



The 6th BRITACOF

Shared Progress in Taxpayer Service for a Better Business Environment

9-11 September 2025 | Kathmandu, Nepal

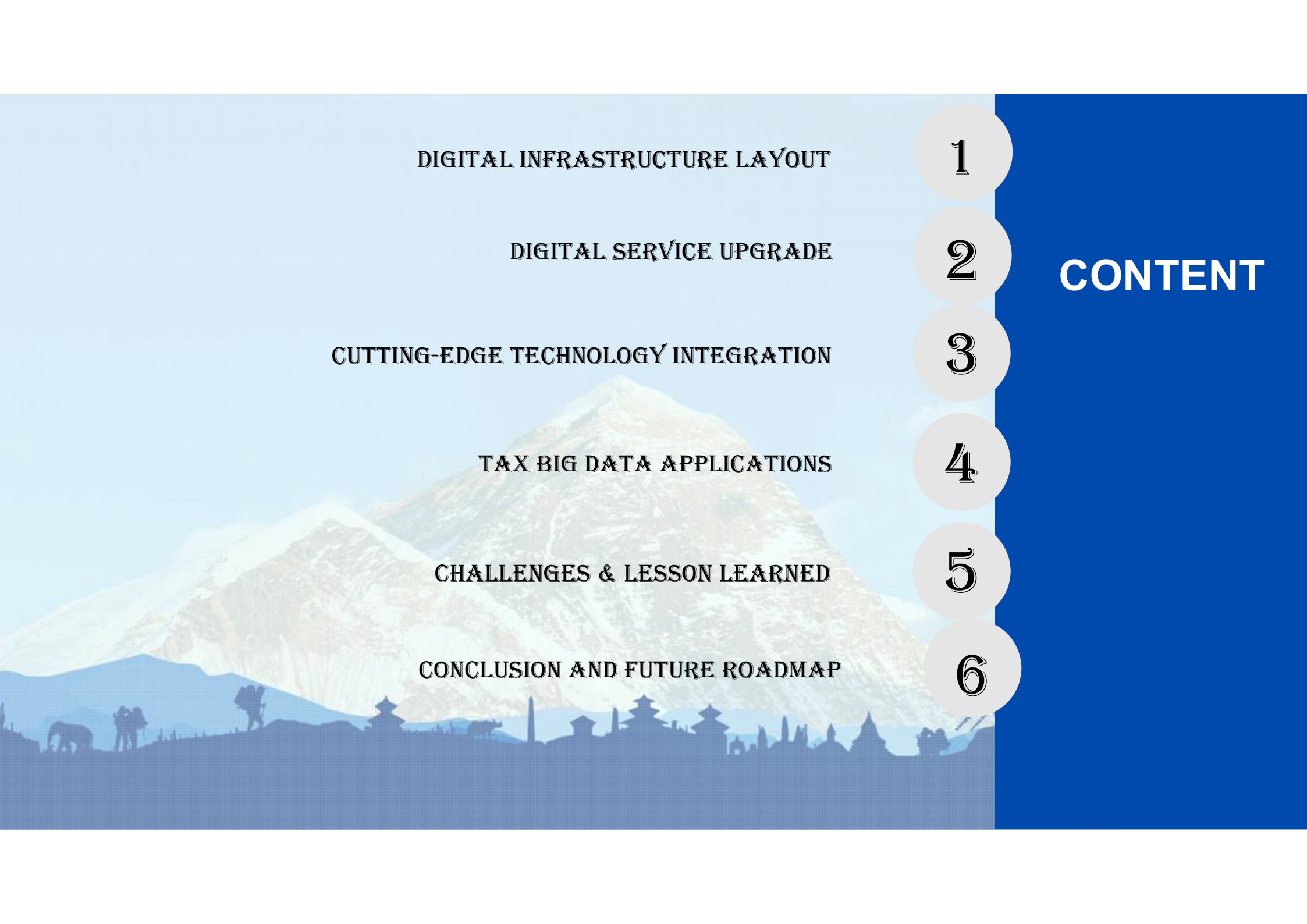


Digital Technology Application in IRD



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DIGITAL INFRASTRUCTURE LAYOUT

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DIGITAL SERVICE UPGRADE

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CUTTING-EDGE TECHNOLOGY INTEGRATION

3

TAX BIG DATA APPLICATIONS

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CHALLENGES & LESSON LEARNED

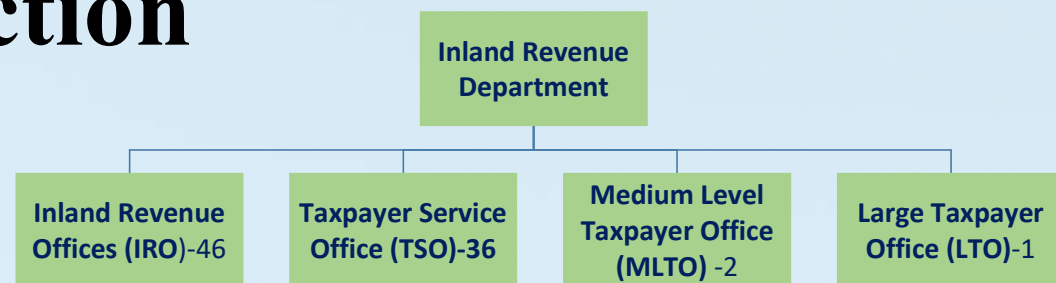
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CONCLUSION AND FUTURE ROADMAP

6

CONTENT

Introduction



IRD Nepal with 85 Offices Nationwide

- IRD Nepal provides tax-related services digitally nationwide through 85 offices.

Digital Journey

- **FY 1997/98:** Journey of digitization began with the VAT Department launching the ProTax System.
- **2008:** Launched the first online application for e>Returns and e-TDS.
- **FY 2013/14:** Implemented the Integrated Tax System (ITS).
- **2018:** Introduced online tax payment through ConnectIPS.

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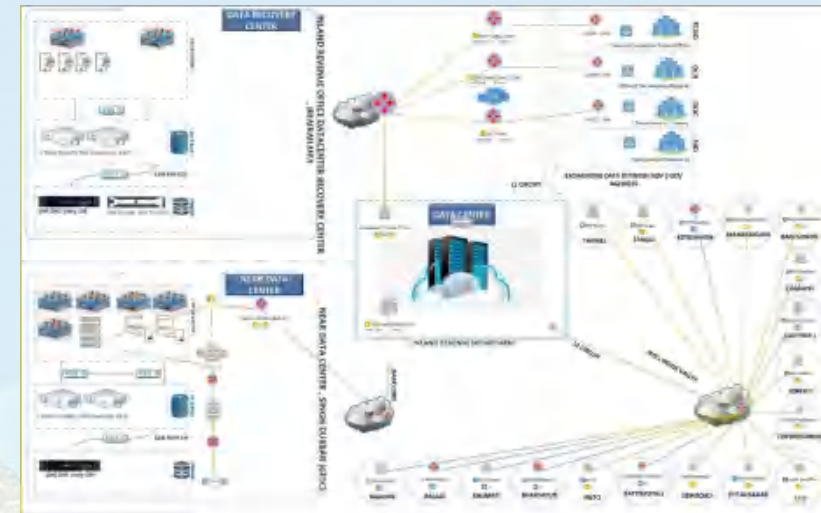
Digital Infrastructure Layout



Digital Infrastructure Layout

Data Center and Data Recovery Center

- Data Center (DC) established in the premises of Inland Revenue Department and
- Disaster Recovery Center (DRC) outside the Kathmandu valley.



Digital Infrastructure Layout

Centralized Web-Based ICT Systems

1. Integrated Tax System (ITS): A proprietary web application, developed in-house, that handles core functions:

- Registration for PAN, VAT, Excise, DST
- e-Filing of Income Tax Return, VAT Return, E-TDS Return, Excise Return
- Notification dissemination
- MIS Report

2. Electronic Internal Monitoring System (EIMS): Performance Based Revenue Office Evaluation System

3. Audit Report Management System (ARMS): Taxpayer Audit report preparation system

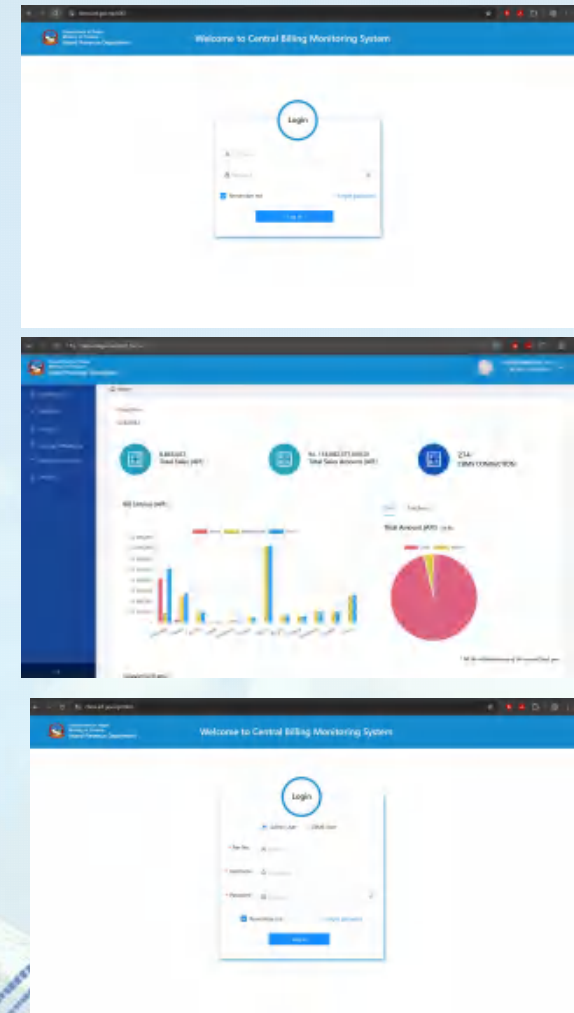


Digital Infrastructure Layout

Centralized Web-Based ICT Systems

4. Central Billing Monitoring System (CBMS) & E-Billing Software

- Automated Billing Vigilance System
- Total taxpayers connected to CBMS (as of Aug 23, 2025): 7,431
- Businesses use IRD listed E-Billing systems to generate invoices.



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Digital Service Upgrades



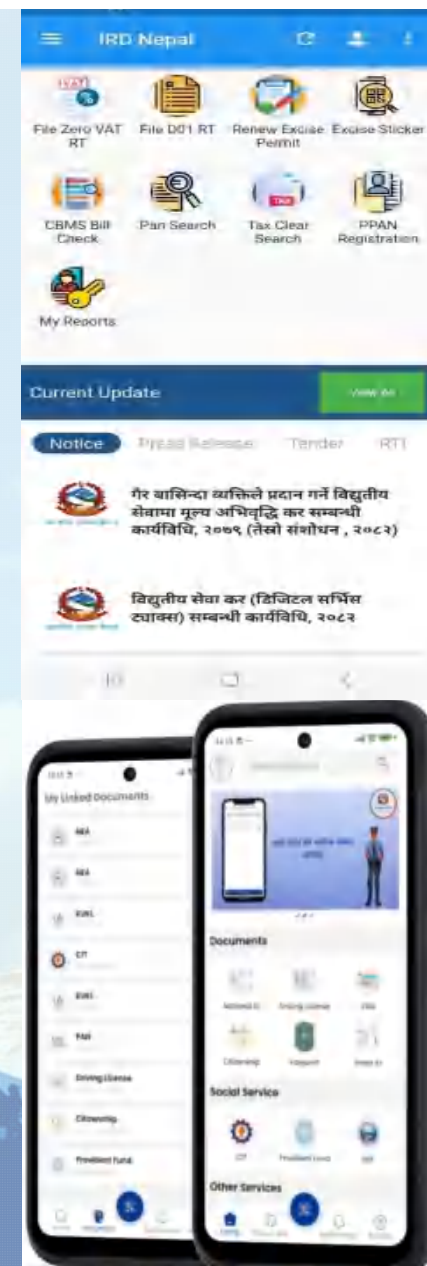
Digital Service Upgrade

Website and Mobile App Services

- Website upgrading with AI-based Chatbot.
- E-Return and E-Payment enabled official app (iOS & Android).

Nagarik App Integration

- IRD services are embedded within the Nagarik App.



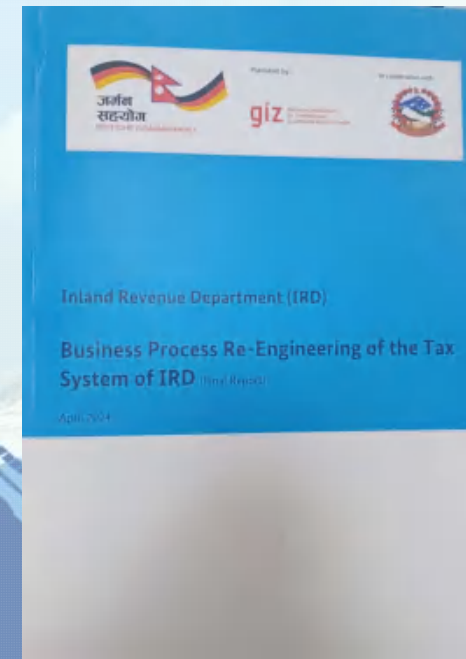
Digital Service Upgrade

ITS upgrade

- ITS migration to new technology and micro-service architecture.
- Upgrading PPAN Registration Form and other Modules of ITS.

Integrated Tax Administration System Development

- Plan to develop a new Integrated Tax Administration System based on the Business Process Reengineering (BPR) Study Report and the forthcoming Detailed Project Report (DPR).



3

Cutting-Edge Technology Integration



Cutting-Edge Technology Integration

Risk Engine

- SQL based taxpayer selection
- Annual review of risk criteria and weightage

Tax Enforcement & Biometric

- Integration with Customs data
- Biometric data capture
- Integration with the National ID (NID) system



5

Tax Big Data Applications

Tax Big Data Applications

Strategic Vision & Mobilization Strategy

- **DRMS 2024/25–28/29:** Prioritizes automation, risk management, coordination, and data-driven administration.
- Plan to establish data warehouse and data mining based on Study Report.
- Implemented data analysis dashboard.

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Challenges & Lesson Learned

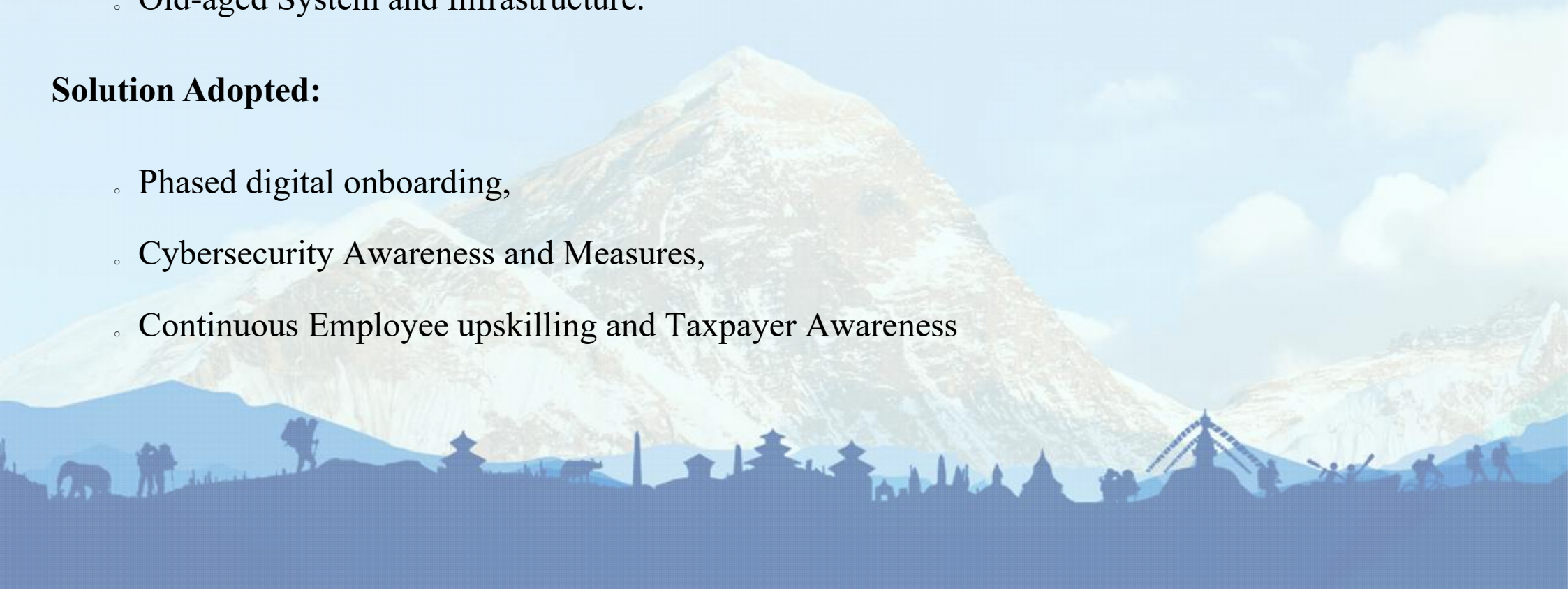


Challenges:

- Digital literacy gaps,
- Ensuring data privacy and Cybersecurity,
- Old-aged System and Infrastructure.

Solution Adopted:

- Phased digital onboarding,
- Cybersecurity Awareness and Measures,
- Continuous Employee upskilling and Taxpayer Awareness



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Conclusion & Future Roadmap



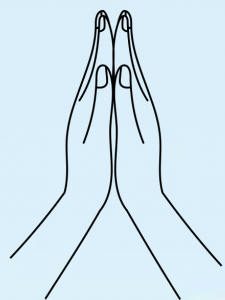
Key Achievements:

- 100% e-filing adoption for Business (BPAN),
- Reduced processing time,
- Enhanced efficiency, transparency, trust and taxpayer compliance.

Next Step:

- Development and deployment of a new Integrated Tax Administration System,
- Improve cybersecurity measures,
- Extensive nationwide digital taxpayer education,
- Collaboration at regional and international levels for capacity building, Knowledge sharing and technical assistance.

"A digital tax system is the pathway to a stronger, more prosperous economy."



Thank you!



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