

PKF Nepal Updates

New staff welcomed to PKF Nepal

We are excited to welcome Nischa Sharma, Deepak Kumar Raut and Mahendra Kandel to the PKF Nepal team.

Staff leaving PKF Nepal

PKF Nepal bids farewell to team members: Sima K.C. and Ram Prasad Bhatta as they embark on new career opportunities.

We extend our gratitude to our departing colleagues for their valuable contributions throughout their tenure at PKF Nepal. Their dedication and teamwork have greatly enriched our organization, and we wish them all the best in their future endeavors.

Achievements

Congratulations to Subash Bhatta and Sudip Ale Magar for successfully passing the ICAN membership examination and becoming an ACCA affiliate, respectively.

Heartfelt Congratulations

We extend our heartfelt congratulations to our esteemed clients - Dabur Nepal Pvt Ltd, NIMB Bank Limited, Unilever Nepal Ltd, Verisk Nepal Pvt Ltd, and VF Services (Mauritius) Pvt Ltd., who have been honored as the highest taxpayer this year in its respective industry. This recognition stands as a testament to their unwavering commitment to integrity, transparency, and responsible business practices. Their dedication to contributing to the nation's economic growth sets an exemplary benchmark for the industry.

Birthdays

PKF Nepal extends warm birthday wishes to its team members: Gambhir Bidari, Bibek Subedi, Anil Khanal, Sagar Mainali, Jhalak Upadhyay, Deepak Kumar Raut, Pratikshya Khatri whose birthday fell in November.



Celebration of birthdays at PKF Premises

PKF TRU Hosts Dinner for PKF-IFS Mongolia

PKF T R Upadhya & Co. recently hosted a warm and engaging dinner in honor of the visiting PKF-IFS Mongolia team led by its Managing Partner, Mr A Tamir, fostering collaboration and strengthening cross-border professional ties within the PKF network.



Post-Event Report: AOTCA 2025 International Tax Conference

The highly anticipated AOTCA 2025 International Tax Conference, hosted by the Nepal Chamber of Tax Consultants (NCTC), was successfully held in Kathmandu from 18 – 21 November 2025.

Centered on "Evolution of tax laws in developing countries and the roles of tax professionals," the conference promoted international collaboration and advanced regional expertise.

Updates

Notices issued by IRD

National Tax Day-2082

The IRD marked National Tax Day by hosting a special event in Kathmandu on 17 November 2025 (1st Mangsir 2082). During the ceremony, the IRD honored the highest taxpayers across various categories in recognition of their outstanding tax compliance and contribution to national revenue. The finance minister, Rameshwor Prasad Khanal, presented the awards and felicitated the top taxpayers.

For notice, [click here](#)

Notices issued by OCR

Company Inspector Deployment Directive, 2079

The Office of the Company Registrar (OCR) has issued a new directive outlining how company inspections will be conducted to ensure compliance with the Companies Act. OCR may appoint inspectors when complaints arise or required documents are not submitted, with inspection costs borne by the company. Inspectors can examine all financial records, share registers, meeting minutes, and statutory filings, and companies must fully cooperate.

Findings are reported to OCR, which may issue corrective directions or take action if irregularities are found. The guideline aims to strengthen transparency, corporate governance, and regulatory enforcement in Nepal's corporate sector.

For notice, [click here](#)

Notices issued by NRB

Monetary Policy Q1 review

NRB's Q1 Review shows a fragile economic recovery, with weak private-sector credit growth, rising non-performing loans, and subdued investment. Liquidity is adequate, but banks remain cautious due to deteriorating asset quality. Growth is increasingly reliant on remittances and tourism rather than domestic production. Fiscal pressures persist as government spending outpaced revenue. Fitch Ratings reaffirmed Nepal's "BB-/Stable" rating, citing strong external buffers and low external debt, but highlighted structural constraints, governance challenges, and vulnerability to shocks. Overall, the economy requires coordinated fiscal-monetary reforms, improved investment climate, and structural transformation to stabilize growth and financial health.

The policy measures announced in the Q1 review are as follows:

- To maintain symmetric interest rate corridors, the upper and lower bounds have been reduced from 6.0 percent to 5.5 percent and from 4.5 percent to 4.25 percent, respectively.
- The differential interest of 1 percentage point between personal and institutional deposits has been eliminated. BFIs can now offer the same interest rates on fixed deposits for institutional depositors.
- The Personal Overdraft facilities provided by BFIs have been increased from NPR 5 million to NPR 10 million.
- The maximum credit limit that MFIs can extend for collateral-based lending has been increased from NPR 700K to NPR 1.50 million.
- Arrangements will be made to allow loan restructuring in cases where MFIs' borrowers have faced challenges in repaying their loans.
- If borrowers affected by recent floods or landslides or natural disasters are unable to repay their loans, BFIs may restructure or reschedule the loans once, provided they recover 10 percent of the outstanding interest.
- In light of the increase in digital banking, BFIs are now permitted to consolidate or integrate branches in metropolitan areas.
- To strengthen internal governance and ensure ethical, transparent, and accountable operations, BFIs will implement an Anti-Bribery and Corruption Policy.

For full review, [click here](#)

Framework For Domestic Systemically Important Banks (D-SIB)

Notice No.12/082/83

NRB has issued the Domestic Systemically Important Bank (D-SIB) Framework 2025 to identify banks whose failure could disrupt the entire financial system. The framework uses four indicators to rank commercial banks and assign them to risk buckets. The indicators are:

- a) size,
- b) interconnectedness,
- c) substitutability, and
- d) complexity

Designated D-SIBs must maintain additional Common Equity Tier 1 capital (0.20%–1.00%) to enhance shock absorption. The requirement becomes effective from mid-July 2027. This framework aligns Nepal with global Basel standards and strengthens overall financial stability.

For notice, [click here](#)

Report on Compilation of Consumer Price Index in Nepal

The NRB report details recent methodology updates and the rebasing of the Consumer Price Index (CPI) to the new base year 2023/24. This exercise was undertaken to align Nepal's inflation statistics with evolving economic conditions and international best practices, significantly enhancing the reliability and global comparability of the data. Key Highlights of the New CPI Series:

- **New Data Source:** Expenditure weights for the CPI basket were derived, for the first time, using data from the Fourth Nepal Living Standards Survey (NLSS IV) conducted by the National Statistics Office. This replaces the traditional separate Household Budget Survey.
- **Expanded Geographical Coverage:** The CPI compilation now includes rural and urban market centers across all 77 districts of Nepal, making the index more representative of the entire country.
- **Provincial-Level CPI:** The rebasing enables the production of the CPI at the provincial level for the first time, providing granular data for regional analysis.
- **Updated Item Basket:** Retail market prices are now collected for an expanded basket of 525 goods and services, which better reflects current household consumption and expenditure patterns.
- **Methodological Alignment:** The rebasing exercise adheres to international guidelines, specifically the CPI Manual: Concepts and Methods (2020) and the UN Classification of Individual Consumption According to Purpose (COICOP) 2018, improving consistency and global standards.
- **Weight Distribution:** The national CPI is structured under two main groups: Food and Beverage and Non-Food and Services, each segmented into several detailed subgroups for a comprehensive inflation analysis.

For full report, [click here](#)

Notices issued by NIA

NIA Updates Crop Insurance Schedule to Include Potato Farming

The NIA has issued a circular stating that the crop insurance schedule has been updated to include potato (आलु) farming under the relevant insurance plan. This addition corrects an earlier omission of potatoes from the schedule, meaning farmers growing potatoes are now eligible for crop insurance coverage under the updated terms.

For circular, [click here](#)

Global Highlights – Implications for Nepal

Politics and Diplomacy

G20 Johannesburg Summit:

The 2025 G20 Summit (22–23 Nov) in South Africa focused on debt relief, climate action, food security, renewable energy transitions, and support for developing economies. Despite some major power absences, a widely endorsed declaration emphasized “Solidarity, Equality, Sustainability.”

What it means for Nepal?

Nepal may benefit from debt-relief programs, climate finance, and concessional funding to support green energy, agriculture, and sustainable development projects.

Foreign Aid and Development

MCC Approves Additional \$50 Million Grant for Nepal

On 19 November 2025, the Nepal government and MCC announced additional grant financing of US \$50 million under the MCC Nepal Compact.

With this, the total grant support available under the Compact rises to about US \$747 million (including Nepal’s own contribution).

What it means for Nepal?

The new MCC grant strengthens Nepal’s electricity transmission infrastructure — a critical boost for energy stability, power supply reliability, and potential for increased regional energy trade.

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

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