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Nepali authoritative text

जोखिम व्यवस्थापनसम्बन्धी व्यवस्था

Controlled English translation

Provisions Relating to Risk Management

Legal unit

Nepali authoritative text

इ.प्रा. निर्देशन नं. ५/०८२

जोखिम व्यवस्थापनसम्बन्धी व्यवस्था

यस बैंकबाट ‘क’, ‘ख’ र ‘ग’ वर्गका इजाजतपत्रप्राप्त संस्थाको कारोबारमा निहित कर्जा, सञ्चालन, तरलता, बजार, ब्याजदर तथा विदेशी विनिमय लगायतका जोखिम व्यवस्थापनका सम्बन्धमा नेपाल राष्ट्र बैंक ऐन, २०५८ को दफा ७९ ले दिएको अधिकार प्रयोग गरी यो निर्देशन जारी गरिएको छ।

Controlled English translation

Directive No. 5/2082

Provisions Relating to Risk Management

In exercise of the authority conferred by Section 79 of the Nepal Rastra Bank Act, 2058, this Directive is issued for the management of credit, operational, liquidity, market, interest-rate, foreign-exchange and other risks inherent in the business of Class ‘A’, ‘B’ and ‘C’ licensed institutions.

१ 1. Risk Management

Nepali authoritative text

संस्थाले सामना गर्ने जोखिमको पहिचान, मापन, अनुगमन, व्यवस्थापन, नियन्त्रण र रिपोर्टिङ्का लागि सुदृढ जोखिम व्यवस्थापन संरचना तयार गरी कार्यान्वयन गर्नुपर्नेछ। प्रभावकारी जोखिम व्यवस्थापनका लागि संस्थाका सबै क्षेत्र समेट्ने पूर्ण र एकीकृत पद्धति अपनाउनुपर्नेछ। संस्थागत सुशासन र सुदृढ जोखिम व्यवस्थापनबीच प्रभावकारी सम्बन्ध स्थापित हुने गरी संस्थाले जोखिम व्यवस्थापनप्रति पूर्ण प्रतिबद्धता व्यक्त गर्नुपर्नेछ।

Controlled English translation

An institution shall establish and implement a sound framework for identifying, measuring, monitoring, managing, controlling and reporting the risks it faces. Effective risk management shall follow a comprehensive and integrated approach covering the entire institution. The institution shall demonstrate full commitment to risk management so that an effective relationship is established between corporate governance and sound risk management.

२ 2. Risk Management Program

Nepali authoritative text

(१) जोखिम व्यवस्थापन संरचनाले कम्तीमा देहाय समेट्नुपर्नेछ: (क) सञ्चालक समिति र उच्च व्यवस्थापनको सक्रिय निगरानी (Oversight); (ख) नीति तथा प्रक्रियाको पर्याप्तता; (ग) प्रभावकारी Risk Management Function; (घ) उपयुक्त व्यवस्थापन सूचना प्रणाली; र (ङ) प्रभावकारी आन्तरिक नियन्त्रण प्रणाली तथा Limits।

(२) सञ्चालक समतिलिे संस्थाले बहन गर्न चाहेको जोखमि (Risk Appetite) र ग्राह्य सीमा (Tolerance Limit) पहचिान गरी जोखमि रणनीति तय गर्नुपर्नेछ। संस्थाको समग्र जोखमि व्यवस्थापनका लागि सञ्चालक समतिि उत्तरदायी हुनेछ।

(३) संस्थामा नहिति महत्वपूर्ण मूलभूत जोखमि (Material Risks) सम्बोधन गर्ने नीति तथा कार्यवधिि सञ्चालक समतिबिाट स्वीकृत हुनुपर्नेछ; कम्तीमा वार्षकि पुनरावलोकन र आवश्यकताअनुसार अद्यावधकि गर्नुपर्नेछ। उच्च व्यवस्थापनले जोखमिसम्बन्धी नीति, कार्यवधिि र प्रक्रयिा कार्यान्वयन गर्नुपर्नेछ। सञ्चालक समतिि र उच्च व्यवस्थापनले जोखमि प्रतविेदन कम्तीमा त्रैमासकि र आवश्यकताअनुसार जुनसुकै समयमा अध्ययन तथा छलफल गर्नुपर्नेछ।

(४) प्रमुख जोखमि अधकिृत (Chief Risk Officer—CRO) वा समान पदअन्तर्गत स्वतन्त्र जोखमि व्यवस्थापन कार्य कायम गर्नुपर्नेछ। संस्थाको आकार र कारोबारअनुसार प्रत्येक जोखमिका लागि अलग वा संयुक्त इकाइ/महाशाखा राख्न सकनिेछ। Risk Management Function ले कम्तीमा: (क) जोखमि नीति तथा कार्यवधिकिो तर्जुमा/अद्यावधकि प्रक्रयिा व्यवस्थापन; (ख) सबै कार्यगत इकाइका material risks को नयिमति अनुगमन र अप्रत्याशति जोखमिबारे नर्णियकर्तालाई समयमै सचेत; (ग) जोखमि प्रतविेदन तयार गरी जोखमि व्यवस्थापन समतिि र सञ्चालक समतिमिा पेश; र (घ) जोखमि व्यवस्थापनका सबै पक्षको प्रभावकारी कार्यान्वयनमा सहयोग गर्नुपर्नेछ।

(५) संस्थाको आकार, प्रकृति र कार्यअनुसार CRO को काम, कर्तव्य र अधकिार तोक्नुपर्नेछ। CRO ले सञ्चालक समतिि स्तरीय जोखमि व्यवस्थापन समतिमिा आवधकि रुपमा प्रत्यक्ष रपिोर्टङि गर्नुपर्नेछ।

(६) व्यावसायकि कार्य र जोखमि व्यवस्थापन कार्यलाई Conflict of Interest नहुने गरी अलग राख्नुपर्नेछ। जोखमि व्यवस्थापनलाई जोखमि वभिाग/इकाइको मात्र जम्मिेवारी मान्न हुँदैन; business function पहलिो सुरक्षाघेरा (First Line of Defence) हुनुपर्नेछ। प्रत्येक कर्मचारी आफ्नो जम्मिेवारीप्रति सचेत हुने गरी Risk Culture वकिास गर्नुपर्नेछ।

(७) Risk Appetite र Tolerance Limit भत्रि जोखमि राख्ने गरी सबल Internal Control System कायम गर्नुपर्नेछ। आन्तरकि नयिन्त्रणको सबलता र पर्याप्तता सुनश्चिति गर्न प्रभावकारी लेखापरीक्षण गराउन सञ्चालक समति/जोखमि व्यवस्थापन समतिि प्रतबिद्ध हुनुपर्नेछ।

(८) सबै material risks का लागि लागू नीति, प्रक्रयिा, CRO को कार्यादेश र Risk Governance Structure समेटएिको वार्षकि प्रतविेदन आर्थकि वर्ष समाप्त भएको एक महनिाभत्रि सम्बन्धति सुपरविेक्षण वभिागमा पेश गर्नुपर्नेछ।

Controlled English translation

(1) The risk-management framework shall at least include: (a) active oversight by the Board and senior management; (b) adequate policies and procedures; (c) an effective Risk Management Function; (d) an appropriate management information system; and (e) an effective internal-control system and limits.

(2) The Board shall identify the institution's Risk Appetite and Tolerance Limit and set its risk strategy. The Board shall be responsible for the institution's overall risk management.

(3) Policies and procedures addressing the institution's material risks shall be approved by the Board, reviewed at least annually and updated as necessary. Senior management shall implement the risk policies, procedures and processes. The Board and senior management shall review and discuss risk reports at least quarterly and whenever otherwise necessary.

(4) An independent Risk Management Function headed by a Chief Risk Officer (CRO) or equivalent officer shall be maintained. Separate or combined units/divisions may be created for individual risks according to the institution's size and business. The function shall at least: (a) manage the process for formulating and updating risk policies and procedures; (b) regularly monitor material risks in all functional units and promptly alert decision-makers to unexpected risks; (c) prepare risk reports and submit them to the Risk Management Committee and Board; and (d) support effective implementation of all aspects of risk management.

(5) The duties, responsibilities and authority of the CRO shall be specified in a manner commensurate with the institution's size, nature and functions. The CRO shall report directly and periodically to the Board-level Risk Management Committee.

(6) Business functions and risk-management functions shall be separated so as to avoid conflicts of interest. Risk management shall not be treated solely as the responsibility of the risk department/unit; the business function shall serve as the First Line of Defence. A Risk Culture shall be developed under which every employee remains alert to their own responsibilities.

(7) A sound Internal Control System shall be maintained to keep risks within the approved Risk Appetite and Tolerance Limit. The Board/Risk Management Committee shall ensure effective audit of the strength and adequacy of internal

controls.

(8) An annual report covering policies and processes implemented for all material risks, the CRO's mandate and the Risk Governance Structure shall be submitted to the concerned Supervision Department within one month after the end of the financial year.

३ 3. Classification of Risks

Nepali authoritative text

प्रभावकारी जोखमि व्यवस्थापनका लागि जोखमिलाई: (क) कर्जा जोखमि; (ख) सञ्चालन जोखमि; (ग) तरलता जोखमि; (घ) बजार जोखमि; (ङ) ब्याजदर जोखमि; (च) वदिेशी वनिमिय जोखमि; र (छ) अन्य जोखमिमा वर्गीकरण गर्नुपर्नेछ।

Controlled English translation

For effective risk management, risks shall be classified as: (a) credit risk; (b) operational risk; (c) liquidity risk; (d) market risk; (e) interest-rate risk; (f) foreign-exchange risk; and (g) other risks.

४ 4. Credit-Risk Management

Nepali authoritative text

(१) नर्दिेशन नं. २ को कर्जा वर्गीकरण तथा कर्जा नोक्सानी व्यवस्था, नर्दिेशन नं. ३ को एकल ग्राहक/क्षेत्रगत सीमा र नर्दिेशन नं. ८ को लगानीसम्बन्धी व्यवस्थालाई कर्जा तथा लगानी जोखमि न्यूनीकरणको आधार मान्नुपर्नेछ।

(२) कर्जा जोखमि पहिचान, मापन, अनुगमन र नयिन्त्रण गर्न सक्षम उपयुक्त नीति तथा कार्यवधि अपनाउनुपर्नेछ।

(३) समग्र कर्जा अख्तियारी संरचना स्वीकृत गर्ने जम्मिेवारी सञ्चालक समतिको हुनेछ। संस्थाको आकार र कारोबारअनुसार उच्च व्यवस्थापनलाई प्रत्यायोजति कर्जा अख्तियारी स्पष्ट हुनुपर्नेछ।

(४) Business Solicitation, कर्जा मूल्याङ्कन, कर्जा स्वीकृति, कर्जा प्रवाह र ऋणी सम्बन्ध व्यवस्थापन अलग-अलग कार्यका रुपमा व्यवस्थति गर्नुपर्नेछ।

(५) नयाँ कर्जा, नवीकरण वा वद्यिमान सुवधिा थप गर्दा पर्याप्त credit-analysis criteria तय गर्नुपर्नेछ। कर्जा स्वीकृत प्रयोजनमै उपयोग हुने/भइरहेको सुनश्चिति गर्न पर्याप्त आधार वश्लिेषण गर्नुपर्नेछ।

(६) 'क' वर्गका वाणज्यि बैंक र 'ख' वर्गका राष्ट्रयिस्तरका वकिास बैंकले कर्जा प्रस्ताव मूल्याङ्कनका लागि Credit Risk Rating System वकिास गर्नुपर्नेछ। प्रणालीले ग्राहक तथा व्यवसायको creditworthiness समेटी rating लाई borrower Due Diligence को आधार बनाउनुपर्नेछ; अन्तर्राष्ट्रयि उत्कृष्ट अभ्यास अपनाउन सकनिेछ।

(७) कर्जा कागजात, भुक्तानी अनुगमन, कर्जा फाइल/सुरक्षण अभलिेख र व्यक्तगित सूचनाको अद्यावधकिका लागि उचति Credit Administration Function अपनाउनुपर्नेछ।

(८) सबै कर्जाको एकल तथा क्षेत्रगत आवधकि पुनरावलोकन गरी त्यसलाई ग्राहक सम्बन्ध व्यवस्थापन रणनीतकिो आधार बनाउनुपर्नेछ।

(९) Board-approved Risk Appetite, Tolerance Limit र नयिामकीय व्यवस्था दृष्टगित गरी संस्थालाई आफ्नै क्षेत्रगत, उद्देश्यगत, नष्क्रियि कर्जा लगायतका सीमा नर्धिारण गर्न प्रेरति गरएिको छ।

(१०) नष्क्रियि कर्जाको उचति व्यवस्थापनका लागि उपयुक्त नीति तथा प्रक्रयिा कार्यान्वयनमा हुनुपर्नेछ।

(११) Consortium Loan मा जोखमि वश्लिेषणको प्रमुख जम्मिेवारी Lead Bank को हुनेछ; सहभागी बैंकले स्वतन्त्र वश्लिेषण गर्न सक्नेछन्।

(१२) बैंक तथा वत्तिीय संस्थाले Unique Document Identification Number (UDIN) उल्लेख भएको लेखापरीक्षण प्रतविेदन मात्र स्वीकार गर्नुपर्नेछ। ICAN को वेबसाइटस्थति UDIN portal बाट पेश ववरिण यथार्थ रहेको यकनि गरेको व्यहोरा कर्जा फाइलमा स्पष्ट उल्लेख गर्नुपर्नेछ।

Controlled English translation

(1) Directive No. 2 on loan classification and loan-loss provisioning, Directive No. 3 on single-obligor and sectoral limits, and Directive No. 8 on investments shall serve as the basis for mitigating credit and investment risk.

(2) Appropriate policies and procedures capable of identifying, measuring, monitoring and controlling credit risk shall be adopted.

(3) The Board shall approve the overall credit-authority structure. Credit authority delegated to senior management shall be clearly defined according to the institution's size and business.

(4) Business solicitation, credit appraisal, credit approval, disbursement and borrower-relationship management shall be organised as separate functions.

(5) Adequate credit-analysis criteria shall be established for new lending, renewal and enhancement of existing facilities. Sufficient grounds shall be analysed to ensure that credit is and continues to be used for its approved purpose.

(6) Class 'A' commercial banks and national-level Class 'B' development banks shall develop a Credit Risk Rating System for evaluating credit proposals. It shall effectively capture customer and business creditworthiness and serve as a basis for borrower Due Diligence; international best practices may be followed.

(7) An appropriate Credit Administration Function shall be maintained for credit documentation, repayment monitoring, credit-file and security records, and updated personal information.

(8) All credits shall be reviewed periodically on both individual and sectoral bases, and such review shall form a basis for customer-relationship strategy.

(9) Institutions are encouraged to set their own sectoral, purpose-based, non-performing-loan and other limits, having regard to Board-approved Risk Appetite, Tolerance Limits and regulatory requirements.

(10) Appropriate policies and processes for the proper management of non-performing loans shall be implemented.

(11) For a consortium loan, the Lead Bank shall bear primary responsibility for risk analysis; participating banks may also perform their own analysis.

(12) A bank or financial institution shall accept only an audit report bearing a Unique Document Identification Number (UDIN). The credit file shall clearly record verification through the UDIN portal on the Institute of Chartered Accountants of Nepal's website that the submitted particulars are authentic.

५ 5. Operational-Risk Management

Nepali authoritative text

(क) जनशक्ति, प्रक्रिया, प्रणाली र बाह्य घटनाबाट सिर्जित सञ्चालन जोखिमका लागि उपयुक्त नीति तथा कार्यविधि लागू गर्नुपर्नेछ; लेखा, सूचना प्रविधि, जनशक्ति, नगद तथा बैंकिङ कारोबार लगायत सबै सञ्चालन इकाइका जोखिम समेटिनुपर्नेछ।

(ख) प्रभावकारी आन्तरिक नियन्त्रण र सूचना प्रणाली विकास गर्नुपर्नेछ। प्रत्येक शाखा/विभाग/कार्यालयको आन्तरिक लेखापरीक्षण प्रतिवेदनले सञ्चालन जोखिम व्यवस्थापनका उपायको पर्याप्ततामा टिप्पणी गर्नुपर्नेछ।

(ग) सञ्चालन जोखिमको नियमित अनुगमन तथा loss events सम्बन्धी महत्वपूर्ण सूचना—घटनाको प्रकृति, गम्भीरता, वित्तीय क्षति आदि—व्यवस्थित रुपमा अभिलेख हुने प्रणाली अपनाउनुपर्नेछ।

(घ) उचित Disaster Recovery र Business Continuity Plan तयार गरी प्रकोपबीच पनि व्यवसाय निरन्तरता सुनिश्चित गर्नुपर्नेछ; योजना वार्षिक drill गरी अद्यावधिक गर्नुपर्नेछ।

(ङ) एउटै कर्मचारीमाथि अत्यधिक निर्भरता, लामो समय एउटै स्थानमा पदस्थापन वा कर्मचारी मिलेमतोबाट हुने जोखिम घटाउन पदस्थापन तथा सरुवा प्रभावकारी हुनुपर्नेछ।

(च) प्राकृतिक प्रकोप लगायतका घटनाबाट वित्तीय प्रणालीको निरन्तरतामा पर्ने असर घटाउन Continuity Management Framework तयार गरी लागू गर्नुपर्नेछ।

(छ) सञ्चालन जोखिम घटाई ग्राहकलाई सुरक्षित बैंकिङ सेवा सुनिश्चित गर्न Chip-based debit, credit, prepaid आदि कार्ड मात्र जारी गर्नुपर्नेछ।

Controlled English translation

(a) Appropriate policies and procedures shall address operational risks arising from people, processes, systems and external events, including risks in accounting, IT, human resources, cash and banking operations and all operating units.

(b) Effective internal-control and information systems shall be developed. Internal-audit reports for each branch, department and office shall comment on the adequacy of measures for managing operational risk.

(c) A system shall provide regular monitoring of operational risks and systematic recording of material information on loss events, including their nature, severity and financial loss.

(d) Appropriate Disaster Recovery and Business Continuity Plans shall ensure continuity through disasters; they shall be tested through annual drills and updated.

(e) Posting and transfer practices shall mitigate staff-related risks arising from excessive dependence on one employee, prolonged posting in one location or collusion.

(f) A Continuity Management Framework shall be prepared and implemented to mitigate adverse effects of natural disasters and similar events on business continuity in the financial system.

(g) Only chip-based debit, credit, prepaid and similar cards shall be issued to reduce operational risk and assure customers of secure banking services.

६ 6. Liquidity-Risk Management

Nepali authoritative text

(१) व्यवसायको प्रकृति, आकार र कारोबारअनुसार procedures/guidelines सहित उपयुक्त Liquidity Risk Management Policy लागू गर्नुपर्नेछ।

(२) सम्पत्ति तथा दायित्वलाई Maturity Period अनुसार Time Intervals मा वर्गीकरण गरी फाराम नं. ५.१ को Liquidity Profile त्रैमासिक तयार गरी असोज, पुस, चैत र असार मसान्तपछि १५ दिनभित्र सम्बन्धित सुपरिवेक्षण विभागमा पेश गर्नुपर्नेछ।

(३) समय अन्तराल: (क) ९० दिनसम्म; (ख) ९० दिनभन्दा बढी १८० दिनसम्म; (ग) १८० दिनभन्दा बढी २७० दिनसम्म; (घ) २७० दिनभन्दा बढी एक वर्षसम्म; र (ङ) एक वर्षभन्दा बढी maturity भएका सम्पत्ति/दायित्व।

(४) निश्चित maturity भएका सम्पत्ति तथा दायित्वलाई उपबुँदा (३) का समय अन्तरालमा समावेश गर्नुपर्नेछ।

(५) निश्चित maturity नभएका चल्ती/बचत निक्षेपमध्ये core deposit तथा न्यूनतम स्थायी मौज्दातको अनुमानित अंश एक वर्षभन्दा बढीको interval मा राख्नुपर्नेछ। संस्थाले यथार्थ अनुमान गर्नुपर्नेछ; सामान्यतः स्थायी रहने चल्ती निक्षेप अंश core deposit मानिनेछ।

(६) Credit-Deposit Ratio (CD Ratio) को अधिकतम सीमा ९० प्रतिशत हुनेछ।

स्पष्टीकरण—(क) पुँजीकोषमा समावेश ऋणपत्रबाहेक अन्य ऋणपत्र, एक वर्ष वा बढी अवधिको विदेशी-मुद्रा ऋण र नेपाल राष्ट्र बैंकको पुनरकर्जा निक्षेपका रुपमा गणना गर्न सकिनेछ। ऋणपत्र पुँजीकोषको अङ्ग हुने/नहुने कुरा जारी गर्दाकै समयमा तोक्नुपर्नेछ। २०७८/०५/०८ अघि जारी ऋणपत्र २०८० पुस मसान्तसम्म १०० प्रतिशत र त्यसपछि २०८१ असार मसान्तसम्म ५० प्रतिशत निक्षेपका रुपमा गणना गर्न सकिन्थ्यो।

(ख) सीमा नाघेको संस्थाले क्रमिक रुपमा घटाई २०७९ असार मसान्तभित्र सीमा कायम गर्न, मासिक अनुगमनसहित निक्षेप परिचालन/कर्जा प्रवाह व्यवस्थित गर्न र सञ्चालक समितिबाट स्वीकृत कार्ययोजना पेश गरी लागू गर्नुपर्ने व्यवस्था थियो।

(ग) CD Ratio मा interbank deposits समावेश गर्न पाइने छैन। 'Interbank deposit' भन्नाले एक इजाजतपत्रप्राप्त संस्थाले अर्को संस्थालाई दिएको कर्जा/सापटी सोही संस्थामा निक्षेपका रुपमा राखिएको रकम हो।

(७) CD Ratio अनुगमन तथा हर्जाना: (क) दैनिक अनुगमन; (ख) मासिक औसतमा सीमा नाघे सम्बन्धित सुपरिवेक्षण विभागबाट प्रचलित Bank Rate का आधारमा हर्जाना; (ग) महिनाको प्रत्येक कार्यदिनका आधारमा मासिक औसत; र (घ) सीमा नाघे देहायको सूत्र। तर २०७९ पुस १ देखि Net Liquid Assets to Total Deposit Ratio कम्तीमा २२ प्रतिशत भएका संस्थामा हर्जाना नलाग्ने।

हर्जाना = [(मासिक औसत कर्जा बक्यौता ९०% ले कायम हुने मासिक औसत रकम) बैंक दर] (१०० १२)

(८) समग्र तरलता व्यवस्थापनका लागि Assets Liabilities Committee (ALCO) जस्ता संरचना हुनुपर्नेछ। ALCO नियमित बैठक बसी तरलता समीक्षा र जोखिम Tolerance Limit भित्र राख्ने उपाय अपनाउनुपर्नेछ।

(९) तरलता दबाबको समयमा कोष जुटाउन Contingency Funding Plan हुनुपर्नेछ।

(१०) सञ्चालक समिति र उच्च व्यवस्थापनले तरलता/तरलता जोखिम प्रतिवेदन नियमित अध्ययन तथा छलफल गर्नुपर्नेछ। ALCO बैठकका विषय र निर्णय त्रैमासिक रुपमा सञ्चालक समितिमा पेश गर्नुपर्नेछ।

(११) Board-approved Risk Appetite/Tolerance Limit र नियामकीय सीमा दृष्टिगत गरी व्यवसायको आकार/प्रकृतिअनुसार CRR, statutory liquidity र loan-to-resource mobilisation जस्ता liquidity limits तोक्न प्रेरित गरिएको छ।

Controlled English translation

(1) An appropriate Liquidity Risk Management Policy, including procedures and guidelines commensurate with the nature, size and business of the institution, shall be implemented.

(2) Assets and liabilities shall be classified into Time Intervals by Maturity Period. The quarterly Liquidity Profile in Form No. 5.1 shall be submitted to the concerned Supervision Department within 15 days after the ends of Ashwin, Poush, Chaitra and Ashadh.

(3) Time intervals shall be: (a) up to 90 days; (b) over 90 days up to 180 days; (c) over 180 days up to 270 days; (d) over 270 days up to one year; and (e) over one year.

(4) Assets and liabilities with fixed maturity shall be placed in the corresponding intervals under sub-clause (3).

(5) Of current and savings deposits without fixed maturity, the estimated core-deposit/minimum-stable-balance portion shall be included in the over-one-year interval. The institution shall make a realistic estimate; ordinarily, the permanently stable portion of current deposits shall be treated as core deposits.

(6) The maximum Credit-Deposit Ratio (CD Ratio) shall be 90 percent.

Explanation—(a) Debentures other than those forming part of the capital fund, foreign-currency borrowings of one year or more, and refinance provided by Nepal Rastra Bank may be counted as deposits. Whether a debenture forms part of capital shall be specified at issuance. For debentures issued before 2078/05/08, 100 percent could be counted through Poush-end 2080 and 50 percent thereafter through Ashadh-end 2081.

(b) An institution exceeding the limit was required to reduce it gradually by Ashadh-end 2079, manage deposits and lending with monthly monitoring, and submit and implement a Board-approved action plan.

(c) Interbank deposits shall not be included in the CD Ratio. An 'interbank deposit' means an amount lent by one licensed institution to another and placed as a deposit with that same borrowing institution.

(7) CD Ratio monitoring and penalty: (a) daily monitoring; (b) a penalty based on the prevailing Bank Rate through the concerned Supervision Department where the monthly average exceeds the limit; (c) the monthly average based on every working day of the month; and (d) the following formula where the limit is exceeded. From Poush 1, 2079, no such penalty applies where the Net Liquid Assets to Total Deposit Ratio is at least 22 percent.

Penalty = [(Monthly average outstanding credit monthly average amount corresponding to 90%) Bank Rate] (100
12)

(8) A specialised structure such as an Assets Liabilities Committee (ALCO) shall manage overall liquidity. It shall meet regularly, review liquidity and take measures to keep liquidity risk within the Tolerance Limit.

(9) A Contingency Funding Plan shall be maintained for raising funds during liquidity stress.

(10) The Board and senior management shall regularly review liquidity and liquidity-risk reports. ALCO agenda items and decisions shall be submitted quarterly to the Board for discussion.

(11) Institutions are encouraged to set liquidity limits—such as CRR, statutory liquidity and loan-to-resource-mobilisation limits—appropriate to their business size and nature, having regard to Board-approved Risk Appetite/Tolerance Limits and regulatory limits.

७ 7. Market-Risk Management

Nepali authoritative text

(१) मूल्य र ब्याजदर जस्ता परिसूचकको उतारचढावबाट हुने material market risk का लागि आवश्यक नीति तथा कार्यविधि हुनुपर्नेछ।

(२) 'क' वर्गका वाणिज्य बैंकले Treasury Management सम्बन्धी जोखिम अनुगमन, मापन र विश्लेषणका लागि Middle Office स्थापना गर्नुपर्नेछ। Middle Office Treasury Functions बाट स्वतन्त्र रही जोखिम व्यवस्थापन विभाग/इकाइलाई समेत रिपोर्ट गर्नुपर्नेछ।

Controlled English translation

(1) Necessary policies and procedures shall manage material market risk arising from fluctuations in indicators such as prices and interest rates.

(2) Class 'A' commercial banks shall establish a Middle Office to monitor, measure and analyse Treasury Management risks. It shall be independent of Treasury Functions and shall also report to the risk-management department/unit.

८ 8. Interest-Rate-Risk Management

Nepali authoritative text

(१) ब्याजदर उतारचढावको जोखिम उचित रुपमा सम्बोधन गर्ने नीति तथा कार्यविधि हुनुपर्नेछ।

(२) (क) Interest-Sensitive Assets and Liabilities मात्र समावेश गर्नुपर्नेछ। (ख) Maturity Mismatch को Gap Analysis मा Cash Balance र Non-Interest-Bearing Accounts समावेश गर्न पाइने छैन। (ग) फाराम नं. ५.२ को विवरण त्रैमासिक तयार गरी १५ दिनभित्र सम्बन्धित सुपरिवेक्षण विभागमा पेश गर्नुपर्नेछ।

(३) Time Intervals निर्देशन फाराम नं. ५.२ को Interest-Rate Risk Monitoring Table बमोजिम वर्गीकरण गर्नुपर्नेछ।

(४) Fixed Maturity नभएका सम्पत्ति/दायित्व: (क)(१) periodically adjusted floating-rate loan लाई interest-reset interval मा; (२) treasury-bill rate जस्ता विशेष दरसँग समायोजन हुने term loan लाई shortest time interval मा; र (ख) interest-sensitive floating-rate liabilities लाई interest-reset interval मा राख्नुपर्नेछ।

(५) Gap मापन: (क) प्रत्येक interval का total assets बाट total liabilities घटाई positive/negative Gap; (ख) सो interval सहित अघिल्ला intervals का gaps जोडेर Cumulative Gap; (ग) सम्भावित interest-rate change को estimate—सामान्यतः १ percentage point; (घ) समयावधिअनुसार समायोजित Interest Rate Change (IRC) = interval का दिन/३६५ अनुमानित दर परिवर्तन (उदाहरण: ९०/३६५ ०.०१ = ०.००२५); र (ङ) नाफा/नोक्सान असर = Cumulative Gap adjusted IRC निर्धारण गर्नुपर्नेछ।

(६) New Product को अवधारणा बनाउँदा ब्याजदर उतारचढावले वासलातमा पार्ने असर मूल्याङ्कन गर्नुपर्नेछ। संस्थालाई Pricing, Repricing र Competitive Analysis सम्बन्धी विधि तथा रणनीति तयार गरी लागू गर्न प्रेरित गरिएको छ।

Controlled English translation

(1) Appropriate policies and procedures shall address risks arising from interest-rate fluctuations.

(2) (a) Only Interest-Sensitive Assets and Liabilities shall be included. (b) Cash Balance and Non-Interest-Bearing Accounts shall be excluded from Gap Analysis of Maturity Mismatch. (c) Form No. 5.2 shall be prepared quarterly and submitted to the concerned Supervision Department within 15 days after quarter-end.

(3) Time Intervals shall be classified in accordance with the Interest-Rate Risk Monitoring Table in Form No. 5.2.

(4) Assets/liabilities without fixed maturity: (a)(1) a periodically adjusted floating-rate loan shall be placed in its interest-reset interval; (2) a term loan linked to a specified rate such as the Treasury-bill rate shall be placed in the shortest interval; and (b) interest-sensitive floating-rate liabilities shall be placed in their interest-reset interval.

(5) Gap measurement: (a) determine each interval's positive or negative Gap by subtracting total liabilities from total assets; (b) determine Cumulative Gap by adding the current and all preceding gaps; (c) estimate the possible interest-rate change—ordinarily one percentage point; (d) calculate the time-adjusted Interest Rate Change (IRC) as days in interval/365 estimated rate change (example: 90/365 0.01 = 0.0025); and (e) determine the impact on profit or loss as Cumulative Gap adjusted IRC.

(6) When designing a New Product, the impact of interest-rate fluctuations on the balance sheet shall be assessed. Institutions are encouraged to formulate and implement methods and strategies for Pricing, Repricing and Competitive Analysis.

९ 9. Foreign-Exchange-Risk Management

Nepali authoritative text

(१) वनिमियदर उतारचढावबाट हुने जोखमि व्यवस्थापनका लागि उचति नीति तथा कार्यवधि हिुनुपर्नेछ र संस्थाको आय/पुँजीमा सम्भावति असर मूल्याङ्कन गर्नुपर्नेछ।

(२) फाराम नं. ५.३ को ववरिण मासकि रुपमा महनिा समाप्त भएको सात दनिभत्रि सम्बन्धति सुपरविक्षण वभिागमा पठाउनुपर्नेछ।

(३) नर्दिेशन नं. ४ बमोजमि Exchange Fluctuation Reserve कायम गर्नुपर्नेछ।

(४) वदिेशी वनिमियलाई मुद्रा र short-term/long-term maturity का आधारमा वर्गीकरण गरी दुवै अवधकिो Net Position देखाउनुपर्नेछ। ‘अल्पकालीन’ भन्नाले एक महनिा वा कम अवधि हिो।

(५) दैनकि net foreign-exchange position अघल्लिो त्रैमासको Tier 1 Capital को बढीमा ३० प्रतशित हुनेछ। सीमा नाघे एक महनिाभत्रि सीमामा ल्याउनुपर्नेछ; नल्याए नेपाल राष्ट्र बैंक ऐन, २०५८ बमोजमि कारवाही हुनेछ। गणनामा Foreign Currency Deposit Liability, forward foreign-exchange purchases/sales र अन्य derivatives समायोजन गर्नुपर्नेछ।

(६) वासलातभत्रि/बाहरिका कारोबारबाट हुने foreign-exchange risk को उचति लेखाजोखा, मूल्याङ्कन र व्यवस्थापन गर्न संस्था सक्षम हुनुपर्नेछ।

Controlled English translation

(1) Appropriate policies and procedures shall manage exchange-rate risk, and the potential impact on the institution’s income and capital shall be assessed.

(2) The monthly return in Form No. 5.3 shall be submitted to the concerned Supervision Department within seven days after month-end.

(3) An Exchange Fluctuation Reserve shall be maintained under Directive No. 4.

(4) Foreign-exchange positions shall be classified by currency and short-/long-term maturity, showing the Net Position for each period. ‘Short-term’ means one month or less.

(5) The daily net foreign-exchange position shall not exceed 30 percent of Tier 1 Capital for the preceding quarter. An excess shall be brought within the limit within one month, failing which action shall be taken under the Nepal Rastra Bank Act, 2058. Foreign Currency Deposit Liabilities, forward foreign-exchange purchases/sales and other derivatives shall be adjusted in the calculation.

(6) The institution shall be capable of properly assessing, measuring and managing foreign-exchange risks arising from on- and off-balance-sheet transactions.

१० 10. Management of Other Risks

Nepali authoritative text

Reputation Risk, Strategic Risk, AML/CFT Risk, Legal Risk तथा Environmental, Social and Climate Change Risk लगायत अन्य जोखमि पहचिान गरी पर्याप्त नीति तथा कार्यवधि तिर्जुमा गर्नुपर्नेछ।

Controlled English translation

Other risks—including Reputation Risk, Strategic Risk, AML/CFT Risk, Legal Risk, and Environmental, Social and Climate Change Risk—shall be identified, and adequate policies and procedures shall be formulated for their management.

११ 11. Risk Management Guidelines

Nepali authoritative text

इजाजतपत्रप्राप्त संस्थाको जोखिम व्यवस्थापन सुदृढ गर्न नेपाल राष्ट्र बैंकबाट जारी Risk Management Guidelines समेत आधारका रुपमा लिनुपर्नेछ।

Controlled English translation

The Risk Management Guidelines issued by Nepal Rastra Bank shall also be used as a basis for strengthening risk management in licensed institutions.

१२ 12. Stress-Testing Guidelines

Nepali authoritative text

तोकिएको Stress Testing Guidelines बमोजिम नियमित stress tests गर्नुपर्नेछ। थप व्यवस्था: (क) त्रैमासिक वित्तीय विवरणका आधारमा परीक्षण गरी परिणाम सञ्चालक समिति र उच्च व्यवस्थापनमा छलफल; (ख) NRB-prepared spreadsheet सम्बन्धित Supervision Department को Off-site Division बाट प्राप्त गर्न सकिने; र (ग) spreadsheet का data/results प्रत्येक त्रैमास समाप्त भएको ३० दिनभित्र Off-site Unit मा उपलब्ध गराउनुपर्नेछ।

Controlled English translation

Regular stress tests shall be conducted under the prescribed Stress Testing Guidelines. Additionally: (a) tests shall be based on quarterly financial statements and results discussed by the Board and senior management; (b) the NRB-prepared spreadsheet may be obtained from the Off-site Division of the concerned Supervision Department; and (c) the spreadsheet's data and results shall be provided to the Off-site Unit within 30 days after each quarter-end.

१३ 13. Repeal and Saving

Nepali authoritative text

(१) एकीकृत निर्देशन, २०८१ अन्तर्गत जोखिम व्यवस्थापनसम्बन्धी निर्देशन नं. ५/०८१ र त्यसपछि २०८२ माघ २ सम्म यस विषयमा जारी सबै परिपत्र खारेज गरिएको छ।

(२) खारेज निर्देशन तथा परिपत्रअन्तर्गत भए गरेका काम कारवाही यसै निर्देशनबमोजिम भए गरेको मानिनेछ।

Controlled English translation

(1) Directive No. 5/2081 on risk management under the Unified Directives, 2081, and all related circulars issued thereafter up to Magh 2, 2082, are repealed.

(2) Acts and actions performed under the repealed directives and circulars shall be deemed to have been performed under this Directive.

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