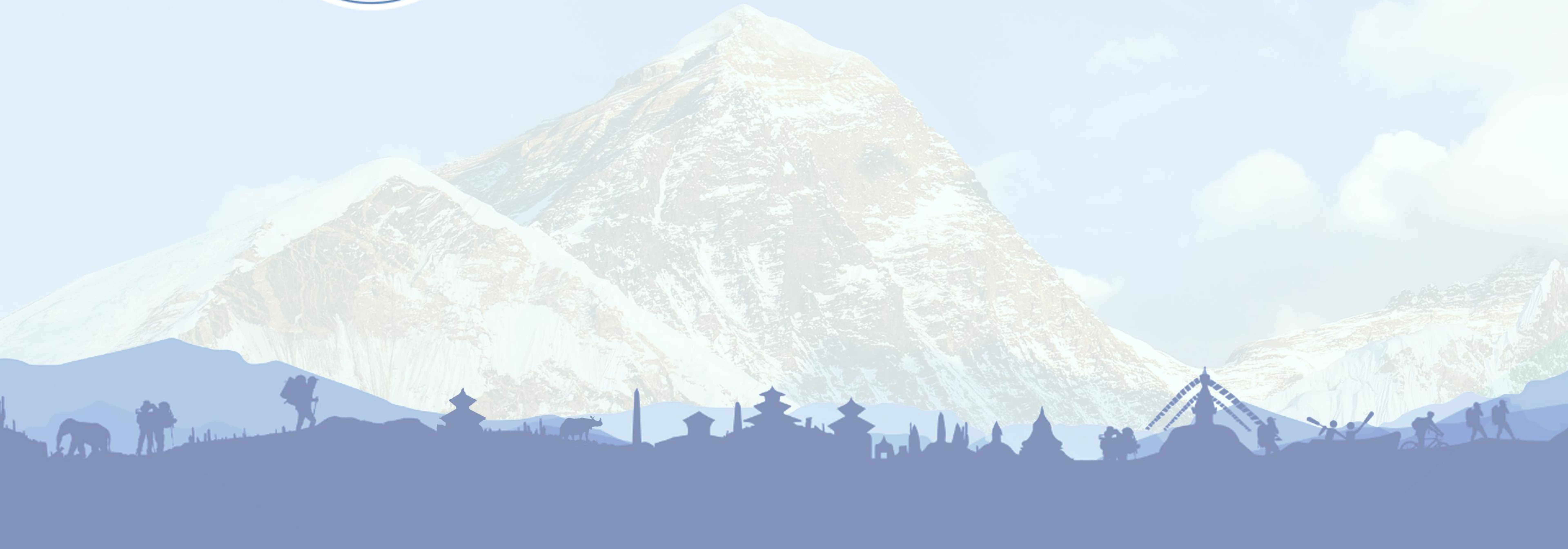
The 6th BRITACOF

Shared Progress in Taxpayer Service for a Better Business Environment

9-11 September 2025 | Kathmandu, Nepal



Keynote Speech

CA. Nil Bahadur Saru Magar
President

The Institute of Chartered Accountants of Nepal

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Nepal: Untapped Promise

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Potential

1. **Hydropower** - Capable of energizing not only our country but the wider region as a whole.

2. **Young & skilled workforce** - ready to lead in the field of technology, entrepreneurship, and sustainable innovation.

3. **Natural beauty & cultural heritage** - an emerging destination for tourism, trade, and investment.

BRI: OPENS THE DOOR

To Global Market, Supply Chains and Opportunities

BUT WE MUST ADDRESS

1. Tax Unpredictability

"Investors seek clarity, not confusion.
Entrepreneurs need stability, not surprises"

2

Significance of BRITACOF

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Is a Forum for building trust & knowledge exchange

As our region stands on the verge of significant growth, we must remember: **regional prosperity is the foundation for national success.**

To Create an investment-friendly region

- Harmonize and liberalize tax and investment policies
- Ensure transparency, predictability, and investor confidence at the regional level

3

Nepal’s Evolving Tax Landscape

Nepal's Evolving Tax Landscape

Progress

- **Digitization and e-filing systems** have improved compliance.
- **Transfer pricing guidelines** reflect our commitment to international standards.
- **Digital Services Tax (DST)** shows responsiveness to the global digital economy.

Nepal's Evolving Tax Landscape

But Challenges Remain

1. **Complex and Ambiguous Tax Laws**
    - Example 1 : Misinterpretation of DTAA
    - Example 2 : Taxation on capitalization of share Premium
2. **Frequent and Unpredictable Policy Changes**
    - Example 1 : Annual budget changes without long-term planning
    - Example 2 : VAT assessments on IT exports
3. **Weak Tax Administration and Narrow Tax Base**

4

WAY Forward

Way Forward for Tax Reform

1. Enhance More Treaty Networks
2. Respect DTAA on Treaty Interpretations
3. Make Capital Laws More Investment Friendly
4. Incorporate Complex Business Transactions
5. Abandon Irrelevant Laws/Directives/Circulars
6. Use Optimum Tax Rates

5

ICAN's Role & Vision

ICAN’s Role & Vision

- Believes that tax policy should strike a balance between **revenue generation** and **enabling Economic Growth.**

- Advocacy for formulation of tax law based on predictability, fairness and simplicity

- Collaboration between ICAN, Accounting Professionals, Government, Private Sector and Other Stakeholder is necessary

- Promoting professional integrity, supporting reform initiatives, and building capacity to strengthen both national and regional tax systems

6

Strengthening BRI Cooperation

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- Collective solutions to resolve issues like tax avoidance, profit shifting, and digital economy
- Sharing best practices
- Coordinate international responses
- Build professional network

Thank you

CA. Nil Bahadur Saru Magar
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