

PKF Nepal Updates

Staff leaving PKF Nepal

PKF Nepal bids farewell to team members: Manorama Shah, Sudip Khatri and Alin Karki 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 and wish them all the best in their future endeavors.

Life Events & Achievements

Birthdays

PKF Nepal extends warm birthday wishes to Ashmita Bhattarai, Diwash Pokharel, Sushant Shah, Samiksha Paudel and Sudip Adhikari whose birthday fell in March.



Celebration of birthdays at PKF Premises

Nepal Joins Global Forum as 173rd Member to Combat Tax Evasion

On 18 March 2026, Nepal officially joined the Global Forum on Transparency and Exchange of Information for Tax Purposes as its 173rd member, becoming the 24th Asian jurisdiction to do so. By joining, Nepal has committed to implementing international standards for the Exchange of Information on Request (EOIR) and Automatic Exchange of Information (AEOI). These standards cover financial accounts under the Common Reporting Standard (CRS) as well as crypto-asset transactions under the Crypto-Asset Reporting Framework (CARF).

This membership aims to combat offshore tax evasion, strengthen Nepal's tax administration, and enhance domestic resource mobilisation. As a new member, Nepal will benefit from a multi-year capacity-building induction programme and will participate on an equal footing with other members, including all G20 and OECD countries, in global efforts to improve tax transparency and international cooperation.

For further information, [click here](#)

Updates

Notices issued by NRB

Amendment to the Unified Directives on Payment Systems, 2081

Nepal Rastra Bank (NRB) recently issued an update to its Unified Directives on Payment Systems, 2081, via circular no 03/082/83 dated 17 March 2026.

Directive No. 1/081, Section 1(2): This amendment introduces key changes to the scope of electronic payment cards that licensed financial institutions are authorized to issue.

With this latest amendment, the NRB has introduced a specialized provision authorizing Class 'A' commercial banks to issue RFID Chip-Based Prepaid Tags/Cards specifically for the collection of toll fees from vehicles operating on road sections designated by the Government of Nepal.

Previously, the regulatory framework primarily focused on the issuance of standard electronic payment tools such as credit, debit, and prepaid cards for general consumer transactions.

For circular, [click here](#)

Amendment to the Unified Directives ,2082 for Infrastructure Development Bank

Nepal Rastra Bank has released Circular No. 04/082/83 on 17 March 2026, which updates the Unified Directive 2082 for Infrastructure Development Bank.

Directive No. 2, Section 12(2),12(12): Under the newly amended provision, IDB that maintains adequate capital funds are authorized to engage in the credit sale, purchase, re-purchase, and takeover of infrastructure projects including those from Class 'A' commercial banks until the end of Ashar 2085. These transactions are permitted up to a maximum limit of one-third of the total credit maintained by the bank in the previous quarter, and this entire provision is set to automatically expire after the Ashar 2085 deadline.

Previously, the regulatory framework allowed IDB to perform these credit sales, purchases, and takeovers for a duration limited to four years from the date they commenced their operations. The original rule stated that the authority to engage in such transactions would automatically become inactive once an institution surpassed that four-year operational period.

For circular, [click here](#)

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

NRB has issued a series of targeted amendments to its Unified Directives for Class 'A', 'B', and 'C' licensed institutions through circular no.12/082/83 dated 17 March 2026.

Directive No. 17/082, Section 15:

Revised Agriculture Lending Targets for Class 'A' Banks:

The mandatory credit flow for Class 'A' BFIs has been

restructured. Starting from the end of Poush 2083, these banks are required to maintain a minimum of 10% of their total credit in the agriculture sector.

Previously, the directive mandated a staggered target reaching 15% by the end of Ashar 2085.

Consolidated Priority Sector Targets for Class 'A' BFIs:

From Poush 2083, Class 'A' BFIs must allocate at least 20% of their total credit to a combined group consisting of Tourism, MSME (loans up to Rs 3 crore, or Rs 5 crore for productive industries), Energy, Information and Communication Technology (ICT), and export-based industries.

Previously, these sectors were governed by individual and separate targets, such as a 10% requirement for Energy by Ashar 2084 and a 15% requirement for the MSME sector by Ashar 2085.

Streamlined Sectoral Lending for Class 'B' and 'C' Institutions

NRB has established a unified sectoral target for smaller institutions. By Poush 2083, Class 'B' BFIs must maintain at least 20% and Class 'C' BFIs at least 15% of their total credit in a combined pool that includes Agriculture, Tourism, MSME, Energy, ICT, and Export-based industries.

Previously, these institutions were required to meet similar percentage targets by Ashar 2085, but the sectors were categorized and tracked without this specific consolidated grouping.

Implementation of "Reporting Rights" Trading

A major new provision now allows licensed institutions to buy or sell "Reporting Rights" for loans in specified sectors to meet their mandatory targets. The purchaser can acquire these rights up to one-third of their total required percentage for a maximum duration of six months.

Previously, no such mechanism for trading only the reporting benefit of a loan existed. While institutions could buy or sell the loans themselves, there was no provision to transfer just the "Reporting Right" while keeping the underlying credit risk and returns with the selling institution.

Recognition of Specialized Bonds in Lending Targets

The investments made by financial institutions in Agriculture Bonds, Energy Bonds, and other debentures issued by public or public-limited companies in these sectors now explicitly count toward their mandatory sectoral lending targets.

Previously, while investments in certain bonds were recognized, the new directive provides a more comprehensive and clearer categorization of which specific sectoral bonds and debentures can be used to satisfy the updated lending requirements.

Directive No. 17/081:

Enhanced Reporting and Documentation Standards

The reporting formats (Annexures 17.1 and 17.2) have been updated to reflect the above changes to directive no. 17/082 Section 15. The new monthly and quarterly

reporting forms now include a dedicated column for "Reporting Right Purchase/(Sale)" to calculate adjusted outstanding loan amounts.

Previously, the reporting templates were simpler and only tracked direct loan limits and outstanding amounts for Agriculture, Energy, Tourism, and MSME without any provision for adjusting figures based on traded reporting rights.

For circular, [click here](#)

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

NRB issued a circular on 12 March 2026 regarding an addition to the Unified Directives, 2082, specifically affecting Class 'A', 'B', and 'C' BFIs.

Directive No. 2/082, Section 8(5):

A new sub-section (5) has been added to provide relief to businesses and entrepreneurs displaced by the expansion of the Mahendra Highway and the Mid-Hill (Pushpalal) Highway. Licensed institutions are now authorized to restructure or reschedule loans for these specific borrowers based on an analysis of their cash flow and income. To qualify, the bank must collect at least 10% of the interest due, and the restructuring process must be completed by the end of Ashar 2083. Furthermore, the loans must maintain their current classification and loan loss provisioning at the time of the restructuring.

Previously, there was no specific provision or facility under Point No. 8 of this directive that addressed loan restructuring or rescheduling specifically for entrepreneurs displaced by these highway expansion projects.

For circular, [click here](#)

Global Highlights – Implications for Nepal

Politics and Diplomacy

Iran War

President Trump's in his address to the nation on 1 April 2026 said that the war is almost won, while simultaneously threatening to escalate significantly over the next two to three weeks if Iran doesn't agree to a deal.

His address changes Nepal's calculus in one key way: **the end is not near**. The market had been hoping for a swift resolution instead, The IEA has already characterized the Strait of Hormuz closure as the "largest supply disruption in the history of the global oil market." Every additional week of war extends Nepal's exposure on all the fronts above.

What It Means for Nepal:

The bottom line for Nepal: higher fuel costs, squeezed remittances, damaged tourism, rising food prices, inflation and slower growth — with no end in sight for at least another month.

Economy and Commodity

Global Economy Slows as Inflation Pressures Persist

The global economy showed signs of slowdown with institutions like the OECD cutting growth forecasts to around 2.9% for 2026 while raising inflation expectations. Rising costs, weakening manufacturing activity, and uncertain job growth contributed to broader economic concerns, while financial markets remained volatile amid heightened global uncertainty.

What It Means for Nepal:

These global trends could translate into higher import costs, pressure on prices, and slower overall economic growth. At the same time, this situation highlights the importance of strengthening domestic production, improving economic resilience, and reducing dependency on external markets to sustain long-term stability.

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