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**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL**  
(Established under The Nepal Chartered Accountants Act, 1997)

# ICAN E-NEWS



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*Monthly Newsletter of The Institute of Chartered Accountants of Nepal (ICAN)*

## CONTENT:

[Institutional Activities \(Pg.1-9\)](#) | [ICAN Notice and Updates \(Pg.9\)](#) | [Upcoming Events \(Pg.9\)](#) | [National News and Updates \(Pg. 9-10\)](#) | [International News, Events and Updates \(Pg.10-12\)](#)

## INSTITUTIONAL ACTIVITIES

### 2<sup>nd</sup> National Convention of Accounting Professionals on the theme “Financial Reporting for Sustainable Economy.”

The Institute with the objective to enhance social recognition and faith towards the accounting profession and bridge the understanding gap with the stakeholders by uniting the voice of all Accounting Professionals throughout the country in a platform and to have a focused discussion on various contemporary topics has organized the 2<sup>nd</sup> National Convention of Accounting Professionals on the theme “Financial Reporting for Sustainable Economy” on 17<sup>th</sup> and 18<sup>th</sup> May 2023 in Kathmandu.

The opening session of the convention was inaugurated by Hon’ble Auditor General Mr. Tanka Mani Sharma Dangal whereby, CA. Bhaskar Singh Lala, President ICAN was the Chairperson of the Convention. Mr. Babu Ram Subedi, Under Secretary, Ministry of Finance and Council Member, ICAN addressed as a Special Guest in the Convention. Likewise, CA. Deepak Pandey, President, ACAN and RA. Kedar Nath Poudel, President of AuDAN also addressed the Convention as a Guests. Furthermore, CA. Maha Prasad Adhikari, Governor, NRB addressed the opening session of second day of Convention as a Special Guest.



Hon’ble Auditor General, Mr. Tanka Mani Sharma Dangal lightening the lamp in the opening session of convention.



CA. Bhaskar Singh Lala, President ICAN delivering welcoming speech in the convention.

The two days of convention had 4 technical sessions with 5 paper presentations in which 4 Session Chairperson and 17 panelists provided their views on related topics and was participated by 1177 members and stakeholders. In the Convention, CA. Prasanna Kumar D, Central Council Member, ICAI delivered a keynote speech on theme of convention “Financial Reporting for Sustainable Economy”. The technical session was organized on following topics:

### Technical Session 1: Environmental, Social and Governance Reporting: Exploring the Road Map

**Session Chairperson / Moderator:** Mr. Kewal Prasad Bhandari, Secretary, National Planning Commission

**Paper Presenter:** CA. Vishal Doshi, Central Council Member, The Institute of Chartered Accountants of India (ICAI)

**Panelist:**

Mr. Ramesh Hama, Chairman, SEBON

Mr. Surya Prasad Silwal, Chairman, NIA

Mr. Khagendra Bahadur Basnet, Director, DOI

Mr. Kiran Pandit, Director, NRB

CA. Bidhyabaridhi Sigdel, Partner & Managing Director, Dolma Impact Fund

Mr. Arjun Dhakal, Climate change Expert, Environmentalist & Economist



*Left: Mr. Kiran Pandit, CA. Bidhyabaridhi Sigdel, Mr. Arjun Dhakal, Mr. Ramesh Hamal, CA. Prasanna Kumar D., CA. Bhaskar Singh Lala, Mr. Kewal Prasad Bhandari, CA. Vishal Doshi, Mr. Surya Prasad Silwal and Mr. Khagendra Bahadur Basnet during the closure of first technical session of convention*



## Technical Session 2: Responsibility and Legal Liability of Professional Accountants

**Session Chairperson:** Hon'ble Attorney General, Dr. Din Mani Pokharel

**Session Moderator:** CA. Yuddha Raj Oli, Immediate Past President, ICAN

**Paper Presenter:** CA. Madan Krishna Sharma, Past President, ICAN

**Panelist:**

Mr. Rameshwor Dangal, Secretary, CIAA

SP Nawaraj Adhiraki, SP, CIB

Mr. Binod Lamichhane, Director, DRI

Mr. Gopla Krishna Ghimire, President NBA and Vice-Chairman, NBC



*Left: CA. Sujan Kumar Kafle, CA. Yuddha Raj Oli, CA. Bhaskar Singh Lala, Hon'ble Attorney General Dr. Din Mani Pokharel, CA. Madan Krishna Sharma, Mr. Gopal Krishna Ghimire, SP Nawaraj Adhikari and Mr. Binod Lamichhane during the closing of second technical session of convention*

## Technical Session 3: Exploring the Role of Chartered Accountants in Public Service

**Session Chairperson:** Mr. Madhav Prasad Regmi, Hon'ble Chairman, PCS

**Session Moderator:** CA Sujan Kumar Kafle, Vice-President, ICAN

**Paper Presenter:**

CA. Amrit Shrestha, Practicing Chartered Accountant

Mr. Ramu Dotel, Former Deputy Auditor General

**Panelist:**

CA Krishna Prasad Acharya, Past President, ICAN

Mr. Bamdev Sharma Adhikari, Deputy Auditor General, OAG

Mr. Shambhu Prasad Marasini, Deputy Comptroller General, FCGO

Mr. Ishwori Prasad Bhattarai, Director, NRB



*Left: CA. Sujan Kumar Kafle, CA. Krishna Prasad Acharya, Mr. Bamdev Sharma Adhikari, CA. Bhaskar Singh Lala, Hon'ble Chairman, Mr. Madhav Prasad Regmi, MR. Ramu Dottel, Mr. Ishwori Prasad Bhattarai, Mr. Shambhu Prasad Marasaini and CA. Amrit Shrestha during the closing of third technical session of Convention.*

#### **Technical Session 4 Strategic Direction for Tax Legislation to Promote Sustainable Economic Growth**

**Session Chairperson:** Dr Ram Prasad Ghimire, Secretary, Revenue

**Session Moderator:** CA Sunir Kumar Dhungel, Past President, ICAN

**Paper Presenter:**

Dr. Rup Bahadur Khadka, Senior Tax Advisor, International Development Group LLC

**Panelist:**

Mr. Dirgha Raj Mainali , Director General, IRD

Mr. Anjan Shrestha , Senior Vice President, FNCCI

Dr. Bishwas Gauchan, Economist and Executive Director at IIDS





Left: CA. Sunir Kumar Dhungel, Mr. Anjan Shrestha, CA. Bhaskar Singh Lala, Mr. Rup Bahadur Khadka, Dr. Ram Prasad Ghimire, Mr. Dirgha Raj Mainali, Dr. (CA.) Biswash GAuchan and CA. Sujana Kumar Kafle during the closing of fourth technical session of Convention.

Besides, the technical session, the Convention also had a special session on “Life Experience Sharing” by Dr. Sanduk Ruit, Ophthalmologist and session on “Live a Balanced Life : Live with Heart” Dr. Bhawgan Koirala, Cardiothoracic Surgeon.



Dr. Sanduk Ruit, Ophthalmologist delivering session on “Life Experience Sharing”.



Dr. Bhawgan Koirala, Cardiothoracic Surgeon delivering session on “Live a Balanced Life: Live with Heart”.



During the Convention, the Institute also felicitated the Past President with Medallion in recognition of contribution of Past President in the development of the Institute in their respective tenure.



*Group photo of Past President being Felicitated along with the ICAN President and Vice President*

The Convention was concluded with the closing remarks of CA. Sanjay Kumar Sinha followed by a cultural program.



*Glimpse of Participants in Convention*



## Workshop on Nepal Financial Reporting Standards (NFRS)

The Institute, in coordination with the Public Expenditure and Financial Accountability (PEFA) Secretariat organized one day workshop on NFRS on 12<sup>th</sup> May 2023 at Kathmandu. The workshop was organized with the objective to deliberate the significance of NFRS implementation in the Public Enterprises (PEs), to analyse impact of non-compliance of NFRS and identify the challenges in implementation of NFRS and brainstorm the ways for timely implementation of NFRS in PEs with the senior level officials of the PEs and the Line Ministries of PEs. CA. Sujan Kumar Kafle, Vice-President, ICAN addressed the opening session of the workshop. And, the workshop was organised in three technical session as follows:



*CA. Sujan Kumar Kafle, Vice-President, ICAN addressing the inaugural session of the workshop*

S.No.	Technical Session On	Resource Person
1	Overview of Financial Reporting Standards (NFRS and IFRS)	CA. Surendra Shrestha, Council Member & Chair of SIRC, ICAN
2	NFRS implementation Status in Nepal (Challenges and Way Forward)	CA. Arun Raut, ASB Nepal, Member
3	Reporting Requirement to be complied by Public Enterprises (PEs) and Line Ministries as per Fiscal Procedures and Financial Accountability Regulation, 2077	Mr. Bhim Prasad Kafle, Under-Secretary, Government of Nepal, Ministry of Finance

Altogether 41 officials from SoEs and Line Ministries participated in the workshop.



*Group Photo of Participants with Resource Person and Officials of ICAN during opening session of workshop*

## Issuance of Handbook of the Code of Ethics for Professional Accountants 2023

The Institute has issued Handbook of Code of Ethics for Professional Accountants including International Independence Standards – 2023 for the Members and the same shall be applicable from 2080/04/01. The Handbook of Code of Ethics can be accessed from below link:

<https://en.ican.org.np/site/show/code-of-ethics>

## Interaction Program on Audit Scope and Monitoring of Accounting Technician

The Accounting Technician (AT) Board organized an interaction program on audit scope and monitoring of AT on 2<sup>nd</sup> May 2023 at ICAN premises. The objective of this interaction program was to have a focused discussion on broadening the scope and absorption of AT in corporate sector and to make them aware of the requirement for compliance with code of conduct, code of ethics and monitoring procedures from the Institute. The program was addressed by CA. Bhaskar Singh Lala, President, ICAN, CA. Jagannath Upadhyay Niraula, Chairman, AT Board and Mr. Devendra Pathak, Member, AT Board. The program was attended by 27 ATs including senior level officials from the Institute.



*Glimpse of group photo of participants along with Chairperson and Member of AT Board, ICAN President and ICAN Officials*

## Meeting with the Nepal Freight Forwarders Association

CA. Jagannath Upadhyay Niraula, Chairman, Accounting Technician (AT) Board and CA. Bharat Nepal, Secretary, Accounting Technician Board had a cordial meeting with the Board Members of Nepal Freight Forwarders Association on 22<sup>nd</sup> May 2023. During the meeting the Chairman discussed on absorption of Accounting Technicians Professionals in the trade and export sector and emphasized on their delivery of value-added services by AT Professionals.



## **Career Counselling on Accounting Technician (AT) Education**

Biratnagar Branch of the Institute organized a career counselling program on AT Education on 28<sup>th</sup> May 2023 at Biratnagar. The objective of this career counselling program was to make students aware of the AT course offered by the Institute. CA. Aswini Bansal, Coordinator, Biratnagar Branch Coordination Committee (BCC) and CA. Kinjal Pokharel, Member Biratnagar BCC facilitated the career counselling program. Whereby, 104 students enrolled in bachelor's level participated in the program.

## **Participation in the Interaction Program on Implementation of Financial Reporting NFRS/NAS)**

CA. Sanjay Kumar Sinha, Executive Director participated in the interaction program on Implementation of Reporting Standards (NFRS/NAS) organized by the Accounting Standards Board of Nepal (ASB, Nepal) in coordination with ICAN, The Association of Chartered Accountants of Nepal (ACAN) and Auditor's Association of Nepal (AuDAN) on 26<sup>th</sup> May 2023 in Biratnagar.

### **ICAN NOTICE AND UPDATES**

#### **Notice Regarding Submission of Tax Clearance Certificate**

The Institute has published a notice regarding the requirement for submission of tax clearance certificate by practicing firms at the time of renewal of firm from fiscal year 2080/81. The notice can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/cb425545e9ab052f9c02608a6465b8af.pdf>

### **UPCOMING EVENTS**

#### **Tutor's Orientation Program and Examiner Training under New CA Syllabus**

The Institute is organizing a three-day tutor's orientation program from 11<sup>th</sup> to 14<sup>th</sup> June 2023 and examiner's training from 18<sup>th</sup> to 21<sup>st</sup> June 2023 at ICAN premises, located at Satdobato, Lalitpur. The objective of tutor's orientation program is to orient and facilitate the faculties involved in imparting classes to CA students of all levels to understand the likely changes they must be conversant with before running classes after the introduction of the New CA Course. The notice of tutor's orientation program can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/eb44609a1f14c1dee1e13af9e0871c3a.pdf>

### **NATIONAL NEWS AND UPDATES**

#### **Federal Budget 2080/81 Unveiled**

The Federal budget for Fiscal Year. 2080/81 was tabled by Hon'ble Finance Minister Dr. Prakash Sharan Mahat in the House of Representatives and National Assembly on 29<sup>th</sup> May 2023 (2080/02/15). The budget speech can be viewed from the link below:

<https://www.mof.gov.np/site/publication-detail/3249>

#### **Amendment in Unified Directives 2079 issued to A, B and C Class Bank and Financial Institutions**

Nepal Rastra Bank has issued circular regarding amendment in Unified Directives 2079 for A, B and C Class Bank and Financial Institutions. The Amendment can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2023/05/Circular.No-11-ABC.pdf>

<https://www.nrb.org.np/contents/uploads/2023/05/Tin-Mahale-ABC-2023.5.15-V4.1.pdf>

#### **Amendment in Unified Directives 2079 issued to D Class Micro-Finance Financial Institutions**

Nepal Rastra Bank has issued circular regarding amendment in Unified Directives 2079 for D Class Micro-Finance Financial Institutions. The Amendment can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2023/05/Circular-No-8-D.pdf>

#### **Issuance of Sixth Amendment in the Refinance Guidelines 2077**

Nepal Rastra Bank has issued Refinance Guidelines 2077 (Sixth Amendment) to A, B and C class Bank and Financial Institutions and Infrastructure Development Banks. The Guidelines can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2023/05/%>

#### **Insurer Reinsurance Directives 2080**

Nepal Insurance Authority has issued Insurer Reinsurance Directives 2080. The directives can be viewed from the link below:

<https://nia.gov.np/wp-content/uploads/2023/05>

### **INTERNATIONAL NEWS, EVENTS AND UPDATES**

#### **Exposure Draft and comment letters: International Tax Reform—Pillar Two Model Rules—Proposed Amendments to the IFRS for SMEs Standard**

The International Accounting Standards Board (IASB) has proposed amendments to the IFRS for SMEs Standard to align with similar amendments to IAS 12 Income Taxes. The proposed amendments aim to provide temporary relief from requirements to recognize and disclose information about deferred tax assets and liabilities arising from the imminent implementation of the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD). The IASB is responding to stakeholders' concerns about the potential implications of the Pillar Two model rules for the accounting for income tax in financial statements. The Exposure Draft is open for comment until 17 July 2023.

Link for Exposure Draft: <https://www.ifrs.org/content/dam/ifrs/project/amendments-sme-itr-pillar-two/ed-iasb-2023-3-sme-itr-pillar-two.pdf>

Further details can be viewed from the link below:

<https://www.ifrs.org/projects/work-plan/amendments-to-the-ifrs-for-smes-accounting-standard-international-tax-reform-pillar-two-model-rules/ed-cl-itr-pillar-two-sme/>

#### **Exposure Draft and comment letters: Amendments to the Classification and Measurement of Financial Instruments**

The IASB is proposing amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures in response to feedback received as part of the Post-implementation Review of IFRS 9—Classification and Measurement. The Exposure Draft is open for comment until 19 July 2023.

Link for Exposure Draft: <https://www.ifrs.org/content/dam/ifrs/project/amendments-to-the-classification-and-measurement-of-financial-instruments/iasb-ed-2023-2-amendments-classification-and-measurement-financial-instruments.pdf>

Further details can be viewed from the link below:

<https://www.ifrs.org/projects/work-plan/amendments-to-the-classification-and-measurement-of-financial-instruments/exposure-draft-and-comment-letters/>



### **Exposure Draft and comment letters: Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates**

The International Sustainability Standards Board (ISSB) is seeking feedback on the Exposure Draft Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates. Such enhancements will preserve the structure, completeness and intent of the SASB Standards. The enhancements are designed to ensure that entities can apply the SASB Standards regardless of the jurisdiction in which they operate or the type of generally accepted accounting principles (GAAP) they apply.

Link for Exposure Draft: <https://www.ifrs.org/content/dam/ifrs/project/international-applicability-sasb-standards/ed-issb-2023-1-international-applicability-sasb-standards.pdf>

Further details can be viewed from the link below:

<https://www.ifrs.org/projects/work-plan/international-applicability-of-the-sasb-standards/ed-comments-sasb-applicability/>

### **IAASB Digital Technology Market Scan: Internet of Things Technologies**

The International Auditing and Assurance Standards Board has issued Market Scans covering exciting trends, including new developments, corporate and start-up innovation, noteworthy investments and what it all might mean for the IAASB. Further details can be viewed from the link below:

<https://www.iaasb.org/news-events/2023-05/iaasb-digital-technology-market-scan-internet-things-technologies>

### **With Mandatory Climate Disclosure on The Horizon, New Guide Shows Accountants How to Get Greenhouse Gas Reporting in Order**

New guidance to help professional accountants and finance professionals deliver robust greenhouse gas (GHG) reporting has been released the International Federation of Accountants (IFAC) and We Mean Business Coalition (WMBC), in partnership with Accounting for Sustainability (A4S), Global Accounting Alliance (GAA) and World Business Council for Sustainable Development (WBCSD). Further details can be viewed from the link below:

<https://www.ifac.org/news-events/2023-05/mandatory-climate-disclosure-horizon-new-guide-shows-accountants-how-get-greenhouse-gas-reporting>

### **IFAC, TI-UK, and World Economic Forum's PACI Review of Anti-Corruption Reporting Sheds Light on Current Practice & Encourages Increased Transparency**

At a time when companies, investors, and financial markets are calling for increased transparency and accountability for anti-corruption efforts, the International Federation of Accountants (IFAC), Transparency International UK (TI-UK) and the World Economic Forum's Partnering Against Corruption Initiative (the Forum's PACI) have published a comprehensive review of anti-corruption corporate reporting by the largest publicly traded companies worldwide. Further details can be viewed from the link below:

<https://www.ifac.org/news-events/2023-05/ifac-ti-uk-and-world-economic-forum-s-paci-review-anti-corruption-reporting-sheds-light-current>

### **Key Questions for Audit Committees Overseeing Sustainability-Related Disclosure**

To implement the International Sustainability Standards Board's (ISSB's) standards and jurisdictional standards and regulatory requirements, organizations must ensure effective oversight arrangements to deliver high quality, cost effective and decision useful reporting. As reporting and assurance of

sustainability-related disclosure evolves, audit committees have a critical role to play in expanding their existing oversight responsibilities for financial reporting and compliance to sustainability-related disclosures. Further details can be viewed from the link below:

<https://www.ifac.org/news-events/2023-05/key-questions-audit-committees-overseeing-sustainability-related-disclosure>

### **New IFAC Publication Equips Accountancy Organizations to Lead the Fight Against Corruption**

A new tool from the International Federation of Accountants (IFAC) is now available to help professional accountancy organizations take leading roles in the anti-corruption fight in their jurisdictions. Global Fight, Local Actions: Anti-Corruption Advocacy Workbook for PAOs equips PAOs and accountancy profession leaders with the background and framework to craft bespoke approaches and messages that best fit their jurisdiction and needs. Further details can be viewed from the link below:

<https://www.ifac.org/news-events/2023-05/new-ifac-publication-equips-accountancy-organizations-lead-fight-against-corruption>

### **IPSASB Issues Package of Revenue and Transfer Expense-Related Pronouncements**

The International Public Sector Accounting Standards Board (IPSASB), developer of IPSAS, international accrual-based accounting standards for use by governments and other public sector entities around the world, has issued an integrated package of revenue and transfer expenses pronouncements. Further details can be viewed from the link below:

<https://www.ipsasb.org/news-events/2023-05/ipsasb-issues-package-revenue-and-transfer-expense-related-pronouncements>

### **IPSASB Issues Package of Measurement-Related Pronouncements**

The International Public Sector Accounting Standards Board (IPSASB), developer of IPSAS, international accrual-based accounting standards for use by governments and other public sector entities around the world has issued an integrated package of measurement-related pronouncements. Further details can be viewed from the link below:

<https://www.ipsasb.org/news-events/2023-05/ipsasb-issues-package-measurement-related-pronouncements>

### **IPSASB Issues Public Sector Guidance to Report on Sustainability Program Information**

In light of the urgent need for sustainability reporting guidance for the public sector, the International Public Sector Accounting Standards Board (IPSASB), developer of IPSAS, international accrual-based accounting standards for use by governments and other public sector entities around the world, has issued Reporting Sustainability Program Information—Amendments to RPGs 1 and 3: Additional Non-Authoritative Guidance. Further details can be viewed from the link below:

<https://www.ipsasb.org/news-events/2023-05/ipsasb-issues-public-sector-guidance-report-sustainability-program-information>

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