

OECD GLOBAL FORUM MEMBER

# Nepal Enters the Global Tax Transparency Era

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# Mechanism for Global Tax Transparency

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## EOIR

### Exchange of Information on Request

Tax authorities can request specific financial data on named taxpayers from any member jurisdiction.

## AEOI

### Automatic Exchange of Information

Annual automatic sharing of financial account data - no request needed, no hiding.

## CRS

### Common Reporting Standard

Global standard for financial institutions to collect & report non-resident account details.

## PEER REVIEW

### Peer Review Monitoring

OECD evaluates each member's compliance with transparency standards every review cycle.

# The Transformation

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## BEFORE



Limited data from bilateral agreements only

Hard to trace offshore income & assets

High financial opacity for HNWI's

Reactive enforcement post-detection

IRD had limited cross-border reach

## NOW



Automatic exchange with 173 jurisdictions

Real-time financial account visibility

Systematic monitoring of beneficial owners

Proactive data-driven enforcement

IRD integrated into global compliance grid

# What Changes Inside Nepal

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## Compliance Enforcement

IRD gains access to offshore account data. Disclosure failures carry heightened legal exposure.



## Revenue Visibility

Government can systematically identify undisclosed foreign income and untaxed capital flows.



## KYC & AML Tightening

Financial institutions must upgrade KYC, beneficial ownership registers, and AML frameworks.



## Peer Review Pressure

Nepal's implementation will be formally reviewed by OECD Global Forum.



## Regulatory Modernisation

Revenue administration, legal frameworks, and data infrastructure aligned to OECD standards.



## International Standing

Signals commitment to global financial governance - improving sovereign creditworthiness.

# Implications - Stakeholders required to act



**Multinational Corporations**



**IT / Outsourcing Firms**



**Exporters & JV Partners**



**High-Net-Worth Individuals**

## CRITICAL COMPLIANCE QUESTIONS

### 1. Foreign Account Disclosure

Do you hold bank accounts, investments, or assets in jurisdictions covered by CRS?

### 2. CRS Compliance Readiness

Are your financial institutions and advisors aligned with Common Reporting Standard requirements?

### 3. Double Taxation Exposure

Are you claiming applicable DTAAs to prevent double taxation under expanded reporting?

### 4. Beneficial Ownership

Is your corporate structure's beneficial ownership accurately registered per IRD guidelines?

# Nepal as a Trusted Global Outsourcing Destination

*OECD membership transforms Nepal from a low-cost option to a Globally compliant, credentialed outsourcing hub.*

## OECD Alignment

Nepal's membership signals adherence to internationally accepted governance standards , a key due diligence criteria for global clients.



## Enhanced Global Credibility

Positions Nepal-based FAO and IT firms as compliant, trustworthy partners for regulated industries in the EU, UK, and Australia.



## Competitive Differentiation

As tax compliance tightens globally, clients will increasingly favour outsourcing destinations with transparent, auditable frameworks.



## For Further Consultation, Please contact:

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