

PKF TRU Newsletter – September 2019

PKF Nepal updates

PKF Nepal Breakfast meeting

The partners, directors, managers and senior audit team members of PKF Nepal met for its monthly breakfast meeting on 1st September 2019 to discuss on the key points of monetary policy, CCH software, PKF Global Inspection and other topics.

Partners, managers and supervisors participated in the meeting chaired by Shashi Satyal, Managing Partner. Major discussions in the meeting were as follows:

- Discussion on major highlights of new monetary policy facilitated by Sujan Babu Tiwari. Along with the highlights, new guidelines on monetary policy, interest income recognition and Service fee were also discussed by the team.
- Bhim Chand gave a presentation on the operating procedure of CCH software. Presentation was focused on creation of ID and Client creation in the CCH software. Also, the complications faced during application of CCH software to different categories of clients were discussed.
- Shashi discussed requirements for upcoming PKF Global Quality Inspection starting from 4 September 2019. The Quality Inspection will continue till 7 September 2019.
- An update was taken on the status of the ongoing engagements from Departmental Heads and Managers.

New Articles welcomed to PKF Nepal

PKF Nepal welcomes newly joined article trainees viz. Rishav Pokharel, Aayush Raj Mainali, Puja Bhandari, Sushma Khatri, Kumar Bishta, Mausham Mishra and Reshma Amagain to the PKF family.

Introduction session for trainees was organized with partners and other team members.

The new trainees attended an orientation where they were briefed about the firm, its history, culture office etiquette and the PKF audit methodology for conducting audits and other advisory services.

Teej Dar Gathering

The female members of PKF Nepal organized a gathering on 28th August 2019 to celebrate on the "Haritalika Teej 2019". The members enjoyed the day taking refreshments and lightening up the mood with Teej songs and dances.



Participants of Teej Dar Party

Recent Updates

Amendment in Unified Directive, 2074

Nepal Rastra Bank (NRB), using its rights given by Section 79 of the Nepal Rastra Bank Act 2073, has issued a circular dated 2076/04/20 on the changes, amendment and addition of new provisions in the Unified Directive applicable to Class A, B and C FIs based on the policy announcement made in the Monetary Policy for 2019-20. To check details go check the TRU Plash Alert 10. [Click here for more details.](#)

Amendment in the harmonic code

Prerogative to Section 12 of Foreign Exchange Regulation Act 2019, the Foreign Exchange Management Department has made followings amendments to the harmonic codes previously published in Circular 29/2075-76.

SN	Items	Harmonic Codes
17	Dibutyl Phthalate	2917.39.00
66	Hot Rolled sheet in coil	7208.27.00, 7208.36.00, 7208.37.00, 7208.38.00, 7208.39.00.
	Hot Rolled sheet in coil	7208.51.00, 7208.52.00.
67	Cold Rolled sheet in coil	7209.15.00, 7209.16.00, 7209.17.00, 7209.18.00.

To view circular [Click Here](#)

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Corporate Governance Report applicable to Listed Companies

With an objective to bring uniformity in the reporting of the Summary of Corporate Governance to be annexed in the Annual Report u/s 20(3) and 20(4) of the Corporate Governance Directives 2074, SEBON through its notice (136/076/77) issued on 2076/04/19 has implemented a format applicable to all listed companies.

Notice: [Click here](#)

Format: [Click here](#)

Interim Order issued on Implementing age limits for BoDs, CEOs at BFIs

The NRB had issued a circular barring BFIs from appointing or reappointing CEOs who are above 65 years of age and had barred CEOs from continuing work in BFIs after crossing 69 years of age. Similarly, age limit of 70 years was set for BoDs in BFIs and barred BoDs from continuing in the same capacity beyond 75 years of age. However, issuing an interim order the Hon. Supreme Court has given instruction to NRB not to implement its decision to fix age limit for BoDs and CEOs of BFIs.

Addition of “Bank Login” in IRD’s Portal

With the objective to discourage preparation of dual financial statements by the closely held entities, IRD has added a “Bank Login” in the Customer Login Portal of its site. Banks hereon will be able to view their customer’s Income Tax Returns and ensure no double audited financials have been submitted.

Changes in the D3 form

IRD has made changes in the D3 return form to be submitted by the taxpayer while filing income tax return. Now onwards name of the auditor, COP number and date of the audit shall be submitted in D3 form. Previously name of the firm had to be uploaded.

Income Tax Calculator

IRD has recently added a new feature, i.e. Income Tax Calculator to its site. Here, individuals can calculate their annual tax by punching in their income details and the Income Tax Calculator will calculate their Income Tax. The calculator can only be used for calculation of Income Tax on Income from Employment. [Click Here](#)

PKF Global Quality Inspection

PKF Global Inspection is conducted every 3 years to ensure that the member firms have conducted their work as per the International Professional Standards Manual (IPSM) and ISQC1 for all assurance and related services.

PKF Nepal’s inspection started from 4 September 2019 and will continue till 7 September 2019. Mr M Faheem A Rauf, Partner in PKF F.R.A.N.T.S. Pakistan has been assigned for the quality inspection.

These inspections are learning opportunities and enables the firm to improve on the quality of work and increase efficiencies and effectiveness in delivery of assurance and advisory services to its clients.

Mr Faheem briefed the PKF Nepal family members on the process of the inspection and also shared his experiences on delivery of assurance and other advisory services and how it can be made efficient and effective to become smart auditors.

