

## COVID 19 updates in Nepal

The Government of Nepal (GoN) has extended the prohibitory period imposed to control the spread of corona virus till 11 August 2021 with no change in the modality of the lockdown.

The number of people testing positive for corona virus has reached 712,740 where 93.62 % cases are already recovered. Nepal has witnessed 10,038 deaths till 7 August 2021.



## PKF Nepal Updates



### 50<sup>th</sup> Anniversary Celebration

PKF T R Upadhy & Co. celebrates its golden jubilee anniversary this year on the occasion of 50 years of its establishment with the theme **“Celebrating Our Past and Inspiring Our Future through Collaboration & Trust”**

This occasion is not only a cause for celebration – it's also an opportunity to strengthen relationships with stakeholders and our clients who have supported us all these years.

PKF Nepal express its gratitude to all PKF family members for the dedication and support and to our stakeholders for the collaboration and trust extended over the past 50 years.

PKF Nepal will be holding various fun and philanthropic events to celebrate its 50<sup>th</sup> Anniversary during the FY 2021-22.

### New staff welcomed to PKF Nepal

PKF Nepal welcomes newly joined staff viz. Niranjana G.C., Krishna Subedi, Saugat Rana Magar, Kamal Panthi, Shashwat Adhikari and Abhishek Poudel to the PKF family.

### Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family member viz. Anish Tuladhar who has decided to move on for career enhancement with other entities. PKF Nepal expresses its gratitude for his valuable contribution to the firm during his association with the firm.

### Birthdays

PKF Nepal extends birthday wishes to PKF family members viz. Prajwol Shrestha, Prativa Acharya, Rakshya Poudel, Pradeep Chapagai, Sandesh Shrestha and Yukta Thapa whose birthdays were in the month of July.



## Recent Updates

### Notices issued by Nepal Rastra Bank

#### Amendment in unified directive, 2077 for “A”, “B”, “C” and “D” class Bank and Financial Institutions

Nepal Rastra Bank (NRB) using power conferred to it by section 79 of Nepal Rastra Bank Act, 2058 issued notice dated 26 July 2021 (11th Shrawan 2078) announcing additions and amendments in the Unified Directive, 2077 issued to “A”, “B”, “C” and “D” class Bank and Financial Institutions (BFIs).

Few of the amendments and additions include:

- All ‘Pass’ category loans to have an additional LLP of 0.3% in FY 2077-78.
- Allocation of minimum 3% of the total staff costs in capacity enhancement of staff made voluntary for FY 2077-78.
- The publishing of the interim financial statements of 4<sup>th</sup> quarter of FY 2077-78 extended till end of Shrawan 2078 for “A”, “B” and “C” class BFIs.

For notice related to “A”, “B” and “C” class BFIs [click here](#)

For notice related to “D” class BFIs [click here](#)

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### IRD’s notice

#### Circular regarding Self-Renewal of Excise Permit

Inland Revenue Department (IRD) has issued a circular clarifying the process for self-renewal of excise permit. As per the circular, the taxpayers are requested to renew their permit via Excise Menu in the Taxpayer Portal. The facility of renewing the permit from Excise Menu of the Officer Portal will be disabled from 10 August 2021 (26 Shrawan 2078).

The provision of directly filling and admission of voucher for renewal from the Bank has also been removed. For those taxpayers who have already filed the voucher in such manner, the permit shall be renewed within 9 August 2021 (25 Shrawan 2078). For circular [click here](#)

## Purchase and sales book to be uploaded electronically along with VAT returns

The IRD circulated an internal notice on 28 July 2021 (13 Shrawan 2078) on the requirement of following taxpayers to submit a self-attested purchase and sales book in the required format along with the VAT returns filed under Rule 26 of the VAT Rules 2053:

- Taxpayers that have taken permission from IRD to issue invoices electronically.
- Taxpayers other than mentioned above with an annual turnover in excess of Rs 50 million in the FY 2077-78.
- Other Taxpayers may upload the purchase and sales book through electronic medium voluntarily.

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## ICAN's notice

### Publication of directive on quality guideline and minimum fee of audit firms

ICAN has issued "Guideline for Audit Firms and Fixation of Fees Directive 2078" to its members on 15 July 2021 (31 Ashad 2078) which shall become effective from 16 July 2021 (1 Shrawan 2078).

The directive issued embarks minimum criteria for professional standards, physical infrastructure and quality control to be maintained by the audit firms.

The directive also sets out the recommendatory minimum fees to be charged by the auditor computed on the basis of time spent on the audit by applying the following rates for various category of auditors/staff. For notice [click here](#)

and for directive [click here](#)

For PKF Nepal's Flash Alert [click here](#).

## Notice regarding change in applicability date of NFRS for SMEs, NAS for NPOs and NAS for MEs

ICAN has notified the postponement of the applicable dates of Nepal Financial Reporting Standards for Small and Medium Sized Entities (NFRS for SMEs), Nepal Accounting Standards for Not for Profit Organizations (NAS for NPOs) and Nepal Accounting Standards for Micro Entities (NAS for MEs).

Considering the impact of COVID-19 on the businesses, NFRS for SMEs, NAS for NPOs and NAS for MEs will be applicable only from 16 July 2023 (1 Shrawan 2080). Entities can apply these standards voluntarily till 31 Ashad 2080. For notice [click here](#)

## OCR's notice

### Submission of annual report of Fiscal Year 2075-76

Office of Company Registrar (OCR) through its notice dated 28 July 2021 (13 Shrawan 2078) has reminded the companies that have not yet submitted annual report of the Fiscal Year 2075-76 to do so within Ashwin 2078 paying 10% of the fine amount to enjoy waiver on rest of the fine. For notice [click here](#).

## Insurance Board's Notice

### Compulsory application of goAML software

In order to place a proper control system against money laundering and terrorist financing, Insurance Board of Nepal has issued a notice on 25 July 2021 (10 Shrawan 2078) making it mandatory for insurance companies to implement the goAML (Anti Money Laundering System) software within Shrawan 2078. For notice [click here](#)

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