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



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

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INSTITUTIONAL ACTIVITIES

Oath Taking Ceremony of the President, Vice-President and Council Members of 10th Council of the Institute

The oath taking ceremony of the newly elected President, CA. Prabin Kumar Jha and Vice President, CA. Nil Bahadur Saru Magar for the first tenure of the 10th Council along with the newly elected Council Members of the 10th Council of the Institute was held on 20th July 2024 in Kathmandu. The Oath Taking ceremony was graced by the Rt. Hon'ble Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel as a Chief Guest. Whereby, Hon'ble Auditor General, Mr. Toyam Raya and Governor, CA. Maha Prasad Adhikari addressed the program as the Special Guest.



Hon'ble Auditor General Mr. Toyam Raya (Center Left) administering the oath to the newly elected President CA. Prabin Kumar Jha (Center Right)

The oath taking ceremony started with the welcome remarks of CA. Sujan Kumar Kafle, President, ICAN whereby, the President highlighted the major initiations undertaken by the Council during the last fiscal year. After the welcome remarks, CA. Sujan Kumar Kafle, President, ICAN presented token

of appreciation to all fellow Council Members of the 10th Council of the Institute. Moreover, Rt. Hon'ble Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel, also presented President Medalion to the Past President of the 9th Council, CA. Yuddha Raj Oli, CA. Bhaskar Singh Lala and CA. Sujan Kumar Kafle.

Hon'ble Auditor General Mr. Toyam Raya administered the oath to the newly elected President CA. Prabin Kumar Jha in the premises of the Office of Auditor General. Thereafter, CA. Prabin Kumar Jha administered the oath to the newly elected Vice-President, CA. Nil Bahadur Saru Magar and all the Council Members of the 10th Council.



Newly Elected President, CA. Prabin Kumar Jha administrating oath to the Newly Elected Vice-President, CA. Nil Bahadur Saru Magar

Addressing the ceremony Chief Guest, Rt. Hon'ble Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel, stressed about the role of the Institute and Members of the Institute in the sustainable economic development of the nation and the process of inducting Chartered Accountants in the public sector of Nepal.

After the oath taking ceremony, CA. Prabin Kumar Jha delivered the acceptance speech highlighting the strategies, plan and policies of the Institute for the upcoming fiscal year 2081/82. Likewise, CA. Bhaskar Singh Lala, Past President, also addressed the ceremony and congratulated the newly elected President, Vice-President and all newly elected council members of ICAN.



Newly Elected President, CA. Prabin Kumar Jha administering oath of office and secrecy to the newly elected Council Members of the 10th Council.

Likewise, addressing the program CA. Maha Prasad Adhikari, Governor Nepal Rastra Bank (NRB) appreciated the quality of education, training and professional development activities undertaken by the Institute. Moreover, Mr. Toyam Raya, Auditor General also expressed his gratitude towards the leadership of the Institute and showed commitment for facilitating joint coordination between the Institute and Office of Auditor General in the matters of joint interest.

CA. Sanjay Kumar Sinha, Executive Director, ICAN and Mr. Sanoj Bhattarai, President, ICAN Employee Union presented token of love to the outgoing President, CA. Sujan Kumar Kafle. Besides, CA. Prabin Kumar Jha, President ICAN presented token of love to the election officer for the 10th Council Election, Mr. Shreekumar Rai, Assistant Auditor General.

The ceremony concluded with the closing remarks and vote of thanks form CA. Nil Bahadur Saru Magar, Vice-President, ICAN.

National Best Presented Annual Report 2023 Award Distribution Ceremony

The Institute organized the National Best Presented Annual Report (NBPA) 2023 Award distribution ceremony coinciding with the Oath Taking Ceremony of the 10th Council on 20th July 2024 in Kathmandu. The National BPA award was evaluated by independent BPA evaluation committee formed under the Chairmanship of Vice-President, ICAN comprising of representatives from the Office of Auditor General, Nepal Rastra Bank, Securities Board of Nepal, Nepal Insurance Authority, Nepal Telecommunication Authority, Office of Company Registrar and Electricity Regulatory Commission. Altogether, 18 companies received awards on 5 different categories out of 24 participating companies on 8 different categories as below:

Categories	Number of Nomination Received	Number of Award Provided
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Private Sector Banks	5	5
Financial Services Sector	8	7
Manufacturing Sector	4	4
Non-Life Insurance	3	0
Life Insurance	1	0
Power & Energy	1	1
Service Sector	1	1
Agricultural Sector	1	0
Total	24	18



Rt. Hon'ble Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel presenting NBPA 2023 to representative of the award-winning company

The detailed list of the winners of NBPA 2023 is presented below:

Sector	Name of Company	Award
Private Sector Banks	Nabil Bank Limited	Gold
	Nepal SBI Bank Limited	Silver
	Siddhartha Bank Limited	Bronze
	Machhapuchhare Bank Limited	Certificate of Merit
	Standard Chartered Bank Nepal Limited	Certificate of Merit
	Muktinath Bikas Bank Limited	Gold
Financial Services Sector	Kamana Sewa Bikas Bank Limited	Silver
	Lumbini Bikas Bank Limited	Bronze

Sector	Name of Company	Award
	Prabhu Capital Limited	Certificate of Merit
	Nepal Clearing House Limited	Certificate of Merit
	Karja Suchana Kendra Limited	Certificate of Merit
	Shine Resunga Development Bank Limited	Certificate of Merit
Manufacturing Sector	Himalayan Distillery Limited	Gold
	Bottlers Nepal Limited	Silver
	Bottlers Nepal (Terai) Limited	Bronze
	Unilever Nepal Limited	Certificate of Merit
Power & Energy	Butwal Power Company Limited	Gold
Service Sector	Oriental Hotels Limited	Gold

Public Financial Management (PFM)-Final Assessment Test and Result

Coinciding with the Oath Taking and National Best Presented Annual Report 2023 distribution ceremony, the Institute also distributed Certificate of Completion of Public Financial Management (PFM) -Certification Course to the members qualifying the (PFM) – Final Assessment Test held on 13th July 2024. The result of the test was published on 17th July 2024. Altogether 28 Chartered Accountant members of the Institute received certificates of completion of the PFM course. Rt. Hon'ble Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel presented certificates to the qualifying members .



Rt. Hon'ble Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel presenting Certificate of Completion of PFM Certification Course to qualifying candidate

Conference on Artificial Intelligence and Information System Audit

The Institute organized a half day Conference on Artificial Intelligence and Information System Audit on 20th July 2024, in Kathmandu. The aim of the program was to deliver the importance of Artificial Intelligence and Information system Audit in Accounting practices.



Glimpse of panel discussion during the second technical session of the conference

The conference was organized in two technical sessions. The first session of the conference was on “Artificial Intelligence for Finance Professionals” whereby CA. Mukunda Pokharel gave a presentation. Similarly, the second session of the conference was on “Regulatory Role on Information System Audit” whereby CA. Suyogya Bhandari, member of the Information Technology Committee, ICAN gave a paper presentation, and a panel discussion was held in the Chairmanship of CA. Santosh Kafle, Chairman, Information Technology Committee and Council Member, ICAN. Moreover, Mr. Shubash Chandra Ghimire, Director, Nepal Rastra Bank; Mr. Susil Dev Subedi, Director, Nepal Insurance Authority; Mr. Arjun Ghimire, Director, Nepal Telecommunication Authority; Mr. Roshan Regmi, Chief Officer, NMB Bank and Dr. Nabaraj Adhikari, Securities Board of Nepal were the panelist in the session. The Conference was attended by more than 120 participants.

Confirmation of Payment of Previous Year Outstanding Audit Fees

The Institute has issued notice to all the Members holding Certificate of Practice, to ensure payment of previous year outstanding audit fees of former auditor, prior to issuance of audit report for all audit engagement beginning from fiscal year 2081/82.

Also, the Council has decided to incorporate the provision in the Handbook of Code of Ethics for Professional Accountants issued for the Members of the Institute. Notice of the same can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/3374b8257a861ce70e95b24f198342c1.pdf>

Change in Audit Limit

The Institute has issued notice regarding a change in the amount of audit limit by B, C and D Class practicing members. The changed audit limit was determined based on the Wholesale Price Index as

published by the Nepal Rastra Bank and shall be applicable with effective from 17th July 2024. The changed audit limit along with earlier audit limit has been presented hereunder:

Member Category	Current Audit Limit w.e.f 1st Shrawan 2081	Previous Audit Limit w.e.f. 1st Shrawan 2078
RA 'B' Class	1 Arba 52 Crore	1 Arba 20 Crore
RA 'C' Class	38 Crore	30 Crore
RA 'D' Class	13 Crore	6 Crore

Notice of the same can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/b6b4dc4c082cbacdd4a4d76a5e1f77cc.pdf>

Continuing Professional Education (CPE) Training

The Institute with the objective to enhance the capacity of members of the Institute in various contemporary issues has organized a three days Continuing Professional Education (CPE) training from 10th to 12th July 2024 at ICAN Premises, located at Satdobato, Lalitpur. The main objective of this training was to enhance the conceptual and practical knowledge of the members on Model Financial Statements under NAS for NPOs/ MEs or Audit Documentation and Audit Conclusion and Reporting, major provisions of Income Tax and VAT including the changes made by Finance Bill 2081; and ICAN Code of Ethics and Disciplinary Procedures. Altogether, 151 Members of the Institute participated in the CPE training.

Post Budget Interaction Program

Biratnagar branch office of the Institute organized a post budget interaction program on 4th July 2024 at the meeting hall of Biratnagar branch office. CA. Aswini Bansal welcomed all the participants in the program after which the program was facilitated by resource person, CA. Prajwal Sharma Adhikari. Altogether, 28 participants attended the program.

MEMBERS UPDATE

Name and Membership Number of New Chartered Accountant (CA) Members

The Institute registered Chartered Accountant Members pursuant to Section 16(2) of the Nepal Chartered Accountants Act, 1997. New CA Membership issued during month of July 2024 are presented in table below:

S. No.	Membership No.	Members Name	S. No.	Membership No.	Members Name
1	CA-2235	Chitrasen Prasad Shah	8	CA-2242	Diwakar Giri
2	CA-2236	Anjan Bandhu Poudel	9	CA-2243	Sandhya Panthi
3	CA-2237	Rasmila Maharjan	10	CA-2244	Nawraj Gautam
4	CA-2238	Guru Prasad Pokhrel	11	CA-2245	Satish Kumar Gupta
5	CA-2239	Sunil Shrestha	12	CA-2246	Ganesh Sapkota
6	CA-2240	Shashibhushan Yadav	13	CA-2247	Shiv Lal Gupta
7	CA-2241	Ravi Kumar Jayswal			

Name and Membership Number of Demised Member

The Institute removes name of members from the Membership Register in case of death of members pursuant to Section 22(1) of the Nepal Chartered Accountants Act, 1997. Details of demised members whose membership has been removed from list of members during the month of July 2024 are presented in table below:

S. No.	Membership No.	Members Name	Class
1	RA-489	Madhav Ranabhat	RA 'B' Class
2	RA-5811	Kashi Singh Karki	RA 'D' Class

ICAN NOTICE AND UPDATES

Notice Related to Disciplinary Action

The Institute has published notice regarding disciplinary action taken against the practicing members of the Institute. The notice of the same can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/2c694d50adf759663f87839338663e7c.pdf>

Submission of Examination Form for Accounting Technician (AT) Examination, September 2024

The Institute has issued a notice regarding the submission of Examination Form for AT Examination September 2024. The examinee can submit the form from 29th July to 18th August 2024 by making payment of normal fees and till 23rd August 2024 with payment of late fees. The examination will be held from 18th to 23rd September 2024.

The notice can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/b80bdd042ea46178c485d38fc049785a.pdf>

The AT Examination Form can be downloaded from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/9f66554fed4e840d8f6fb308ea6b2f22.pdf>

Submission of Online Examination Form for CA Membership Examination, September 2024

The Institute has issued a notice regarding the submission of Online Examination Form for Chartered Accountancy (CA) Membership Examination, September 2024. The examinee can submit the form from 29th July to 18th August 2024 by making payment of normal fees and till 23rd August 2024 with payment of late fee. The examination will be held on 18th and 20th September 2024.

The notice can be viewed from the link below:

<https://en.ican.org.np/uploads/downloads/files/3/6da41b1cfccee0bb1412903d08600f41.pdf>

The online form for CA Membership Examination can be submitted by logging into "Online CA Membership Form" portal available on the website of the Institute. Link as given below:

<http://fbe.ican.org.np/membership>

NATIONAL NEWS AND UPDATES

Amendment in Unified Directives, 2080 issued for Licensed A, B and C Class Banks and Financial Institutions

Nepal Rastra Bank has issued circular regarding amendment in the Unified Directives, 2080 issued to licenses A, B and C class Banks and Financial Institutions. The circular can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2024/06/Circular-9-Final-ABC.pdf>

Amendment in Unified Directives, 2079 issued for Licensed D Class Micro Finance Financial Institutions

Nepal Rastra Bank has issued circular regarding amendment in the Unified Directives, 2079 issued to licenses D class Micro Finance Financial Institutions. The circular can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2024/07/Circular-1-For-MFIs-Final.pdf>

Issuance of Financial Stability Report for Fiscal Year 2022/23

Nepal Rastra Bank has issued fifteenth issue of the financial stability report for fiscal year 2022/23 based on the provisional data of Bank and Financial Institutions (BFIs), financial markets, financial infrastructures and other financial institutions as of mid-July 2023.

The report can be viewed from the link below:

https://www.nrb.org.np/contents/uploads/2024/06/FSR-2022_23-2.pdf

Issuance of Notice for Recognition of Interest Income

Nepal Rastra Bank has issued notice to all licensed A, B and C Class Banks and Financial Institutions, D Class Micro Finance Financial Institutions and Infrastructure Development Banks regarding interest income recognition. The notice can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2024/07/Notice-1-2081.82-Interest.pdf>

Issuance of Nepal Rastra Bank Swap Transaction Byelaws, 2081

Nepal Rastra Bank has issued Nepal Rastra Bank Swap Transaction Byelaws 2081. The Byelaws can be viewed from the link below:

https://www.nrb.org.np/contents/uploads/2024/07/2081.04.13_Note-with-Swap-Bylaw.pdf

Issuance of Directives to Entities Transacting on Precious Metals and Other Items

The Inland Revenue Department has issued a directive to all the informer entities (*Suchak Sanstha*) dealing in trading of precious metals and other items in accordance with the provision of the anti-money laundering and combating the financing of terrorism. The Directive can be viewed from the link below:

<https://ird.gov.np/public/pdf/926484968.pdf>

INTERNATIONAL NEWS, EVENTS AND UPDATES

Exposure Draft and comment letters: Translation to a Hyperinflationary Presentation Currency

On 25th July 2024 the International Accounting Standards Board (IASB) published for public comment the Exposure Draft *Translation to a Hyperinflationary Presentation Currency*. The Exposure Draft proposes to improve information for investors in a cost-effective manner by requiring an entity to translate amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy using the closing rate at the date of the most recent statement of financial position. The IASB is inviting feedback on the proposed amendments until 22nd November 2024. Link to access exposure draft:

<https://www.ifrs.org/content/dam/ifrs/project/transl-hyperinflationary-currency/iasb-ed-2024-4-thpc.pdf>

Further details can be viewed from the link below:

<https://www.ifrs.org/projects/work-plan/consolidation-of-a-non-hyperinflationary-subsiary-by-a-hyperinflationary-parent/ed-cl-transl-hyperinflationary-currency/>

Exposure Draft and comment letters: Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

In July 2024 the International Accounting Standards Board (IASB) published its Exposure Draft *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*. The IASB is proposing to update IFRS 19. The Standard, issued in May 2024, permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. The comment letter period is open until 27 November 2024. Link to access exposure draft:

<https://www.ifrs.org/content/dam/ifrs/project/updating-ifrs-19/iasb-ed-2024-5-ifrs19-dr.pdf>

Further details can be viewed from the link below:

<https://www.ifrs.org/projects/work-plan/updating-the-subsidiaries-without-public-accountability-disclosures-standard/ed-cl-amendments-ifs-19/>

New Report from International Federation of Accountants, ICAEW, and Basel Institute on Governance Urges Accountants in Business to Continue to Lead Anti-Corruption Actions

The International Federation of Accountants (IFAC), the Institute of Chartered Accountants in England and Wales (ICAEW), and the Basel Institute on Governance have published a new, joint report, [Integrated Mindset in Practice: Professional Accountants in Business and Anti-Corruption Compliance](#). It offers practical guidance and actionable strategies to approach anti-corruption initiatives with an integrated mindset, resulting in long-term value creation. Further details can be viewed from the link below:

<https://www.ifac.org/news-events/2024-07/new-report-international-federation-accountants-icaew-and-basel-institute-governance-urges-0>

Now Available from the IAASB: New ISA For LCE Guidance on Auditor Reporting

The International Auditing and Assurance Standards Board (IAASB) has released [new supplemental guidance on auditor reporting](#) as it relates to the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities, known as the ISA for LCE. Meant to be read with the ISA for LCE, the new guidance provides assistance for auditors about modifications to the auditor's report when using the standard. The guidance also includes information on using emphasis of matter and other matter paragraphs, reporting on other information, and reporting on a material uncertainty related to going concern. Further details can be viewed from the link below:

<https://www.iaasb.org/news-events/2024-07/now-available-iaasb-new-isa-lce-guidance-auditor-reporting>

IESBA Submits Comment Letter on CEAOB's Draft Guidelines Concerning Limited Assurance on Sustainability Reporting

The IESBA today submitted a comment letter to the Committee of European Auditing Oversight Bodies (CEAOB) regarding the CEAOB's draft non-binding guidelines on limited assurance on sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) in the European Union (EU). Further details can be viewed from the link below:

<https://www.ethicsboard.org/news-events/2024-07/iesba-submits-comment-letter-ceaob-s-draft-guidelines-concerning-limited-assurance-sustainability>

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