directive no. 2/081 Section 47:** If any industry, business, or organization impacted by the Gen-Z movement applies for a Payroll Protection scheme loan, the BFIs will offer these at no more than 0.5% above the base rate, subject to certain conditions.

**Directive no. 2/081 Section 39(11):** BFIs are required to extend loans to industries that employ a minimum of 100 women, manufacture products with at least 25% value addition, and achieve an export rate of no less than 25%.

The applicable interest rate shall be the base rate plus a premium not exceeding 1%.

For notice, [click here](#)

### Notice issued by ICAN

#### Grievance and Complaint Redressal Bylaw, 2025

In accordance with the decision of the Council, the Institute of Chartered Accountants of Nepal (ICAN) has implemented the Grievance and Complaint Redressal Bylaw, 2025. Pursuant to the provisions of the said bylaw, any member or stakeholder of ICAN may lodge grievance or complaint with ICAN regarding any relevant matter.

For notice, [click here](#).

For bylaw, [click here](#).

### Notice issued by OCR

#### Company Deregistration Directives, 2082

The Office of the Company Registrar has issued the Special Company Deregistration Directives, 2082, exercising the powers conferred by Section 16 of the Companies Act, 2063, with the objective of simplifying, facilitating, and standardizing the special provisions under Section 136(Ka) relating to the cancellation of company registration.

For notice, [click here](#).

### Notice issued by Nepal Insurance Authority

#### Claim Payments Procedures

In line with the decision of the Government of Nepal, Council of Ministers dated 5.6.2082, to provide relief, tax exemptions, and facilities to industries, businesses, and economic activities affected by the "Gen-Z Movement", the following arrangements are to be made for claim payments related to insured properties such as buildings, vehicles, goods, machinery, and equipment damaged during the movement:

- Deploy surveyors immediately to assess the damage and arrange for claim settlements accordingly.
- Based on the preliminary damage assessment report, pay up to 50% of the estimated insurance liability as advance payment at the earliest.
- Where insurers have requested funds from the reinsurance company to settle claims, arrange to provide up to 50% of the estimated reinsurance liability as advance payment without delay.

For notice, [click here](#).

## Global Highlights

### Politics and Diplomacy

- From September 8 to 13, 2025, Nepal experienced unprecedented Gen-Z-led anti-corruption protests that escalated into violent clashes, including gunfire and widespread vandalism, resulting in over 75 deaths and extensive damage to public and private property, while disrupting businesses and essential

services. The unrest prompted the resignation of Prime Minister KP Sharma Oli and key ministers on 9 Sept 2025. Sushila Karki was appointed interim Prime Minister on 13 Sept 2025, the first female leader in Nepal's history, tasked with guiding the nation through a critical transitional period.

The crisis drew global attention, highlighting the growing power of youth activism and raising concerns about Nepal's political stability, economic losses, and investor confidence. Domestically, it underscored the urgent need for governance reform, strengthened security measures, and the restoration of public trust.

- The UN General Assembly High-Level Week (Sept 23-29) saw world leaders debate security, climate, and aid under the theme "Better together". Globally, the assembly served as the primary stage for multilateral diplomacy, highlighting both cooperation and deep divisions on ongoing conflicts and climate financing. For Nepal, the discussions on climate aid and sustainable development are directly relevant, providing a platform to advocate for increased support and international attention for its vulnerability to glacial melt and natural disasters.

## Economy and Energy

- The EU announced measures in mid-September to tackle eight critical power-grid bottlenecks and reported high gas storage levels for winter. These actions are crucial for ensuring energy security, stabilizing electricity prices, and bolstering the EU's resilience against potential supply shocks. For Nepal, this demonstrates the global push for modernizing energy infrastructure, a key lesson as it develops its own national grid and seeks to expand cross-border electricity trade, particularly with India.
- China's manufacturing PMI data in late September showed activity hovering around the contraction threshold of 50. The continued weakness in the world's second-largest economy suppressed global demand for raw materials and raised concerns about a broader slowdown in world growth. For Nepal, this translates to weaker demand for its exports and potentially less investment from China, a key source of foreign direct investment and infrastructure loans.

## Foreign Aid and Trade Relations

- The U.S. announced plans on Sept 24 to reprioritize ~\$1.8 billion in foreign aid toward "America-First" initiatives. This shift raised concerns among multilateral agencies about reduced funding for global health, climate adaptation, and development programs in low-income countries. For Nepal, which relies on such aid for budgetary support and key projects, this could lead to a reduction in critical grant-based assistance, forcing a search for alternative financing.
- The India-EFTA Trade & Economic Partnership Agreement (TEPA) took effect on Sept 30, widening tariff concessions. The deal strengthens economic ties between a major emerging market and a bloc of developed European nations, creating a new axis of trade and investment. For Nepal, it underscores the

importance of strategic trade pacts and could offer a case study for its own negotiations, though it also risks making Indian manufacturing more competitive relative to Nepal's.

## Environment and Climate Updates

- Climate Week NYC (Sept 21-28) saw record-scale events focusing on finance and adaptation ahead of COP30. The gathering highlighted a growing push for private-sector climate pledges amid political headwinds, setting the agenda for critical international negotiations. For Nepal, this is a vital platform to showcase its climate vulnerability and lobby for the loss and damage funding, and green technology transfer it urgently needs.
- A World Meteorological Organization (WMO) seasonal outlook in September signaled above-normal temperatures for most of the Northern Hemisphere. The forecast reinforced the long-term trend of global heating, with implications for agriculture, water scarcity, and extreme weather events. For Nepal, this predicts accelerated glacial melt in the Himalayas, increasing the risk of GLOFs and threatening long-term water security for millions.

## Health and Safety

- The amended International Health Regulations (IHR) entered into force on Sept 19, strengthening global rules on disease reporting and preparedness. This legally binding update enhances the world's collective defense against pandemics by ensuring faster, more transparent information sharing between countries. For Nepal, this mandates critical upgrades to its national disease surveillance and health emergency response systems, which is essential for a country vulnerable to cross-border health threats.
- The European Centre for Disease Prevention and Control (ECDC) reported active monitoring of multiple threats in mid-September, including Ebola, dengue, and West Nile virus. This reflects the persistent and diverse nature of global health threats in an interconnected world. For Nepal, it emphasizes the importance of aligning its national health alerts with international advisories and preparing its systems for a range of potential imported cases.

*Compiled and contributed by Anjali Karki and Sadikshya Khadka, Audit Executives in the firm.*

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