



नेपाल राष्ट्र बैंक



केन्द्रीय कार्यालय

बालुवाटार, काठमाडौं

फोन नं. : ०१-५७९९६४१/४२/४३/४४

Website : www.nrb.org.np

पोष्ट बक्स : ७३

बैंक तथा वित्तीय संस्था नियमन विभाग

पत्र संख्या: वै.वि.नि.वि./नीति/परिपत्र/०१/०८२/८३

मिति: २०८२/०५/०२

इजाजतपत्रप्राप्त “क”, “ख” र “ग” वर्गका बैंक तथा वित्तीय संस्थाहरु,

महाशय,

यस बैंकबाट इजाजतपत्रप्राप्त “क”, “ख” र “ग” वर्गका बैंक तथा वित्तीय संस्थाहरुलाई जारी गरिएको एकीकृत निर्देशन, २०८१ मा संलग्न तालिकाबमोजिम संशोधन/परिमार्जन/थप गरिएको हुँदा सोहीबमोजिम गर्नु गराउनु हुन नेपाल राष्ट्र बैंक ऐन, २०५८ को दफा ७९ ले दिएको अधिकार प्रयोग गरी यो निर्देशन जारी गरिएको छ।

भवदीय,

(गुरु प्रसाद पौडेल)
कार्यकारी निर्देशक

बोधार्थ :

- (१) श्री नेपाल राष्ट्र बैंक, गभर्नरको कार्यालय।
- (२) श्री नेपाल सरकार, अर्थ मन्त्रालय, वित्तीय क्षेत्र व्यवस्थापन तथा संस्थान समन्वय महाशाखा, सिंहदरवार।
- (३) श्री नेपाल राष्ट्र बैंक, बैंक सुपरिवेक्षण विभाग।
- (४) श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग।
- (५) श्री नेपाल राष्ट्र बैंक, गैर-बैंक वित्तीय संस्था सुपरिवेक्षण विभाग।
- (६) श्री नेपाल राष्ट्र बैंक, विदेशी विनिमय व्यवस्थापन विभाग।
- (७) श्री नेपाल राष्ट्र बैंक, आर्थिक अनुसन्धान विभाग।
- (८) श्री नेपाल राष्ट्र बैंक, कानून महाशाखा।
- (९) श्री नेपाल बैंकर्स संघ, सेन्ट्रल विजनेश पार्क, थापाथली।
- (१०) श्री डेभलपमेण्ट बैंकर्स एसोसिएसन, लाजिम्पाट।
- (११) श्री नेपाल वित्तीय संस्था संघ, डिल्लीबजार।



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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
१.	इ.प्रा. निर्देशन नं २१/०८१ को बुँदा नं. ५ मा संशोधन ।	Long Form Audit Report सम्बन्धमा Long Form Audit Report लाई समय सापेक्ष र प्रभावकारी बनाउन यसैसाथ संलग्न ढाँचा (अनुसूची २१.१) अनुसार लागू गरिएको छ । आफ्नो संस्थाको बाह्य लेखापरीक्षकबाट सोही ढाँचामा तयार गरिएको प्रतिवेदनलाई सोभै यस बैंकमा आइपुग्ने गरी पठाउने व्यवस्था गर्नु पर्नेछ ।	Long Form Audit Report सम्बन्धमा Long Form Audit Report लाई समय सापेक्ष र प्रभावकारी बनाउन आर्थिक वर्ष २०८१/८२ देखिको बाह्य लेखापरीक्षण प्रयोजनका लागि यसैसाथ संलग्न ढाँचा (अनुसूची २१.१) अनुसार लागू गरिएको छ । आफ्नो संस्थाको बाह्य लेखापरीक्षकबाट सोही ढाँचामा तयार गरिएको प्रतिवेदनलाई सोभै यस बैंकमा आइपुग्ने गरी पठाउने व्यवस्था गर्नु पर्नेछ ।
२.	इ.प्रा. निर्देशन नं २१/०८१ सँग सम्बन्धित अनुसूची २१.१ मा संशोधन	LONG FORM AUDIT REPORT Of LIMITED For the year ended Ashad 20... (Corresponding toJuly 20...) Auditor: M/s	LONG FORM AUDIT REPORT Of LIMITED For the year ended Ashad 20... (Corresponding toJuly 20...) Auditor: M/s

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>1. AUDIT APPROACH</p> <p>1.1 Brief description of the Audit plan with focus on the following areas, at minimum:</p> <ul style="list-style-type: none"> • Declaration of Independence of Audit Firm and Members • Standards followed • Composition of the audit team • Audit schedule <p>1.2 Brief description of the Audit process and procedures</p> <ul style="list-style-type: none"> • Audit areas' Risk Assessment • Audit procedures adapted to mitigate identified Audit Risks • Quality control mechanism <p>1.3 Brief description of the Sampling Procedure and sample size</p> <ul style="list-style-type: none"> • Sampling methodology • Sample size • Use of system based approaches <p>1.4 Remarks on the execution of audit plan</p> <ul style="list-style-type: none"> • Execution of audit and the audit plan • Problems encountered during the audit, if any • Limitations of scope of Audit, if any. <p>2. RISK MANAGEMENT SYSTEMS</p> <p>Opinion on the following:</p> <p>2.1 Credit Risk Management Systems</p> <p>2.1.1 Brief description and comment on the adequacy of credit appraisal systems,</p> <p>2.1.2 Brief description and comment on the adequacy of credit monitoring systems,</p> <p>2.1.3 Brief description and comment on the adequacy of the credit recovery systems,</p> <p>2.1.4 Adequacy of Policies and procedure for Write off of Loans,</p>	<p>1. AUDIT APPROACH</p> <p>1.1. Brief description of the Audit plan with focus on the following areas, at minimum:</p> <ul style="list-style-type: none"> • Declaration of Independence of Audit Firm and Members • Standards followed • Composition of the audit team • Audit schedule <p>1.2. Brief description of the Audit process and procedures</p> <ul style="list-style-type: none"> • Audit areas' Risk Assessment • Audit procedures adapted to mitigate identified Audit Risks • Quality control mechanism <p>1.3. Brief description of the Sampling Procedure and sample size</p> <ul style="list-style-type: none"> • Sampling methodology • Sample size • Use of system based approaches <p>1.4. Remarks on the execution of audit plan</p> <ul style="list-style-type: none"> • Execution of audit and the audit plan • Problems encountered during the audit, if any • Limitations of scope of Audit, if any. <p>2. RISK MANAGEMENT SYSTEMS</p> <p>Opinion on the following:</p> <p>2.1 Credit Risk Management Systems</p> <p>2.1.1 Brief description and comment on the adequacy of credit appraisal systems,</p> <p>2.1.2 Brief description and comment on the adequacy of credit monitoring systems,</p> <p>2.1.3 Brief description and comment on the adequacy of the credit recovery systems,</p> <p>2.1.4 Existence, adequacy and effectiveness of Policies and procedure for Write off of Loans,</p> <p>2.1.5 Existence, adequacy and effectiveness of Policies, guidelines and Controls over Off-Balance Sheet Items,</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>2.1.5 Adequacy of Policies, guidelines and Controls over Off Balance Sheet Items,</p> <p>2.1.6 Comment on the concentrations in the credit and investment portfolio,</p> <p>2.1.7 Risk Management Committees and their effectiveness,</p> <p>2.1.8 Overall audit opinion on Credit risk management,</p> <p>2.2 Market Risk (Interest Rate, Liquidity and Foreign Exchange) Management Systems,</p> <p>2.2.1 Adequacy of policies, procedures and guidelines for the market risk management,</p> <p>2.2.2 Adequacy of the system for measuring, monitoring and mitigation of Market risk,</p> <p>2.2.3 Risk Management Committees and their effectiveness,</p> <p>2.2.4 Overall audit opinion on Market & liquidity risk management.</p> <p>2.3 Operational Risk Management System</p> <p>2.3.1 Adequacy of policies, procedures and guidelines for the Operational risk management.</p> <p>2.3.2 Adequacy of the system for measuring, monitoring and mitigation of Operational Risk.</p> <p>2.3.3 Risk Management Committees and their effectiveness</p> <p>2.3.4 Overall audit opinion on Operational risk management.</p> <p>3. INTERNAL CONTROL SYSTEMS Opinion on the following areas:</p> <p>3.1 Effectiveness of the Audit committee</p> <p>3.2 Effectiveness of the Internal Audit Function</p> <p>3.3 Rectification of the deficiencies identified in the previous internal and external audit reports</p> <p>3.4 Adequacy of the controls in Credit operations</p> <p>3.5 Adequacy of the controls in Treasury operations</p> <p>3.6 Adequacy of the controls in Branch operations</p>	<p>2.1.6 Existence, adequacy and effectiveness of Policies and guidelines for Non-Banking Assets</p> <p>2.1.7 Existence, adequacy and effectiveness of Policies and guidelines based on ESRM Framework</p> <p>2.1.8 Comment on the concentrations in the credit and investment portfolio,</p> <p>2.1.9 Existence and effectiveness of Risk Management Committee and/or Sub-committee</p> <p>2.1.10 Overall audit opinion on Credit risk management,</p> <p>2.2 Market Risk (Interest Rate and Foreign Exchange) and Liquidity Risk Management Systems,</p> <p>2.2.1 Existence, adequacy and effectiveness of policies, procedures and guidelines for the market risk management,</p> <p>2.2.2 Adequacy of the system for measuring, monitoring and mitigation of Market risk,</p> <p>2.2.3 Existence and effectiveness of Risk Management Committee and/or Sub-committee</p> <p>2.2.4 Overall audit opinion on Market & liquidity risk management.</p> <p>2.3 Operational Risk Management System</p> <p>2.3.1 Existence, adequacy and effectiveness of policies, procedures and guidelines for the Operational risk management.</p> <p>2.3.2 Adequacy of the system for measuring, monitoring and mitigation of Operational Risk.</p> <p>2.3.3 Adequacy of policies and procedures for managing Information Technology and Cyber Security Risk</p> <p>2.3.4 Existence and effectiveness of Risk Management Committee and/or Sub-committee</p> <p>2.3.5 Overall audit opinion on Operational risk management.</p> <p>3. INTERNAL CONTROL SYSTEMS Opinion on the following areas:</p>



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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>3.7 Adequacy of control over Nostro Bank Operations</p> <p>3.8 Adequacy of the controls in procedures related to expenditure</p> <p>3.9 Adequacy of the control over fixed assets</p> <p>3.10 Adequacy of the Management Information System (MIS)</p> <p>3.11 Adequacy of controls over e-banking and Card Operations</p> <p>3.12 Adequacy of controls in Information Technology and related support functions.</p> <p>3.13 Effectiveness of the Inter-branch and agency Reconciliation function</p> <p>3.14 Adequacy of controls to prevent and/or minimize Fraud and forgeries</p> <p>3.15 Instances of Fraud and Forgery in the review period</p> <p>3.16 Existence, adequacy & effectiveness of system audit</p> <p>3.17 Other Control Issues, if any</p> <p>3.18 Auditors overall assessment of the internal control system</p> <p>4. COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS</p> <p>Prevailing Statute, Act, Directive and Regulation, at minimum, in the following areas</p> <p>4.1 <u>Nepal Rastra Bank Act 2058</u></p> <p>State whether the conditions as stipulated in Section 86 of Nepal Rastra Bank Act 2058 prevails, if yes please specify.</p> <p>4.2 <u>Bank and Financial Institution Act 2073</u></p> <p>4.2.1 Whether fees and benefits of Chairman and board members are as specified in AOA/MOA</p> <p>4.2.2 Appointment, qualification and benefits of the chief executive</p>	<p>3.1 Effectiveness of the Audit committee</p> <p>3.2 Effectiveness of the Internal Audit Function</p> <p>3.3 Effectiveness of the Compliance Function</p> <p>3.4 Rectification of the deficiencies identified in the previous internal and external audit reports, NRB inspection reports and other reports, if any</p> <p>3.5 Adequacy of the controls in Credit operations</p> <p>3.6 Adequacy of the controls in Treasury operations</p> <p>3.7 Adequacy of the controls in Branch operations</p> <p>3.8 Adequacy of control over Nostro Bank Operations</p> <p>3.9 Adequacy of the controls in procedures related to expenditure</p> <p>3.10 Adequacy of the control over fixed assets</p> <p>3.11 Adequacy of the Management Information System (MIS)</p> <p>3.12 Adequacy of controls over digital banking operations and products</p> <p>3.13 Adequacy of controls in Information Technology and related support functions, including cyber security risk</p> <p>3.14 Effectiveness of the Inter-branch and agency Reconciliation function</p> <p>3.15 Adequacy of controls to prevent and/or minimize Fraud and forgeries</p> <p>3.16 Instances of Fraud and Forgery in the review period</p> <p>3.17 Existence, adequacy & effectiveness of system audit</p> <p>3.18 Other Control Issues, if any</p> <p>3.19 Auditors overall assessment of the internal control system</p> <p>4. COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS</p> <p>Comment on Compliance of Prevailing Statute, Act, Directive and Regulation, at minimum, in the following areas</p> <p>4.1 <u>Nepal Rastra Bank Act 2058</u></p> <p>State whether the conditions as stipulated in Section 86 of Nepal Rastra Bank Act 2058 prevails, if yes please specify.</p> <p>4.2 <u>Bank and Financial Institution Act 2073</u></p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.2.3 Profit Appropriation to General Reserve</p> <p>4.2.4 Appropriation to Exchange Fluctuation Reserve</p> <p>4.2.5 Distribution of Dividend</p> <p>4.2.6 Whether the activities are within the scope as defined by BAFIA?</p> <p>4.2.7 Whether prohibited activities are being pursued?</p> <p>4.2.8 Control & notification of dormant deposit accounts and unclaimed dividend</p> <p>4.3 <u>Foreign Exchange Rules and Regulations</u></p> <p>4.3.1 Whether payments of goods imported and service import are made as per circulars.</p> <p>4.3.2 Whether deposit accounts of foreign currency are opened and operated as per circulars.</p> <p>4.3.3 Whether card transactions are done as per circulars.</p> <p>4.3.4 Whether foreign exchange transactions are properly recorded and reported in a timely manner.</p> <p>4.3.5 Whether investment in foreign currency are made as per standard approved by the Board of Directors.</p> <p>4.3.6 Whether payments of exports are received and reported timely as per circulars.</p> <p>4.3.7 Whether transactions of Indian currency are made as per circulars.</p> <p>4.4 <u>Minimum Capital fund (Directive No. 1)</u></p> <p>4.4.1 Computation of Core Capital, Supplementary Capital and Capital Fund</p> <p>4.4.2 Computation of Risk Weighted Assets</p> <p>4.4.3 Comment on the Capital Plan</p> <p>4.4.4 Overall opinion on capital adequacy</p> <p>4.5 <u>Loan Classification and Loan Loss Provisioning (Directive No.2)</u></p> <p>4.5.1 Comment on the Assets Quality and Classification</p> <p>4.5.2 Adequacy of Loan Loss Provisions</p> <p>4.5.3 Whether the rescheduling/restructuring comply with the provisions of the directive</p>	<p>4.2.1 Whether fees and benefits of Chairman and board members are as specified in AOA/MOA</p> <p>4.2.2 Appointment, qualification and benefits of the Chief Executive</p> <p>4.2.3 Profit Appropriation to General Reserve</p> <p>4.2.4 Appropriation to Exchange Fluctuation Reserve</p> <p>4.2.5 Distribution of Dividend</p> <p>4.2.6 Whether the activities are within the scope as defined by BAFIA?</p> <p>4.2.7 Whether prohibited activities are being pursued?</p> <p>4.2.8 Control & notification of dormant deposit accounts and unclaimed dividend</p> <p>4.3 <u>Foreign Exchange Rules and Regulations</u></p> <p>4.3.1 Whether payments of goods imported and service import are made as per circulars.</p> <p>4.3.2 Whether deposit accounts of foreign currency are opened and operated as per circulars.</p> <p>4.3.3 Whether card transactions are done as per circulars.</p> <p>4.3.4 Whether foreign exchange transactions are properly recorded and reported in a timely manner.</p> <p>4.3.5 Whether investment in foreign currency are made as per standard approved by the Board of Directors.</p> <p>4.3.6 Whether payments of exports are received and reported timely as per circulars.</p> <p>4.3.7 Whether transactions of Indian currency are made as per circulars.</p> <p>4.4 <u>Payment System Related Directives issued by Payment Systems Department</u></p> <p>4.4.1 Payment system related policies and procedures formulated and followed</p> <p>4.4.2 Adequacy of security maintained in the digital transactions</p> <p>4.4.3 Adequacy of conditions on bilateral agreement with agents and third party</p> <p>4.5 <u>Minimum Capital Fund (Directive No. 1)</u></p> <p>4.5.1 Common Equity Tier I Capital, Tier 1 Capital and Total Capital</p> <p>4.5.2 Risk Weighted Exposures (including Supervisory adjustments)</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.5.4 Loan Loss Provisions in case of restructuring and rescheduling of loans</p> <p>4.5.5 Loan Classification and loan loss provision in respect of force loans</p> <p>4.5.6 Loan Classification and loan loss provision in respect of loan against personal/corporate guarantees</p> <p>4.5.7 Whether the adjustment and Write back of loan loss provision comply with the provisions of the directive</p> <p>4.5.8 Overall opinion on Loan classification & provisioning</p> <p>4.6 <u>Single Obligor Limit & Sectoral Credit Limit (Directive No.3)</u></p> <p>4.6.1 Bank's procedures to identify a group of related borrowers</p> <p>4.6.2 Comment on the Facilities in excess of Single Obligor Limits, if any</p> <p>4.6.3 Loan Loss Provision in case of borrowers availing facilities in excess of the SOL</p> <p>4.6.4 Review and ratification mechanisms for excessive exposures in respect of sectoral credit.</p> <p>4.6.5 Comments on any exceptions on loan to real estate sector.</p> <p>4.7 <u>Accounting Policy & Format of the Financial Statement (Directive No.4)</u></p> <p>4.7.1 Comment on the Consistency of the Accounting Policies and financial reporting framework.</p> <p>4.7.2 Recognition of interest income from loans and advances</p> <p>4.7.3 Reconciliation of Interest Receivable and Interest Suspense</p> <p>4.7.4 Recognition of other interest, fees and commission and expenses.</p> <p>4.7.5 Publication of annual accounts and periodical highlights</p> <p>4.7.6 Non-compliance/deviations in accounting policies followed as compared to prescribed accounting policies by NRB/Nepal Accounting Standard</p>	<p>4.5.3 Compliance of Regulatory Minimum Capital requirements during the fiscal year</p> <p>4.5.4 Comment on the Capital Plan</p> <p>4.5.5 Overall opinion on capital adequacy</p> <p>4.6 <u>Loan Disbursement, Classification and Loan Loss Provisioning (Directive No.2)</u></p> <p>4.6.1 Comment on the Assets Classification</p> <p>4.6.2 Adequacy of Loan Loss Provisions</p> <p>4.6.3 Whether the rescheduling/restructuring comply with the provisions of the directive including regulatory forbearance</p> <p>4.6.4 Adequacy of Loan Loss Provisions in case of restructuring and rescheduling of loans</p> <p>4.6.5 Recognition of Non-Banking Assets and auction in respect of non-banking assets</p> <p>4.6.6 Loan Classification and adequacy of loan loss provision in respect of force loans</p> <p>4.6.7 Loan Classification and adequacy of loan loss provision in respect of loan against personal/corporate guarantees</p> <p>4.6.8 Whether the adjustment and Write back of loan loss provision comply with the provisions of the directive</p> <p>4.6.9 Overall opinion on Loan classification & provisioning</p> <p>4.7 <u>Single Obligor Limit & Sectoral Credit Limit (Directive No.3)</u></p> <p>4.7.1 Bank's procedures to identify a group of related borrowers</p> <p>4.7.2 Comment on the Facilities in excess of Single Obligor Limits, if any</p> <p>4.7.3 Adequacy of Loan Loss Provision in case of borrowers availing facilities in excess of the SOL</p> <p>4.7.4 Review and ratification mechanisms for excessive exposures in respect of sectoral credit.</p> <p>4.7.5 Comments on any exceptions on loan to real estate sector.</p> <p>4.7.6 Comments on any exceptions on margin lending.</p> <p>4.8 <u>Accounting Policy & Format of the Financial Statement (Directive No.4)</u></p> <p>4.8.1 Comment on the Consistency of the Accounting Policies and financial reporting framework.</p>



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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.8 <u>Risk Minimization (Directive No 5)</u></p> <p>4.8.1 Mechanisms to minimize liquidity risk</p> <p>4.8.2 Use of GAP Analysis and other mechanisms to measure and manage interest rate risk</p> <p>4.8.3 Mechanisms to minimize foreign exchange risk</p> <p>4.9 <u>Corporate Governance (Directive No.6)</u></p> <p>4.9.1 Formulation and implementation of required plans, policies and guidelines</p> <p>4.9.2 Code of conduct of Directors, Chief Executive and Employees</p> <p>4.9.3 Cases of conflict of interest of Directors, Chief Executive and Employees</p> <p>4.9.4 Mechanism to identify related parties promoters, directors or senior management.</p> <p>4.9.5 Lending to directors, chief executive, employees (except as per employee rules) and their related parties, if any</p> <p>4.9.6 Level of Corporate governance and compliance of directives related to corporate governance</p> <p>4.10 <u>Implementation of Supervisory Findings (Directive No.7)</u></p> <p>Auditor's finding on the status of compliance of directions given by NRB based on its onsite inspections and offsite supervision</p> <p>4.11 <u>Investments & Subsidiary Company (Directive No.8)</u></p> <p>4.11.1 Investments in unlisted companies</p> <p>4.11.2 Investment in companies with financial interest</p> <p>4.11.3 Investment in shares of other bank/FIs</p> <p>4.11.4 Investments arising out of Underwriting Commitments</p> <p>4.11.5 Investment in shares and debentures exceeding the limits</p> <p>4.11.6 Review of the investment portfolio</p>	<p>4.8.2 Recognition of interest income from loans and advances</p> <p>4.8.3 Reconciliation of Interest Receivable and Interest Suspense</p> <p>4.8.4 Recognition of other interest, fees and commission and expenses.</p> <p>4.8.5 Accounting for Regulatory Reserves, including the movements and changes in Regulatory Reserves</p> <p>4.8.6 Computation of impairment charge as per Expected Credit Loss Related Guidelines issued by NRB</p> <p>4.8.7 Comment on appropriateness and robustness of Expected Credit Loss Models implemented by the B/FI</p> <p>4.8.8 Comment on adequacy of disclosure in the financial statements regarding impairment charge</p> <p>4.8.9 Publication of annual and interim financial statements</p> <p>4.8.10 Non-compliance/deviations in accounting policies followed as compared to prescribed accounting policies by NRB/Nepal Financial Reporting Standards</p> <p>4.9 <u>Risk Management (Directive No 5)</u></p> <p>4.9.1 Mechanisms to manage credit risk</p> <p>4.9.2 Mechanisms to manage operational risk</p> <p>4.9.3 Mechanisms to manage liquidity risk</p> <p>4.9.4 Mechanisms to manage market risk</p> <p>4.9.5 Use of GAP Analysis and other mechanisms to measure and manage interest rate risk</p> <p>4.9.6 Mechanisms to manage foreign exchange risk</p> <p>4.9.7 Mechanisms to manage other inherent risks</p> <p>4.10 <u>Corporate Governance (Directive No.6)</u></p> <p>4.10.1 Formulation and implementation of required plans, policies and guidelines</p> <p>4.10.2 Code of conduct of Directors, Chief Executive and Employees</p> <p>4.10.3 Cases of conflict of interest of Directors, Chief Executive and Employees</p> <p>4.10.4 Mechanism to identify related parties' promoters, directors or senior management.</p> <p>4.10.5 Lending to directors, chief executive, employees (except as per employee rules) and their related parties, if any</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.11.7 Adequacy of provisioning requirements</p> <p>4.11.8 Adequacy of investment adjustment fund requirements</p> <p>4.11.9 Compliance of directives of Investment in shares and other securities of subsidiary(ies).</p> <p>4.11.10 Adequacy of consolidation of transactions with the subsidiary(ies).</p> <p>4.11.11 Harmonized implementation of policies, procedures and systems of holding company in the subsidiary(ies).</p> <p>4.11.12 Transactions not based on competitive market price or unauthorized transactions or transactions not based on Arm's Length relation.</p> <p>4.11.13 Overall level of disclosure of Related Party Transactions in the periodic financial returns.</p> <p>4.12 <u>Reporting Requirements (directive No.9)</u> Comment upon the reliability of mechanism used for NRB reporting and the accuracy of such returns</p> <p>4.13 <u>Sale or Transfer of Promoters Share (Directive No. 10)</u></p> <p>4.13.1 Sale or transfer against the statutory requirements</p> <p>4.13.2 Sale or pledge of promoter shares, during the lock-in period</p> <p>4.13.3 Where the promoter of the Bank is an entity, unauthorized transfer of ownership of such entity</p> <p>4.13.4 Where the promoter of the Bank is an entity, the availability of audited financial statement of such entity for verification</p> <p>4.14 <u>Consortium Financing (Directive No.11)</u></p> <p>4.14.1 Formation and dissolution of consortium</p> <p>4.14.2 Fulfillment of the specified duties of lead bank/member bank, where applicable.</p> <p>4.14.3 Frequency of consortium meetings where it is lead bank/FI</p> <p>4.14.4 Adherence to the spirits of consortium</p> <p>4.15 <u>Credit Information and Blacklisting (Directive No.12)</u></p>	<p>4.10.6 Level of Corporate governance and compliance of directives related to corporate governance</p> <p>4.11 <u>Implementation of Supervisory Findings (Directive No.7)</u> Auditor's finding on the status of compliance of directions given by NRB based on its onsite inspections and offsite supervision</p> <p>4.12 <u>Investments & Subsidiary Company (Directive No.8)</u></p> <p>4.12.1 Investments in unlisted companies</p> <p>4.12.2 Investment in companies with financial interest</p> <p>4.12.3 Investment in shares of other bank/FIs</p> <p>4.12.4 Investments arising out of Underwriting Commitments</p> <p>4.12.5 Investment in shares and debentures exceeding the limits</p> <p>4.12.6 Investment in private equity and venture capital</p> <p>4.12.7 Review of the investment portfolio</p> <p>4.12.8 Adequacy of provisioning requirements</p> <p>4.12.9 Adequacy of investment adjustment fund requirements</p> <p>4.12.10 Compliance with directives of Investment in shares and other securities of subsidiary(ies).</p> <p>4.12.11 Compliance with directives on purchase/construction of fixed assets for self-utilization</p> <p>4.12.12 Adequacy of consolidation of transactions with the subsidiary(ies).</p> <p>4.12.13 Harmonized implementation of policies, procedures and systems of holding company in the subsidiary(ies).</p> <p>4.12.14 Transactions not based on competitive market price or unauthorized transactions or transactions not based on Arm's Length relation.</p> <p>4.12.15 Overall level of disclosure of Related Party Transactions in the periodic financial returns.</p> <p>4.13 <u>Reporting Requirements (Directive No.9)</u></p> <p>4.13.1 Comment upon the reliability of mechanism used for NRB reporting</p> <p>4.13.2 Comment upon timeliness and the accuracy of such reports</p> <p>4.14 <u>Sale or Transfer of Promoters Share (Directive No. 10)</u></p> <p>4.14.1 Sale or transfer against the statutory requirements</p> <p>4.14.2 Sale or pledge of promoter shares, during the lock-in period</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.15.1 Periodic Submission of information to CIC</p> <p>4.15.2 Mechanism to obtain required information from borrowers</p> <p>4.15.3 Credit Information at the time of sanction/renewal/restructuring/rescheduling of facilities</p> <p>4.15.4 Recommending defaulted borrower to the CIC for blacklisting</p> <p>4.15.5 Lending to individual/firm/company included in the blacklist</p> <p>4.16 <u>Cash Reserve/Statutory Liquidity Requirement (Directive No. 13)</u></p> <p>4.16.1 Comment on any exceptions on the maintenance of CRR as stipulated by the directive</p> <p>4.16.2 Comment on any exceptions on the maintenance of SLR as stipulated by the directive</p> <p>4.17 <u>New Branch/Office Operation (Directive No. 14)</u></p> <p>4.17.1 Unauthorized branches/offices/extension counters/remittance counters</p> <p>4.17.2 Unauthorized transactions</p> <p>4.18 <u>Interest Rates (Directive No. 15)</u></p> <p>4.18.1 Interest rate determination procedures</p> <p>4.18.2 Mechanism to determine cost of fund, yield on earning assets and interest spread</p> <p>4.18.3 Publication of interest rates</p> <p>4.19 <u>Mobilization of Financial Resources (Directive No. 16)</u></p> <p>4.19.1 Concentration of deposits</p> <p>4.19.2 Resource mobilization beyond the limit</p> <p>4.19.3 Issuance of debenture and other debt instruments</p>	<p>4.14.3 Where the promoter of the Bank is an entity, unauthorized transfer of ownership of such entity</p> <p>4.14.4 Where the promoter of the Bank is an entity, the availability of audited financial statement of such entity for verification</p> <p>4.15 <u>Consortium Financing (Directive No.11)</u></p> <p>4.15.1 Formation and dissolution of consortium</p> <p>4.15.2 Fulfillment of the specified duties of lead bank/ member bank, where applicable.</p> <p>4.15.3 Frequency of consortium meetings where it is lead bank/FI</p> <p>4.15.4 Adherence to the spirits of consortium</p> <p>4.16 <u>Credit Information and Blacklisting (Directive No.12)</u></p> <p>4.16.1 Periodic Submission of information to CIC</p> <p>4.16.2 Mechanism to obtain required information from borrowers</p> <p>4.16.3 Credit Information at the time of sanction/renewal/restructuring/rescheduling of facilities</p> <p>4.16.4 Recommending defaulted borrower to the CIC for blacklisting</p> <p>4.16.5 Lending to individual/firm/company included in the blacklist</p> <p>4.17 <u>Cash Reserve/Statutory Liquidity Requirement (Directive No. 13)</u></p> <p>4.17.1 Comment on any exceptions on the maintenance of CRR as stipulated by the directive</p> <p>4.17.2 Comment on any exceptions on the maintenance of SLR as stipulated by the directive</p> <p>4.18 <u>New Branch/Office Operation (Directive No. 14)</u></p> <p>4.18.1 Unauthorized branches/offices/extension counters/remittance counters/liaison office/representative office</p> <p>4.18.2 Comment on transactions carried out by branch/liaison office/representative office outside Nepal</p> <p>4.19 <u>Interest Rates (Directive No. 15)</u></p> <p>4.19.1 Interest rate determination procedures</p> <p>4.19.2 Mechanism to determine cost of fund, base rate, yield on earning assets and interest spread</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.20 <u>Deprived Sector Lending (Directive No.17)</u></p> <p>4.20.1 Comment on the exceptions observed in the deprived sector lending</p> <p>4.20.2 Whether the loans classified as deprived sector lending meet the stipulated pre-requisite conditions</p> <p>4.20.3 Monitoring mechanism for utilization of deprived sector lending on a half yearly basis</p> <p>4.21 <u>Merger, Acquisition and Upgradation (Directive No.18)</u></p> <p>4.21.1 Fulfillment of the specified requirements for upgradation by the financial institution, where applicable</p> <p>4.21.2 Whether the minimum capital, capital structure meet the stipulated pre-requisite conditions for merger and/or acquisition, where applicable</p> <p>4.21.3 Trading status of stocks in the stock exchange</p> <p>4.21.4 Compliance of regulatory provisions on the Merger, Acquisition and Upgradation including Fit & Proper Test mentioned in BAFIA, 2073 NRB Act, 2058 and Unified Directives</p> <p>4.21.5 Overall opinion on Merger, Acquisition and Upgradation</p> <p>4.22 <u>AML/CFT (Directive No.19)</u></p> <p>4.22.1 AML/CFT policies, procedures and practices formulated and followed</p> <p>4.22.2 Adequacy of mechanism, procedures and documents for customer due diligence</p> <p>4.22.3 Adequacy of risk-based customer classification and monitoring</p> <p>4.22.4 Mechanism, procedures and documents for customer due diligence</p> <p>4.22.5 Protection of information and documents, including electronic data, of the customer till the period stipulated in the Act and regulations</p> <p>4.22.6 Adequacy of filing and reporting of threshold transactions to Financial Information Unit (FIU)</p>	<p>4.19.3 Publication of interest rates</p> <p>4.20 <u>Mobilization of Financial Resources (Directive No. 16)</u></p> <p>4.20.1 Concentration of deposits</p> <p>4.20.2 Resource mobilization beyond the limit</p> <p>4.20.3 Issuance of perpetual non-cumulative preference share</p> <p>4.20.4 Issuance of debenture and other debt instruments</p> <p>4.21 <u>Deprived Sector and Specified Sector Lending (Directive No.17)</u></p> <p>4.21.1 Comment on the exceptions observed in the deprived sector lending</p> <p>4.21.2 Whether the loans classified as deprived sector lending meet the stipulated pre-requisite conditions</p> <p>4.21.3 Monitoring mechanism for utilization of deprived sector lending on a half yearly basis</p> <p>4.21.4 Comment on the exceptions observed in the specified sector lending</p> <p>4.21.5 Whether the loans classified as specified sector lending meet the regulatory requirements</p> <p>4.22 <u>Merger, Acquisition and Upgradation (Directive No.18)</u></p> <p>4.22.1 Fulfillment of the specified requirements for upgradation by the financial institution, where applicable</p> <p>4.22.2 Whether the minimum capital, capital structure meet the stipulated pre-requisite conditions for merger and/or acquisition, where applicable</p> <p>4.22.3 Trading status of stocks in the stock exchange</p> <p>4.22.4 Compliance of regulatory provisions on the Merger, Acquisition and Upgradation including Fit & Proper Test mentioned in BAFIA, 2073 NRB Act, 2058 and Unified Directives, and Merger Bylaws</p> <p>4.22.5 Overall opinion on Merger, Acquisition and Upgradation</p> <p>4.23 <u>AML/CFT (Directive No.19)</u></p> <p>4.23.1 AML/CFT policies, procedures and practices formulated and followed</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.22.7 Adequacy of filing and reporting of the suspected cases to the internal management and concerned supervisory authorities. Cases of reporting of money laundering and suspected financing to terrorism to FIU</p> <p>4.24 <u>E-banking Directives (Directive issued by Payment Systems Department)</u></p> <p>4.24.1 E-banking policies and procedures formulated and followed</p> <p>4.24.2 Adequacy of security maintained in the e-banking transactions</p> <p>4.24.3 Adequacy of conditions on bilateral agreement with agents and third party</p> <p>4.25 <u>Miscellaneous Directives (Directive No.21)</u></p> <p>4.25.1 Whether insurance agency service offered to its clients</p> <p>4.25.2 Authenticity of computer software used</p> <p>4.25.3 Preparation of documents in the devnagari script of Nepali language as stipulated in the directives</p> <p>4.25.4 Adequacy of security maintained in SWIFT transaction</p> <p>4.25.5 Compliance of taxation, including TDS, and mandatory provisions made by fiscal policy of Government of Nepal</p> <p>4.25.6 Safe Deposit Vault, Locker Service availed</p> <p>4.25.7 Compliance of regulations and laws with respect to Auction</p> <p>4.25.8 Technical Service Agreement, TSA reached, where applicable</p> <p>4.25.9 Adequacy of policies, procedures and mechanism of transactions on derivative products, where applicable</p> <p>4.25.10 Use of Refinancing Facilities availed by the NRB made as per the agreement</p> <p>4.26 Transparency and level of economy in the capital and operating expenditures. Whether Financial Administration Bye-laws is adhered to while incurring such expenditures</p>	<p>4.23.2 Adequacy of mechanism, procedures and documents for customer due diligence</p> <p>4.23.3 Adequacy of risk-based customer classification and monitoring</p> <p>4.23.4 Mechanism, procedures and documents for customer due diligence</p> <p>4.23.5 Protection of information and documents, including electronic data, of the customer till the period stipulated in the Act and regulations</p> <p>4.23.6 Adequacy of filing and reporting of threshold transactions to Financial Information Unit (FIU)</p> <p>4.23.7 Adequacy of filing and reporting of the suspected cases to the internal management and concerned supervisory authorities. Cases of reporting of money laundering and suspected financing to terrorism to FIU</p> <p>4.23.8 Auditor's finding on the status of compliance of directions given by NRB based on its onsite inspections and offsite supervision conducted by NRB</p> <p>4.24 <u>Financial Consumer Protection and Financial Literacy (Directive No. 20)</u></p> <p>4.24.1 Comment on regulatory compliance related with financial service fees</p> <p>4.24.2 Auditor's finding on the status of compliance of directions given by NRB based on its onsite inspections and offsite supervision conducted by NRB</p> <p>4.25 <u>Miscellaneous Directives (Directive No.21)</u></p> <p>4.25.1 Whether insurance agency service offered to its clients</p> <p>4.25.2 Authenticity of computer software used</p> <p>4.25.3 Preparation of documents in the devanagari script of Nepali language as stipulated in the directives</p> <p>4.25.4 Adequacy of security maintained in SWIFT transaction</p> <p>4.25.5 Compliance of taxation, including TDS, and mandatory provisions made by fiscal policy of Government of Nepal</p> <p>4.25.6 Safe Deposit Vault, Locker Service availed</p> <p>4.25.7 Compliance of regulations and laws with respect to Auction</p> <p>4.25.8 Technical Service Agreement, TSA reached, where applicable</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>4.27 <u>Compliance with internal rules, regulations and guidelines</u> Comment on the overall state of compliance with the internal rules, regulations and guidelines</p> <p>4.28 <u>Overall compliance of laws, regulations, circulars, directives and guidelines</u> Comment on the overall state of compliance with the laws, regulations, circulars, directives & guidelines</p> <p>5. OTHERS</p> <p>5.1 Whether guarantees, all other contingent liabilities and off-balance sheet exposures are properly recorded and disclosed</p> <p>5.2 Whether banks have entered into any contracts with related parties including the promoters, directors, shareholders holding more than 1% and their undivided family</p> <p>5.3 Compliance of pre-requisite conditions for Purchase of fixed assets</p> <p>5.4 Compliance of regulatory relaxations issued to curb the impact of Covid-19 pandemic in financial system (including reduction/discount on interest rates)</p> <p>5.5 Any comments or issues, which the auditor feels appropriate to be communicated to the supervisor and is not covered by the above.</p> <p>6. CONCLUSION</p> <p>6.1 Type of Audit opinion expressed in the final audit Report</p> <p>6.1.1 Unqualified</p> <p>6.1.2 Qualified</p> <p>6.1.3 Adverse</p> <p>6.1.4 Disclaimer</p>	<p>4.25.9 Adequacy of policies, procedures and mechanism of transactions on derivative products, where applicable</p> <p>4.25.10 Use of Refinancing Facilities availed by the NRB made as per the agreement</p> <p>4.26 Transparency and level of economy in the capital and operating expenditures. Whether Financial Administration Bye-laws is adhered to while incurring such expenditures</p> <p>4.27 <u>Compliance with internal rules, regulations and guidelines</u> Comment on the overall state of compliance with the internal rules, regulations and guidelines</p> <p>4.28 <u>Overall compliance of laws, regulations, circulars, directives and guidelines</u> Comment on the overall state of compliance with the laws, regulations, circulars, directives & guidelines</p> <p>5. OTHERS</p> <p>5.1 Whether guarantees, all other contingent liabilities/assets and off-balance sheet exposures are properly recorded and disclosed</p> <p>5.2 Whether banks have entered into any contracts with related parties including the promoters, directors, shareholders holding more than 1% and their undivided family</p> <p>5.3 Compliance of pre-requisite conditions for Purchase of fixed assets</p> <p>5.4 Compliance of regulatory relaxations issued to curb the impact of Covid-19 pandemic in financial system (including reduction/discount on interest rates)</p> <p>5.5 Any comments or issues, which the auditor feels appropriate to be communicated to the supervisor and is not covered by the above</p> <p>6. CONCLUSION</p> <p>6.1 Type of Audit opinion expressed in the final audit Report</p> <p>6.1.1 Unqualified</p> <p>6.1.2 Qualified</p> <p>6.1.3 Adverse</p>

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क्र.सं.	व्यवस्था नं.	विद्यमान व्यवस्था	संशोधित व्यवस्था
		<p>6.2 Main reason for the qualified, adverse or disclaimer opinion on the financial statement produced, where applicable.</p> <p>6.3 Areas of operation where it is exposed to excessive risk</p> <p>6.4 The risk areas where bank/FI has not been able to properly address these risks</p> <p>6.4 Comment on the Major Problems faced by the Bank/FI</p> <p>6.5 Overall opinion of the auditor on the operation and financial standing of the Bank/FI</p>	<p>6.1.4 Disclaimer</p> <p>6.2 Main reason for the qualified, adverse or disclaimer opinion on the financial statement produced, where applicable</p> <p>6.3 Areas of operation where it is exposed to excessive risk</p> <p>6.4 The risk areas where bank/FI has not been able to properly address these risks</p> <p>6.5 Comment on the Major Problems faced by the Bank/FI</p> <p>6.6 Overall opinion of the auditor on the operation and financial standing of the Bank/FI</p>