

## COVID 19 updates in Nepal

The GoN has significantly lessened the restrictions imposed to control the spread of corona virus. Starting 17 Bhadra 2078 to end of Bhadra, the Government has requested citizens not to conduct large gatherings and has allowed celebration of festivals following necessary health protocols.



The number of people testing positive for corona virus has reached 770,759 where 94.57% cases are already recovered. Nepal has witnessed 10,858 deaths till 6 September 2021.

## PKF Nepal Updates

### Nikita Agrawal admitted as a new partner

Nikita will be leading development sector and the risk management practice in helping clients in Nepal realize tangible value from their investments.



### Promotion of Anjan Shah to Director

As director, Anjan will be heading the assurance practice and also be engaged in assisting the development and implementation of audit quality control policies and procedures in line with ISQM.

Similarly, Pranav Kumar Das has been promoted to Manager and Aarti Paudel and Achutam Dhungel to Assistant Managers.

Other staff promoted from Audit Associates to Senior Associates are Ojash Thapa, Dheeraj Maharjan, Sushil Aryal, Tirtha Raj Aryal, Sunil Ghimire, Sujana Maharjan,

Sujan Shrestha, Sanchita Neupane, Ankit Neupane, Sima KC, Anu Ghimire, Ankit Awasthi, Subash Bhatta and Pooja Neupane.

PKF Nepal cordially extends felicitation to the well deserving staff and wishes them further success in the future.

### New staff welcomed to PKF Nepal

PKF Nepal welcomes Adyeta Thapa and Akriti Shrestha to the PKF family.

### Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family members viz. Srijana Upreti, Sajana Adhikari and Abhishek Khadka who have decided to move on for career enhancement with other entities. PKF Nepal expresses its gratitude for their valuable contribution to the firm.

### Birthdays

PKF Nepal extends birthday wishes to PKF family members viz. Bipin Mangal Joshi, Achutam Dhungel, Binod Parajuli, Sushil



Aryal, Sagar Pandit, Sushmita Neupane, Pratibha Mishra, Krishna Subedi, Mausham Mishra, Sushma Khatri, Rekha Amagain and Tek Narayan Yadav whose birthdays were in the month of August.

## Updates

### Notices issued by Nepal Rastra Bank

#### Notice regarding renewal of foreign exchange license

Considering the impact of COVID-19, NRB vide its notice dated Bhadra 11, 2078 has introduced the following facilities for renewal of foreign exchange transaction license on receipt of an application within Ashad 32, 2079:

- To licensed institutions applying for renewal after the issue of this notice – fees waived for renewal of license for one year.

- For those institutions which have already renewed their license prior to the issue of this notice – fees waived for one more year.

For notice [click here](#).

### Amendments in Clause 1.8.2 & 1.8.4 of the FX Unified Circulars 1/2076

**Clause 1.8.2:** In case of import as per prescribed provisions, IGST free tax invoice shall not be mandatory.

**Clause 1.8.4:** In case of import of fertilizers and seeds by *Krishi Samagri* Company Limited, Salt Trading Corporation Limited and *Rastriya Biu Bijan* Company through bids approved from global tender, the bids of Indian firms and companies in the global tender may also be opened through letter of credit in convertible foreign currency where production and shipment is from a third country.

For notice [click here](#).

### Addition and amendment in unified circulars 2077 issued to 'D' class financial institutions

NRB announced additions and amendments to the unified directives 2077 issued to 'D' class financial institutions through its notice dated Bhadra 9, 2078, some of which include:

- National level micro financial institutions shall parallelly prepare financial statements of Ashad 32, 2079 (16 July 2022) as per the NFRS.
- Can charge up to 1.5% of approved loan as service charge however, for loans with tenure less than one year, service charge (not more than annual 1.5%) shall be calculated proportionately on basis of tenure.

For notice [click here](#).

### IRD's notice

#### Notice regarding verification of e-TDS return

IRD has urged withholding agents to submit e-TDS return by including the required details and verify the same on timely manner when TDS has been deducted. Furthermore, such withholders are requested to mention PAN number of the withholders in the e-TDS return so that

such TDS deposited can be claimed as advance tax by withholders while filing income tax returns.

For notice [click here](#).

## Prescribed list of taxpayers to electronically upload purchase and sales book electronically

IRD through its notice dated 15 August 2021 has published the list of taxpayers required to provide details of purchase and sales register electronically while filing VAT returns.

For the prescribed list [click here](#).

## Modification in submission of D-03 return

Following modifications in submission of Annexure 1, 2 and 10 have been notified by IRD through its notice dated 24 August 2021:

### Procedures for submitting income tax returns and annexure 10

- As only those TDS which are filed through e-TDS return by withholders are reconciled and reflected in annexure 10 of withholders/ taxpayer, details of voucher such as PAN, income year, revenue head and office code to be filled accurately.
- While completing annexure 10, taxpayers are to run 'preparation of annex 10' in *Taxpayer Portal* which is a new feature. To make manual entries of advance tax or adjustment in annexure 10 including brought forward of previous year excess advance tax, taxpayer shall contact the tax officer in their respective tax offices to update annexure 10 after confirming the amount.
- In case e-TDS return is not submitted/ verified/ income year not mentioned or mentioned incorrectly, the same will not be reflected in annexure 10.
- Tax officer shall make *Transfer of Credit* entry in *Credit Transfer* menu to include such amount in annexure 10 that had been entered in excess during

previous income year.

In case of taxpayers whose income tax returns are not assessed, the tax officer shall carry forward excess advance tax or credit transfer of previous year after satisfying themselves with reason for excess tax deposits.

- In case excess amount has been entered in annexure 10 during submission of income tax return, facility to automatically transfer the same to annexure 10 of next income year has been developed.
- Annexure 1 (for natural person) and Annexure 2 (for entity) shall be automatically updated based on information filled out in annexure 5 (for business income), annexure 6 (for employment income) and annexure 7 (for investment income). Such annexure 1 and 2 shall automatically reflect shortfall of tax deposit along with interest and fees as per Sec 117 and Sec 118 based on date of return filed. In case of shortfall of tax liability including interest and fees, taxpayer shall deposit such shortfall and include and update such tax deposit voucher details in annexure 10.
- Taxpayers are also requested to early start completing annexure 10 of FY 2077-78 and coordinate with respective tax offices to include advance tax details which are not reflected in annexure 10 including credit transfer of previous year to avoid overcrowding the system in the last minute.
- Understanding that technical difficulties might arise due to change in the process, tax offices (from LTO to TSO) shall coordinate on priority basis with chamber of industry and commerce, members ICAN and tax assistance organizations to make taxpayers aware and capable.

For notice [click here](#).

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