



Corporate Laws
(One Paper - Three Hours - 100 Marks)

Level of Knowledge Expert

Course objectives

- To gain an expert knowledge of Nepalese corporate laws and their practical application.

Course contents

Nepal Chartered Accountants Act, 2053 & Regulation, 2061

- The Institute of Chartered Accountants of Nepal, law's enactment and establishment
- Composition, function and duties of the Council
- Accounting Standards Board and Auditing Standards Board, their functions
- Examination, qualifications and licensing of chartered accountants
- Membership, types and renewal
- Disciplinary committee and its functions
- Punishment
- Code of ethics
- Chartered Accountants Act, 2053 and Regulations 2061

The Companies Act, 2063 and Rules

- General meeting and board meeting,
- Accounts and audit
- Inspection and investigation to be made by company registrar office
- Protection of shareholders
- Special provision relating to private company and one man company
- Holding, subsidiaries & foreign companies
- Audit committee
- Merger of company
- Dividend
- Company secretary
- Liability of company and shareholders
- Winding up and liquidation of company
- De-registration of company
- Company advisory board
- Offence, punishment and legal proceedings
- Some judicial decisions relating to company
- Relevant provision of The Companies Act, 2063

Securities Act, 2063 and Rules

- Meaning and concept of securities and stock exchange Functioning of Securities Board
- Registration and issuance of securities
- Securities business and securities exchange professionals, security exchange market and transactions of securities
- Collective investment scheme, operation of securities business



- Regulation, monitoring, inspection and inquiry
- Offences, penalties and legal proceedings and
- Relevant provisions of Securities Act & Regulation and guidelines and circulars issued by the Securities Board.

Banks and Financial Institutions Act, 2073

- Operation of financial transactions
- Regulation, inspection and supervision
- Supply and recovery of credits
- Account and audit
- Merger of licensed institution
- Offense and punishment
- Relevant provisions on Banks & Financial Institutions Act, 2063
- Directives issued by NRB

Nepal Rastra Bank Act, 2058

- Relationship of government with central bank
- Functions and powers of the central bank
- Monetary functions and operation of open market
- Monetary management, banknote and coins
- Regulation, inspection and supervision
- Offences, penalties and judicial proceedings
- Relevant provisions of Nepal Rastra Bank Act, 2058

Industrial Enterprises Act, 2073

- Industrialization and concept of industrial environment industrial promotion board
- Licensing, registration and penalties
- One window committee
- Industrial human resource
- Facilities and concessions
- Relevant provisions of Industrial Enterprises Act, 2073

Foreign Investment and Technology Transfer Act, 2073

- Meaning and concept of foreign investment and technology transfer
- Permission for foreign investment
- Incentives for foreign investor
- Provision relating to visa
- Dispute settlement mechanism and procedure
- Incentives for foreign investor
- Relevant Provisions of Foreign Investment and Technology Transfer Act, 2073

Labor Act, 2074

- Industrial relations
- Worker's participation in management
- Trade unions
- Collective bargaining
- Wages and wages fixing mechanism
- Health and safety, welfare
- Special provisions to be applicable to special type of establishment
- Ethical code and industrial relations



- Industrial conflicts and settlement (conciliation, arbitration and adjudication)
- Labor dispute settlement mechanism and procedure
- Relevant provisions of Labor Act, 2074

Insurance Act, 2049 and Rules

- Principles of insurance
- Insurer (registration, profession and duties)
- Insurance Board
- Insurance agent, surveyor and broker
- Fund and audit
- Inquiry and investigation
- Insurance tariff advisory committee
- Settlement of liabilities
- Insurance offence, penalties and legal proceedings
- Relevant provisions of Insurance Act, 2049, Regulation and Guidelines issued by Insurance Board

International Financial Transactions Act, 2054

- Concept of international financial transactions
- Process of taking the permission for international financial transactions
- Types of international financial transactions in Nepal
- Relevant provisions of International Financial Transactions Act, 2054

Co-operative Act, 2074 and Rules, 2075

- Concept of co-operatives
- Co-operatives and financial transactions
- Wind-up and liquidation of co-operatives
- Co-operative offences and penalties
- Relevant provisions of Co-operative Act, 2074 and Rules 2075

Insolvency Act, 2063

- Insolvency proceedings
- Restructuring scheme of company
- Liquidation of company
- Claims of creditors and mode of payment
- Voidable transaction
- Insolvency practice, and regulation and administration thereof
- Offense and punishment
- Relevant provision of Insolvency Act, 2063

Money Laundering Prevention Act, 2063

- Offense
- Identity, transactions and details of the customers
- Coordination committee and financial information unit
- Laundering prevention department
- Investigation and inquiry
- Punishment
- Relevant provision of Money Laundering Prevention Act, 2063 and Money Laundering Prevention Rules, 2073



Public Procurement Act, 2063 and Rules, 2064

- Definition
- Responsibilities and methods of procurement
- Provisions relating to bids
- Provisions relating to consultancy services
- Review of procurement proceedings
- Procurement contract and conduct
- Monitoring of procurement activities
- Provisions relating to Public Procurement Act, 2063 & Rules 2064

Audit Act, 2075

- Meaning and concept of audit
- Method of the audit and matters to be audited
- Jurisdiction of Auditor General
- Constitutional provisions of auditing
- Governmental audit and office of the auditor general
- Audit of the government, wholly and partly government owned undertakings.
- Modes of auditing and reporting
- Propriety audit
- Other provisions of Audit Act, 2075

General provisions of the following Acts

- Arbitration Act, 2055
- Banking Offence and Punishment Act, 2064
- Act Relating to institutions acting as financial Intermediary, 2055
- Foreign Exchange Regulation Act, 2019



Advanced Taxation
(One Paper-Three hours-100 Marks)

Level of Knowledge Expert

Course objectives

- Gain expert knowledge on direct & indirect taxes as well as to make the students to acquire ability to apply the expert knowledge in actual practice.
- Gain expert knowledge of the provisions of the direct and indirect tax laws.
- Acquire the ability to apply the knowledge of the provisions of laws to the various situations.

Course contents

1. Income Tax Act 2058 and Rules 2059

2. Ethics and professional conduct in providing taxation services

- Tax services provided by professional accountants
- Application of IFAC Code of Ethics on taxation services
- Ethical requirements as per Income Tax Act and Anti Money Laundering provisions

3. Fundamentals of taxation and Nepalese tax system, income heads

a. Basic terms used in tax law and their tax connection

- All definitions as per sec. 2 and relevant connecting sections

b. Residential concept

- Concept of resident and non-resident
- Worldwide taxation and source taxation
- Concept of Nepal sourced income and provisions
- Double tax relief mechanism- foreign tax credit and double tax avoidance treaties-(including advance calculation)
- Foreign permanent establishment
- Controlled foreign entities

c. Basis of Taxation

- Persons liable to pay tax
- Tax exempt organizations
- Exempt incomes
- Taxable income and assessable income
- Rates of tax and business concessions
- Head of income

d. Tax Accounting

- Nepal accounting standard vs tax accounting
- Cash vs. accrual basis of accounting in taxation
- Basis of accounting for natural person and entities
- Change in accounting methods
- Reverse of amounts including bad debts



- e. *Calculation of income from business*
 - Components of income from business
 - Incomes which do not form part of income from business
 - Deductions allowed from income from business
 - Limitations and conditions for a particular deduction
 - Schedule 2 of the Act
- f. *Calculation of income from employment*
 - Components of income from employment
 - Incomes which are excluded from income from employment
- g. *Calculation of income from investment*
 - Components of income from investment
 - Incomes which do not form part of income from investment
 - Deductions allowed from income from business
 - Limitations and conditions for a particular deduction
- h. *Deductions allowed from taxable income*
 - Deduction for donation and gifts
 - Deductions for contributions to retirement funds
 - Deduction for life insurance premium paid
 - Deduction for losses from income from business or investment
 - Carry forward and carry back of losses for setoff
 - Deductions not allowed
- i. *Calculation of net gains from disposal of assets and liabilities*
 - Net gain and tax calculation from gain from disposal of non business chargeable assets
 - Net gain and tax calculation from disposal of business assets
- j. *Tax Credits*
 - Medical tax credits
 - Foreign tax credits
- k. *Quantification, allocation and characterization of amounts*
 - Quantification
 - Characterization of payments under annuities, installments and leases
- l. *Special Provisions*
 - Taxation of shipping, telecom and air service providers (Sec. 70)
 - Banking business
 - Insurance business

4. Administration and documentation administration, withholding and payments of tax

- a. *Administration tax authorities*
Revenue structure at Finance Ministry, Tax department/office structure, duties and power, management, tax payer's right, advance ruling, public circulars, international agreements, permanent account number.
- b. *Documentation*
Form of documentation, service of documents, defective documents
- c. *Tax withholding*
By employers, from investment and service fee payments, contract payments, final withholding, and tax credit or tax adjustment. Withholding taxes in case of countries with Double Tax Avoidance Treaties.



- d. *Payment of Tax*
Time and mode of payment, Installments, proof of tax payment

5. Returns and Assessments, Collection, Remission and refund

- a. *Returns*
Time of return of incomes, extension of time of return, return not required estimated return
- b. *Assessments*
Self-assessment, jeopardy assessment and amended assessment, assessments order & notices
- c. *Collection*
Preference for tax payable by withholding, claim over assets, auction of assets, prohibition order, liquidities of officers, recovery from recover and agent, suit filing
- d. *Remission and Refund*
Remission by Government, refund & set off and its procedure

6. Legal Remedies, Interest, Fees, Penalties Offences

- a. *Administrative review*
Decisions, procedures, application to object the review
- b. *Appeal*
Appeal to the Revenue Tribunal
- c. *Interest*
Under payment of installments, failure to pay tax, failure to pay with deposit withholding tax
- d. *Fees*
For failure to maintain documents, for failure to file return, for failure to making falsedocument and aiding and obtains, assessments of interest and fees
- e. *Penalties*
For failure to pay tax, to authorized and unauthorized person, to accomplice, payment of penalties
- f. *Offence*
For misleading statements, for obstructing or using inappropriate influence

All provisions of Income Tax Act, 2058 and Income Tax Rules, 2059.

7. Value Added Tax Act, 2052 and Rules 2053

- a. *Introduction, coverage and administration*
 - (i) Introduction of VAT in Nepal
 - (ii) Spirit of preamble VAT Act, Terms used; Service, Supply, Return, Import, Export, Market price, person, registrant, TPIN, Supplier, value addition
 - (iii) Coverage Taxable activities, time of place of supply, tax rate, Zero rated areas, exempted goods and services, Treatment of negative value addition, Capital goods, threshold, determination of market price, and treatment of reconditioned goods, discount and gifts, importation under bank guarantee
 - (iv) Tax Administration Registration, tax invoicing, Accounting, Return filing, Tax Assessments, conditions for assessing by tax officer, Collection/payments, Tax credit; full credit, partial credit, proportionate credit, Refunds, Tax audit and investigation, suspension of business transaction



- b. *Tax Authorities, revision and appeal and fees and interest*
 - (i) Tax authorities and rights and duties of taxpayers
 - (ii) Administrative revision and appeal to revenue tribunal
 - (iii) Additional fees and interests, offences and penalties

8. Excise Act, 2058 and Excise Rules 2059

- a. Concept of excise and excise duty, history of excise duty in Nepal in brief
- b. Scope and objectives of Excise Act, 2058
- c. Terms; goods, service, institution (Pratisthan), license, license holder, production, producer, person, factory price, price, import, invoice
- d. Excisable products, exemption of excise, collection of excise, pricing of excisable products, obtaining and termination of license, renew of license, excise duties and fees, special provisions for cigarettes, bidi, alcoholic (madira) and molasses, conditions related to seize, possession and arrest
- e. Provisions of self-issue and physical control system, recovery ratios
- f. Penalties, administrative review and appeal

9. Customs Act, 2064 and Rules 2064

- a. Scope and objectives of Customs Act, terms export, import, customs duty, chief of customs, customs officer, customs area, pragyapan patra, demurrage, unauthorized and illegal import and export, customs facility, facility in duty, under invoicing, classification of goods for customs purpose
- b. Import and export procedures, documents required for export and import, determination of duty, valuation procedure and methods in practice, post clearance audit
- c. Charging of different duties and charges in customs point
- d. Provisions regarding jhitigunta, accompanied and unaccompanied goods
- e. Import under duty refundable procedure (DRP) and in bond system, bonded warehouse system, bank guarantee and the provision of re-export
- f. Finance act and related schedule
- g. Circulars relating to specific acts issued by Department of customs

10. Double tax avoidance agreement (DTAA) and international taxation

- a. *Double Tax Avoidance Agreement (DTAA)*
Features, general definitions, resident, permanent establishment, income from immovable property, business profit, shipping and air transport, associated enterprises, dividends, interest, royalties, capital gains, personal services, government service, methods of elimination of double taxation, non-discrimination, mutual agreement procedures, assistance in collection of tax
- b. *International Taxation*
Concepts, models, transfer pricing