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



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E-News

INSTITUTIONAL ACTIVITIES

Workshop on “Dimension of Public Financial Management at Province and Local Level”

The Institute of Chartered Accountants of Nepal organized one day workshop on “Dimension of Public Financial Management at Province and Local Level” on 25th February, 2022 at Pokhara. The program was Chaired by President, CA. Yuddha Raj Oli, where Hon’ble Finance Minister of Gandaki Province Mr. Ramji Prasad Baral (Jeevan) was the Chief Guest of the program. Mr. Baburam Subedi, Joint Secretary, Ministry of Finance and Council Member, Mr. Badri Nath Adhikari, Secretary of Ministry of Province Internal Affairs were the Special Guest in the program.

The program was inaugurated by the Chief Guest of the program, Hon’ble Finance Minister of Gandaki Province Mr. Ramji Prasad Baral (Jeevan). The program was organized on three sessions. In the opening session, Coordinator, Pokhara Branch Advisory Committee CA. Laxman Adhikari welcomed the Chief Guest, Special Guest, ICAN Council Members, Members of Pokhara Branch Coordination Committee, Members and all invited participants in the program. Similarly, ICAN President, CA. Yuddha Raj Oli emphasized about the objective of the program and highlighted the major activities accomplished and ongoing in the Institute during the current fiscal year. Vice President, CA. Bhaskar Singh Lala concluded the opening session with closing remarks and vote of thanks.



[A Glimpse of Workshop on Dimension of Public Financial Management at Province and Local Level](#)

The second session of the program was related with paper presentation on Public Financial Management. Altogether three papers were presented during the session. Mr. Baburam Subedi, Joint Secretary, MoF and

Council Member presented a paper on “Mobilization of Local Level Revenue: Opportunities and Challenges.” Likewise, CA. Amrit Shrestha and CA. Nirmal Bartaula presented papers on “Areas to Reform on Province and Local Level Financial Reporting” and “Status of Internal Control System and its Relevance in Development” respectively.

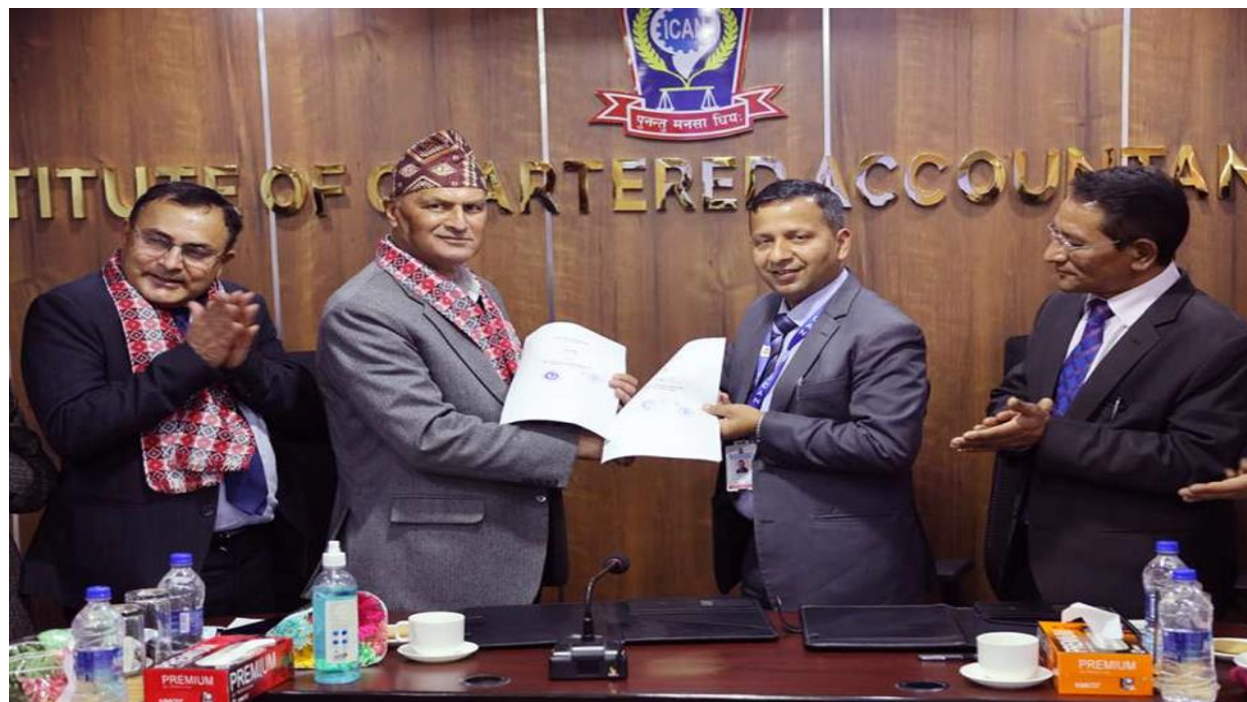
In the last session of the program a Panel Discussion was held on various dimensions of Public Finance Management. CA. Yuddha Raj Oli, President, Mr. Babu Ram Subedi, Council Member, CA. Baikuntha Bahadur Adhikari, Council Member, CA. Nirmal Bartaula and CA. Amrit Shrestha were the Panelist in the session where, CA. Prabin Kumar Jha, Council Member and Chairman of Public Finance and Nepal Public Sector Accounting Standard (NPSAS) Committee was the Moderator of the session. Executive Director, CA. Sanjay Kumar Sinha concluded the program with closing remarks and vote of thanks to all the participants.



[A Glimpse of Workshop on Dimension of Public Financial Management at Province and Local Level](#)

Memorandum of Understanding (MoU) with Insurance Board of Nepal

The Institute has signed MoU with Insurance Board of Nepal for facilitating exchange of information and mutual cooperation on 23rd February, 2022 at ICAN building, Satdobato, Lalitpur. The objective of this MoU is to work in the areas of facilitating NFRS implementation at Insurance Companies in Nepal, promote corporate governance and protect the rights of general investors.



Chairman, Insurance Board of Nepal, Mr. Surya Prasad Silwal (left) and President, ICAN CA. Yuddha Raj Oli (right) exchanging Signed Agreement between The Institute and The Insurance Board of Nepal

The agreement was signed by the ICAN President CA. Yuddha Raj Oli and Chairman of Insurance Board Nepal Mr. Surya Prasad Silwal. Where, CA. Bhaskar Singh Lala, Vice President, CA. Sanjay Kumar Sinha, Executive Director, CA. Krishna Prasad Lamichhane, Director and CA. Kiran Kumar Khatri, Joint Director were also present in the MoU signing ceremony. Likewise, delegation from Insurance Board of Nepal, Mr. Raju Raman Poudel, Executive Director, Mr. Pujan Dhungel (Adhikari), Director and Dinesh Kumar Lal, Director were also present during the ceremony.

25th South Asian Federation of Accountants, Best Presented Annual Reports Award, 2020 Ceremony (SAFA BPA Award, 2020)

The Institute of Chartered Accountants of Nepal attended the SAFA BPA Award Ceremony hosted by CA Sri Lanka virtually on 9th February, 2022. In the special ceremony, SAFA distributed awards in 15 different categories. All the participating SAFA Member Bodies organized this ceremony either physically or virtually at their respective countries to participate in the SAFA BPA Award Ceremony.

Two different Nepalese Organizations were awarded with Merit Certificate in two different categories by SAFA. Nepal SBI Bank Limited and Bottlers Nepal Limited were awarded with the Merit Certificate in Private Banks Category and Manufacturing Category respectively. ICAN President CA. Yuddha Raj Oli

distributed the award to Merit holders. The program was attended by President, Vice- President, Council Members, Members of Professional Development Committee, Representatives from entities who participated and win in National BPA Award, 2020 and Staffs of the ICAN.



President CA. Yuddha Raj Oli Presenting Merit Certificate to the Representative of Bottlers Nepal Ltd.

Online Continuing Professional Education (CPE Training)

The Institute of Chartered Accountants of Nepal organized 4 days online CPE training on various aspect of manufacturing sector and school audit from 24th to 27th February, 2022. The training is expected to enhance the member's capacity to understand various provisions related to the NFRS application in manufacturing sector, complexities of NFRS implementation in manufacturing companies, way outs and various provisions related to the School Audit. CPE Training on manufacturing sector was conducted by CA. Prabin Baral where, CPE Training on school audit was conducted by CA. Ananda Shrestha. Altogether, 560 members attended the training virtually.

Training on Nepal Financial Reporting Standards for Small and Medium Enterprises (NFRS for SMEs)

The Institute of Chartered Accountants of Nepal organized a training on NFRS for SMEs on 19th February, 2022 at ICAN premises. CA. Sanjay Kumar Sinha, Executive Director delivered welcome speech in the program. During his speech he emphasize on the importance of the such training to facilitate the effective implementation of NFRS in SMEs. This training was designed to enhance the theoretical and practical knowledge about the proper application of NFRS while preparing and presenting Financial Statements of Small and Medium Enterprises and facilitate participants understandings on the gravity of application of

NFRS in SMEs. Training was conducted by CA. Prabin Raj Kafle and was attended by the 64 members of the Institute.



[A Glimpse of Training Program on NFRS for SMEs](#)

Webinar on Audit Practice Management Software

The Institute has facilitated a webinar on Audit Practice Management Software. The webinar was organized on 17th January, 2022 by the developer of audit practice management software “Simplify Practice” M/S Vritti Solutions. The webinar was attended by altogether 50 members in practice and their staffs.

Chartered Accountancy Examination (CAP I), December 2021 Result Published

The Institute published the result of Chartered Accountancy Examination (CAP I Level) conducted on December, 2021. The result was published on 20th February, 2022. The students can view their result and marksheet by login to the Students Login Section of ICAN website at <https://en.ican.org.np/en/>. Details of students applied, appeared, passed in CAP-I level of CA Examination is presented below:

Level	CAP-I
Total Applicants	1,425
Total Appeared	1,281
Passed	745

Staff Training on “Office Etiquette and Personal Branding”

The Institute has organized a half day skill development training for its staffs on “Office Etiquette and Personal Branding” on 11th February, 2022 at ICAN premises, Satdobato, Lalitpur where staff at branch offices participated virtually. The training was focused on the way of creation of personal as well as official branding along with development of communication skills. The training was conducted by Ms. Mansi Agrawal, the corporate trainer.

ICAN NOTICE

Notice Regarding Fee for Quality Assurance Second Follow up Review

The Institute of Chartered Accountants of Nepal has issued notice regarding determination of fees for second follow-up quality assurance review visit of the firms. For further details, [please click here](#).

Empanelment of Faculties and Resource Persons

The Institute has re-published a -notice requesting Expression of Interest (EoI) from faculties and resource persons for various activities being organized from the Institute hiring expert services of the Professionals. For this purpose, the Institute has developed an online Multipurpose Empanelment Form (MPEF), which is available in the website of the Institute <https://en.ican.org.np/en/> or can be accessed directly from the link <https://mpef.ican.org.np/>.

For further details, [please click here](#).

CPE Schedule Published

The Institute of Chartered Accountants of Nepal has issued notice regarding schedule of continuing professional Education (CPE) program for its members for Fiscal Year 2078/79. Member of the Institute can accumulate credit hours by attending the CPE trainings for renewal of Membership, Certificate of Practice (COP) and Firm. For further details, [please click here](#).

Scholarship for Students

The Institute of Chartered Accountants of Nepal has issued notice to all the students regarding Chartered Accountancy Scholarship for the Fiscal Year 2078/2079. ICAN Scholarships are available under different categories based on students' outstanding academic achievement, necessity, potentiality and commitment for pursuing Chartered Accountancy Education with the Institute. Students are notified to submit the application by 9th March, 2022. For further details, [please click here](#).

Nomination for Participation in 36th International CA Student's Conference, 2022

The Institute of Chartered Accountants of Nepal has issued notice regarding nomination of students for participation in the 36th International CA Student's Conference, 2022 which will be organized by the Chartered Accountants Student's Society (CASS) of CA Sri Lanka on 01st March, 2022 at Colombo, Sri Lanka. Students were selected on the basis of evaluation of their power point presentation on the topic "EMBRACE THE TRANSFORMATION - Catch the Wave" including interview conducted by the Institute on 20th February, 2022. Ms. Seema Khadka and Mr. Ashirwad Gautam were selected for the participation from Nepal. For further details, [please click here](#).

Notice about Membership Examination

The Institute of Chartered Accountants of Nepal has issued notice regarding conducting Membership Examination on 15th and 16th March, 2022 at six different examination centers which comprise Kathmandu, Biratnagar, Pokhara, Birgunj, Butwal and Chitwan. For further details, [please click here](#).

Notice inviting Proposal from CA Firms for Consultancy Service

The Institute of Chartered Accountants of Nepal has issued notice inviting proposal from the Chartered Accountancy firms registered at ICAN for providing consultancy service as per the agreement made between Institute and Securities Exchange Board of Nepal. The last date of Submission of proposal is 11th March, 2022. For further details, [please click here](#).

NATIONAL NEWS AND UPDATES

Unified Directives to Infrastructure Development Bank, 2078

Nepal Rastra Bank has issued Unified Directives to Infrastructure Development Bank, 2078 incorporating the Circular issued till 26th Magh, 2078 and Unified Directives, 2075. The Directives can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2022/02/Directives-for-Infrastructure-Development-Banks-2078-1.pdf>

Circular for Amendment in Unified Directives to Infrastructure Development Bank, 2078

Nepal Rastra Bank has issued circular to Infrastructure Development Bank regarding amendments made in the Unified Directives to Infrastructure Development Bank, 2078. The Circular can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2022/02/Circular-no-3-NIFRA.pdf>

Circular for Amendment in Unified Directives to A, B and C Class Bank and Financial Institutions, 2078

Nepal Rastra Bank has issued circular to A, B and C Class Bank and Financial Institutions regarding amendments made in the Unified Directive, 2078. The Circular can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2022/02/ABC-circular-no-10.pdf>

Guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions, 2022

Nepal Rastra Bank has issued Guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions, 2022 with the core objective to require BFIs to integrate Environmental & Social risk management into the overall credit risk management process in order to fully inform the credit authority of E&S risks prior to the financing decision regarding individual transactions. The Guidelines can be viewed from the link below:

<https://www.nrb.org.np/contents/uploads/2022/02/Final-ESRM-without-cover-1.pdf>

Circular regarding Digital Insurance Policy and Transaction through Cheque

Insurance Board of Nepal has issued circular to all the life and Non-life Insurance Company regarding procedures to be followed while issuing digital insurance policy and prescribing threshold for compulsory use of account payee cheque for digital transfer while making payment for insurance premium exceeding the threshold amount. The Circular can be viewed from the link below:

<https://nib.gov.np/wp-content/uploads/2022/01/Circular-5.2078.79.pdf>

Insurer Chief Executive Office's Salary, Allowance and other Facility Related Guidelines, 2074 (First Amendment)

Insurance Board of Nepal has issued first amendment on Insurer Chief Executive Office's Salary, Allowance and other Facility Related Guidelines, 2074. The Guidelines can be viewed from the link below:

<https://nib.gov.np/wp-content/uploads/2022/02/CEOs-Salary-and-Allowances-Guidelines-with-first-amendment.pdf>

Risk Based Capital and Solvency Directive, 2078

Insurance Board of Nepal has issued Risk Based Capital and Solvency Directive, 2078. The directive was issued with the objective to ensure that insurers maintain a capital adequacy level commensurate with their

risk profiles in order to make sure that they have enough financial resources to withstand financial difficulties, in such a manner that they have in place a sound system of governance, in particular a robust risk management system and prudent written underwriting, investment and asset-liability management policies. The directives can be viewed from the link below:

<https://nib.gov.np/wp-content/uploads/2022/02/newRisk-Based-Capital-and-Solvency-Directive-2022-2078-and-ANNEXURES.pdf>

Climate Risk Related Directive, 2078

Insurance Board of Nepal has issued Climate Risk Related Directive, 2078. The directive was issued with the objective to address the impact and risk of climate change to the insurer and evaluate the actions and measures taken by the insurer. The directives can be viewed from the link below:

<https://nib.gov.np/wp-content/uploads/2022/01/Directive-on-Climate-Risk-Disclosures.pdf>

Insurer Merger and Acquisition Directive, 2076(First Amendment)

Insurance Board of Nepal has issued first amendment on Insurer Merger and Acquisition Directive, 2076. The directives can be viewed from the link below:

https://nib.gov.np/wp-content/uploads/2022/02/Merger-and-Acquisition-Directives-with-First-amendment_compressed.pdf

Notice requesting suggestion for incorporating in Fiscal Year 2079/80 Finance Act and Budget

Inland Revenue Sub- Committee of the Inland Revenue Department has issued notice requesting providing suggestion regarding Income Tax, Value Added Tax, Excise Duty, Education Service Fee and overall taxation system, Policy, Legal and other procedural changes that are required for incorporating in the Fiscal Year 2079/80 Finance Act and Budget. The suggestion can be submitted by mailing at: policyird@ird.gov.np by end of Falgun, 2078. The notice can be viewed form the link below:

<https://ird.gov.np/public/pdf/1426746363.pdf>

INTERNATIONAL NEWS, EVENTS AND UPDATES

IFAC and ICAEW Renew Anti-Money Laundering Educational Series, Release First of Three New Installments

Together with Institute of Chartered Accountants in England and Wales (ICAEW), The International Federation of Accountants (IFAC) released a new [installment in its Anti-Money Laundering](#): The Basics educational series: Installment Seven: Virtual Assets. The publication is part of a series helping accountants enhance their understanding of how money laundering works, the risks they face, and what they can do to mitigate these risks and make a positive contribution to the public interest. Installment seven looks at the broad new class of assets that have emerged over the past decade known as virtual assets, including Bitcoin and NFTs (non-fungible tokens). The detail can be viewed from the link below:

<https://www.ifac.org/news-events/2022-02/ifac-and-icaew-renew-anti-money-laundering-educational-series-release-first-three-new-installments>

New IFAC Digital Platform Assists Public Sector Transition from Cash to Accrual Accounting: Pathways to Accrual

To contribute to and promote the development, adoption, and implementation of high-quality international standards, the International Federation of Accountants (IFAC) launched a new digital platform, [Pathways to Accrual](#), providing a central access point to resources helpful for governments and other public sector

entities planning and undertaking a transition from cash to accrual accounting including adopting and implementing International Public Sector Accounting Standards (IPSAS).

[Pathways to Accrual](https://pathways.ifac.org/standards/pathways/2021) builds upon the work of the International Public Sector Accounting Standards Board (IPSASB)'s Study 14, Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities with updated content and a modernized presentation with easier navigation. Explore the platform: <https://pathways.ifac.org/standards/pathways/2021>. The detail can be viewed from the link below:

<https://www.ifac.org/news-events/2022-02/new-ifac-digital-platform-assists-public-sector-transition-cash-accrual-accounting-pathways-accrual>

IESBA takes Firm Action to Respond to Transformative Effects of Technology

The International Ethics Standards Board for Accountants (IESBA) released for public comment proposed revisions to the [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#). The Exposure Draft [Proposed Technology-related Revisions to the Code](#) seeks to enhance the Code's robustness and expand its relevance in an environment being reshaped by rapid technological advancements. The proposed amendments will guide the ethical mindset and behavior of professional accountants in business and in public practice as they deal with changes brought by technology in their work processes and the content of the services they provide.

The IESBA invites all stakeholders to comment on the Exposure Draft by [visiting the IESBA website](#). Comments are requested by June 20, 2022. The detail can be viewed from the link below:

<https://www.ethicsboard.org/news-events/2022-02/iesba-takes-firm-action-respond-transformative-effects-technology>

IESBA Addresses Independence Expectations in Group Audits

The International Ethics Standards Board for Accountants (IESBA) has released for public comment the Exposure Draft [Proposed Revisions to the Code Relating to the Definition of Engagement Team and Group Audits](#). The proposed revisions establish provisions that comprehensively address independence considerations for firms and individuals involved in an engagement to perform an audit of group financial statements. The proposals also address the independence implications of the change in the definition of an engagement team—a concept central to an audit of financial statements—in the International Auditing and Assurance Standards Board's (IAASB) International Standard on Auditing (ISA) 220, [Quality Management for an Audit of Financial Statements](#).

The IESBA invites all stakeholders to comment on the ET-GA ED by [visiting the IESBA's website](#). Comments are requested by May 31, 2022. The detail can be viewed from the link below:

<https://www.ethicsboard.org/news-events/2022-02/iesba-addresses-independence-expectations-group-audits>

IPSASB Proposes Important Limited Scope Updates to its Conceptual Framework

The International Public Sector Accounting Standards Board (IPSASB) has released [Exposure Draft \(ED\) 81, Conceptual Framework Update: Chapter 3, Qualitative Characteristics and Chapter 5, Elements in Financial Statements](#). ED 81 is the second exposure draft resulting from the limited scope project to revise the Conceptual Framework in specified areas. ED 81 proposes updates to the chapters of the Conceptual Framework dealing with the attributes of financial information that make financial reporting useful-qualitative characteristics-and the building blocks of financial statements-elements.

To access the Exposure Draft, its summary At-a-Glance document, or to submit a comment, [visit the IPSASB website](#). Comments are requested May 31, 2022. The IPSASB encourages IFAC members, associates, and Network Partners to promote the availability of this Exposure Draft to their members and employees. The detail can be viewed from the link below:

<https://www.ipsasb.org/news-events/2022-02/ipsasb-proposes-important-limited-scope-updates-its-conceptual-framework>

New Implementation Guide Available for Quality Management for Audits of Financial Statements

The International Auditing and Assurance Standards Board (IAASB) has released [First-time Implementation Guide for ISA 220, Quality Management for an Audit of Financial Statements](#). The guide will help stakeholders understand the standard and properly implement its requirements as intended.

Alongside the previously released implementation guides for International Standard on Quality Management (ISQM) 1 and 2, the new Guide will help stakeholders implement the IAASB's suite of quality management standards. The suite of standards was released in December 2020 and come into effect on December 15, 2022.

These publications do not amend or override ISA 220 or ISQM 1 or 2, the text of which alone are authoritative. Reading these publications are not a substitute for reading the ISQMs. The IAASB encourages all practitioners to plan early for appropriate implementation, given the potential impact of the changes to firms' quality management systems. The detail can be viewed from the link below:

<https://www.iaasb.org/news-events/2022-02/new-implementation-guide-available-quality-management-audits-financial-statements>

PIOB Opens IAASB Nominations Process, Issues Invitation for Application

The Public Interest Oversight Board's (PIOB) newly formed Standard Setting Boards' Nominations Committee has issued the [Invitations for Application](#) for the International Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants. The application period will be open until March 30, 2022. The Nominations Committee will make recommendations to the PIOB for up to five new appointments and re-appointments to the IAASB for terms beginning January 1, 2023. The Invitations for Application are open to all individuals and interested organizations, including those representing investors and the corporate governance community, regulatory bodies, national standard setters, accounting and audit firms, professional accountancy organizations and public sector organizations, and those in academia. Individuals may also make nominations on their own behalf.

For additional information, please see the [PIOB's nominations web page](#) or email SSBNominations@ipiob.org. The detail can be viewed from the link below:

<https://www.iaasb.org/news-events/2022-02/piob-opens-iaasb-nominations-process-issues-invitation-application>

Nominations open for Qualified Candidates to Join IESBA as Board Members

A global search has begun for highly qualified individuals to fill four volunteer openings on the International Ethics Standards Board for Accountants (IESBA) for an initial term of service of up to 3 years, commencing January 1, 2023. The Public Interest Oversight Board's (PIOB) newly formed Standard Setting Boards' Nominations Committee has issued [Invitations for Application](#), which includes the calls for both IESBA members and members of the International Auditing and Assurance Standards Board (IAASB). The application period will be open until March 30, 2022. The Board terms are renewable after

the initial three years, for a maximum term of service of six years. The Nominations Committee will make recommendations to the PIOB for up to four appointments and re-appointments to the IESBA. Individuals may also make nominations on their own behalf.

For additional information, please see the [PIOB's nominations web page](#) or email SSBNominations@ipiob.org. The detail can be viewed from the link below:
<https://www.ethicsboard.org/news-events/2022-02/nominations-open-qualified-candidates-join-iesba-board-members>

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