

Relief Announced by Ministry of Finance on 2077-01-14 in the backdrop of COVID-19 Pandemic
(Second Phase)

In relation to Daily wage workers of unorganized sector

- To involve such unemployed workers in public works to be carried out by Local, Province or Central Government and provide wage for such daily work in cash or in kind (food). Local Government to fix the daily wage rate remaining within the limit of relief package. Local Government to identify such families and prepare a record of the same and list out family members seeking for relief in employment service center at local level. To provide relief up to 25% of wage rate determined to ones unwilling to come for work. Ministry of Federal Affairs and General Administration to make necessary coordination to formulate and implement procedure for implementation of the above provision. Person claiming for relief to declare that none of his family members are self-employed, employed in organized sector or have alternate source of income.
- To utilize the funds at Prime Minister Employment program, Prime Minister Agriculture Modernization Project, Local Level Development Programs and Covid-19 Prevention, Control and Treatment Fund to bear wages as provided above.
- Covid-19 Prevention, Control and Treatment Fund maintained at local level to be used for distribution of relief by local government. Province Government to provide necessary amount to such funds from the concerned fund maintained at Province Level and any shortfall amount to be made available by Central Government from central level Covid-19 Prevention, Control and Treatment Fund on the basis of demand.
- NGOs, Association, Organization or person willing to provide help for such program shall provide relief only on the area prescribed by and in coordination with local government.
- Local Government to make special provision for protection of pregnant women, differently abled people, Old age people at old age home, children and orphans at childcare centres during relief distribution program.
- Concerned Ward Chairman and Members also to be made responsible for any relief being distributed to family not qualifying for relief and the relief amount so provided to be recovered as Government Due.

In relation to Industry business and labors of organized sectors

- Labors working in organized sectors should be paid 50% salary of Baisakh 2077 instantly and arrangement should be made to pay remaining 50% after business resumes. To manage liquidity for the same, NRB to make provision of providing loans through BFI's in concessional rate which can be refinanced by NRB.
- Fully closed organizations related to tourism sectors are required to pay 50% salary of Baisakh 2077 instantly and arrangement should be made to pay remaining 50% after resumption of business. To manage liquidity for the same, NRB to make provision of providing loans through BFI's in concessional rate which can be refinanced by NRB.

- If big industrial houses are unable to pay salary/wages because of liquidity problem resulted by lockdown; arrangement to be made for providing loan at concessional rate by obtaining appropriate collateral. The industries requesting loan are required to submit details of withholding tax on salary submitted to IRO as of Poush end 2076.
- To make necessary provision to allow deposit of contribution to SSF, by registered employees for the month of Baisakh and Jestha 2077 by Ashadh end 2077.

Essential Food Stuff supply and service providers:

- Food Management and Trading Company Ltd. and Salt Trading Corporation Limited to continue sale of rice, flour, pulse, salt, sugar, edible oil and related food stuffs at 10% discount on current price. To make provision for buying and distributing the essential food stuffs like wheat, paddy, maize, Buckwheat, Millet, Beans, Pulses etc. from farmers/ producers.
- Nepal Telecom to continue 25% concession on internet and data package fees during lockdown. Private Service providers to also make necessary provisions to provide such discount.
- NEA to continue 25% and 15% discount on electricity bill for household users with monthly consumption up to 150 units and 250 units respectively. NEA to make necessary arrangement for waiver/concession on demand charge to industries during lockdown period.
- To make necessary arrangements for waiver of any fines and charges applicable on late payment of electricity, water, telephone and internet charges from Falgun to Jestha, if paid within Ashadh 2077.
- To continue 50% concession on electricity charges of industries for consumption of spill over energy during the period and time as prescribed by NEA.
- To continue grant through local government equivalent to 25% of transport cost and manage vehicles for such transportation of Milk, Vegetables, Fruits, Fish, Egg, Meat and Food stuffs produced and/or collected at different production center and supplied to nearest market or Kathmandu valley. Ministry of Agriculture and Livestock Development to monitor and ensure the implementation of this provision

Health, Education and House Rent related

- Ministry of Health and Population to be provided with additional budget for supply of Medicines, Health equipment, Sanitizer, Gloves and PPE for use in treatment of Covid-19 and capacity enhancement of hospitals. All related institutions to support for ease supply of such medicines and equipment.
- To continue to provide amount to concerned institution for operation of quarantine and food expenses of people kept in quarantine by avoiding any possibility of double bearing of such expenses at different levels of government.
- To continue free insurance coverage upto 2.5 million till Ashadh end 2077 to Doctors, Nurse, Health technician, female health workers, volunteers, cleaners, ambulance drivers security persons directly involved in prevention, control and treatment of Covid-19. To continue free supply of PPE necessary for treatment of Covid-19.

- Make necessary provisions to ensure adequate supply of health equipment to private health service providers for providing regular health service and continue to provide at least 20% discount on service fee charged upto Ashadh end 2077.
- Provision of providing working capital loan to private schools will be done if they face liquidity problem as schools are required to waive one-month fee up to secondary level except hostel fee
- Local Governments to monitor the implementation of Government's request to waive one month's rent to labor of unorganized sectors. For other than labor of unorganized sectors facility to be provided to pay rent after lockdown when they start earning.

Tax Relief

Exemptions in Custom and Excise Duty

- Exemption as per section 18(1) of Finance Act, 2076 to be provided on Custom duty levied as per Section 2(y) of Customs Act, 2064 till 14th Jestha 2077 (27th June 2020) in respect of import of medicines and health equipment by various organizations and individuals for transfer to these items as an aid to health organizations and locations as recommended by Ministry of Health and Population for prevention, control and treatment of COVID-19.
- Exemption as per section 18(1) of Finance Act, 2076 to be provided on custom duty levied on face mask, sanitizer and surgical gloves under HS CODE 63.07..90.90, 38.08.94.00 and 40.15.11.00 respectively till Jestha 14, 2077 (*Items which arrive at the custom entry point by 14th Jestha 2077*). Sticker clearly mentioning the import date to be affixed on such items and same should not be sold beyond MRP rate fixed by the Ministry of Health and Population. Consumption, distribution and price related to such items shall be monitored by Department of Drug Administration and Department of Commerce, Supply and Consumer Protection.
- If face mask, sanitizer and surgical gloves imported on relief facility provided by the Government are mis utilized or used for the purpose other than mentioned, then the exemptions provided on tariff, fee, duty and taxes shall be recovered and fine of equivalent amount shall be imposed thereon.
- Excise duty shall be fully exempt on purchase of quantity of Ethanol (C₂H₅OH) recommended by Department of Drug Administration by manufacturer from domestic industries for production of sanitizer
- Provision will be made not to levy Demurrage and Detention Charges on containers and trucks which are in the process of import and export.
- Additional 15 days after end of lockdown is granted for filing an application for Review of Valuation under Custom Act, 2064

Extension of timeline for payment of tax and filing return

- Due Date for deposit of VAT Liability and submission of VAT Return as per VAT Act, 2052 for the months of Falgun and Chaitra 2076/bi-monthly period of Magh and Falgun 2076/ 2nd trimester for the period Mangsir to Falgun 2076 is extended till Jestha 25, 2077 (7th June, 2020).

- In case of expiry of time limit to apply for VAT Refund as per Section 25D of VAT Act, 2052, the same time limit will be extended till Jestha 25, 2077 (7th June 2020)
- Due Date for deposit of Excise Duty and submission of Excise Duty Return as per Excise Act, 2058 for the months of Falgun and Chaitra 2076 is extended till Jestha 25, 2077 (7th June 2020).
- Due Date for deposit of withholding tax amount and submission of withholding tax return as per Income Tax Act, 2058 for the months of Falgun and Chaitra 2076 is extended till Jestha 25, 2077 (7th June 2020).
- Due Date for deposit of 2nd installment tax amount and submission of revised installment tax return for FY 2076/77 is extended till Jestha 25, 2077 (7th June 2020).
- Due Date for deposit of followings for the month of Falgun and Chaitra 2076 is extended till Jestha 25, 2077 (7th June 2020):
 - ❖ Education Service Tax as per Section 8(2) of Finance Act, 2076
 - ❖ Telephone Ownership Fee as per Section 14(2) of Finance Act, 2076
 - ❖ Telecommunication Service Fee as per Section 15(3) of Finance Act, 2076
- Additional 15 days after end of lockdown is granted to the taxpayers to request for administrative review in case a taxpayer is dissatisfied with assessment made by tax officer in relation to VAT, income tax and excise duty as per Section 31A of VAT Act, 2052, Section 115 of Income Tax Act, 2058 and Section 19 of Excise Duty Act 2058 respectively.

Banking, Insurance and Securities Related

Bank & Foreign Exchange Related

- NRB to make provision for continuation of earlier provision regarding restructuring of loan and loan classification for the loans availed from BFI's by the business, who have faced problem from lock down.
- To increase the capacity of providing refinancing facility to 100 billion and NRB to make arrangement to reduce interest rate of refinance facility. NRB to make arrangement to provide working loan at privileged rate to Small & Cottage Industries for operation.
- Arrangement to be made to increase repayment date of interest & principal of Chaitra 2076 and Baishakh 2077 in respect of the loans availed from BFIs by borrowers affected by Covid-19.
- BFI's to maintain fund for non-performing loan and other supervisory/regulatory ratios as it is till Ashadh end 2077.
- BFIs to provide service to its customers by electronic means and until next notice, continuity should be given for not levying additional charges for such services.
- To continue provision of including loans, provided to private health service provider that intends to expand/enhance service for treatment of Covid-19, in priority sector,
- To continue provision of providing exchange facility of minimal foreign currency required for students in foreign country even in the absence of "No Objection Letter" from Ministry of Education till Ashadh end 2077.

- NRB to make arrangement for providing rebate in interest to be paid in this quarter end for loans provided from BFIs.

Insurance related

- To make necessary arrangement to extend the period of renewal of insurance policies during the lockdown period, against written request of the insured (including request from electronic means), upto 15 days from the expiry of lockdown.
- To extend the timeline for collection of life insurance premium due during the lockdown period upto Jestha end 2077 and not to charge any interest on same upto extended period.
- To extend the renewal deadline (during Chaitra 2076 and Baisakh 2077) for license of insurance agent and surveyor upto Ashadh end 2077 and no fines to be charged on same.
- In case of claim received by non-life insurance (including those received through electronic means), to make necessary arrangement for survey of the loss immediately after the ease of lockdown.

Securities related

- For transactions pending settlement due to lockdown, to extend the deadline for settlement upto Ashadh end 2077.
- To extend the deadline for submission of reports and documents by the Listed Companies up to Ashadh end 2077.

Other Policy Provisions

- To identify and list out in employment service center at local level, the unemployed unorganized sector labors, Person holding approval for foreign employment but deprived from travel due to Covid-19 pandemic and labor force returned to Nepal from foreign employment and involve them in public construction works as well as in productive activities in line with prime minister Employment program. To continue the provision upto Ashadh end 2077.
- To increase effectiveness of diplomatic agencies to remain informed about Nepalese labors in foreign employment, regularly initiate on matters of remuneration, facilities etc with concerned foreign government and to monitor their situation regularly.
- To extend the contract period for maximum period of 2 months against request received for public procurement contract entered prior to lockdown. BFIs to extend the expiry of bank guarantee (expiring during the month of Baisakh in respect of such extended contracts) for 1 month from the expiry of lockdown in respect of those bank guarantees without taking any fees/charges.
- Concerned entity to operate additional financial activities for supply of essential goods, Public construction, continuation of fundamental services and management of unemployed workers.