

SALIENT FEATURES:

- Compilation of interesting and relevant news, views and facts
- Well written, informed and authoritative sources
- A quick read
- A completely a-political and also an a-industry selection

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65 years of Independence

India celebrates her 65th Independence Day! NICCI wishes the Nation the Best in its endeavour to be the economic engine for the prosperity of her people, her neighbours and the region at large.



Nepal shares a privileged relation with India; a geopolitical advantage the two can harness for mutual benefit.

The lessons India has learnt in its journey of liberalisation and globalisation are a source of inspiration to this northern neighbour.

Movements in India, small & big send ripples in Nepal, Be it the Anna Hazare call, or Mumbai blasts, FDI in education or corporate scams. We here, applaud the good and deplore the wrong. And, Celebrate the phenomenon called India !

India has a responsibility towards its neighbours, as she knowingly or unknowingly sets trends; raises debates and throws up solutions.

This 65th year of Independence also brings in 20 years of liberalization. and the question remains: has India delivered to its people the fruits of her 'tryst with destiny'.

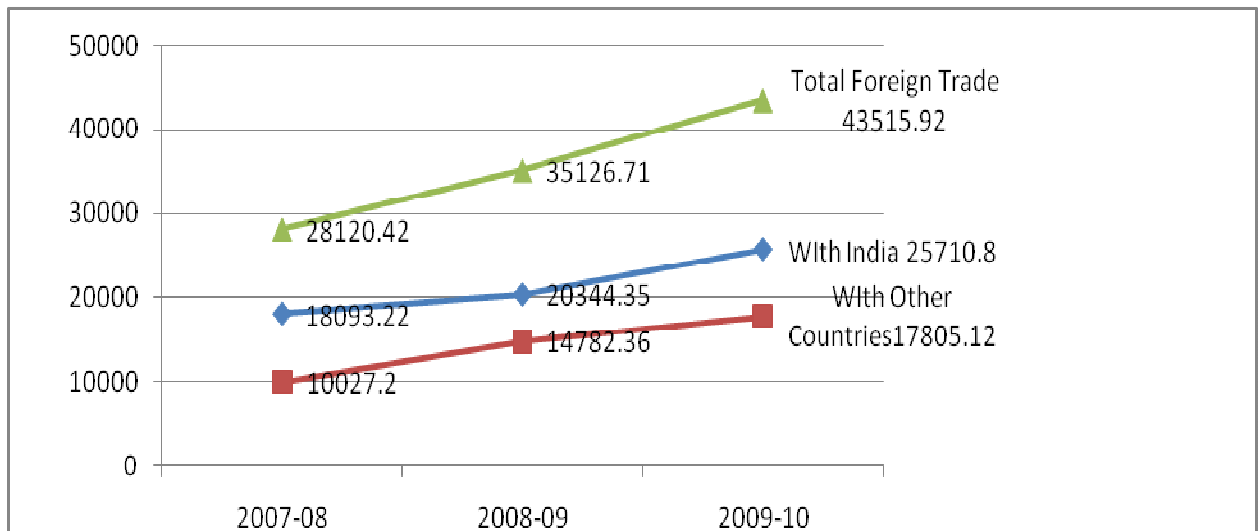
Farewell, Your Excellency

His Excellency, Ambassador of India to Nepal, Shri Rakesh Sood completes his tenure at India House.

NICCI has had a great Patron in him. His vision & guidance has led to the restructuring and rejuvenation of this Chamber. His warm disposition and clarity into affairs of economic relations has endeared him to many. On behalf of NICCI, the Executive Committee presented a Memento as a token of appreciation & gratitude at a farewell evening, organized on Wednesday, Aug 10th. The DCM, FS-Economic & FS-PIC graced the evening.



Total Foreign trade (NRs in 10 million)



Bi-national Chambers meet

A Bi-national chambers' meet was organized & hosted by the Nepal-Malaysia Chamber to address issues that these Chambers have with the FNCCI. The grief was over 2 main points: disbursement of the monies due for the CO to the Chambers & the Response mechanism and handling of queries at the FNCCI. The common voice was that of asking FNCCI to 'take note' of this Body as an integral & important part of the Federation. The President, FNCCI, was equally direct in his response and asked for a 'working together' approach to matters. All conceded that the Representation of the Bi-national Chambers had got better & the presence of Mr Chandra Dhakal as an Exec Member on the FNCCI is expected to make communication better. The next meeting with a specific focus & suggested mechanisms for working to be organized by the NICCI in a month's time.

Everything can be taken from a man but the last of human freedoms – the ability to choose one's attitude in a given set of circumstances'

VIKTOR FRANKL
'MAN'S SEARCH FOR
MEANING'

Upcoming

- * **Kathmandu Literary Jatra:** An International Literature festival from Sept 16-18, 2011
- * **Made in SAARC Trade Fair:** This mega event will be in Kathmandu from Sept 22 – 25, 2011
- * **31st IITF, Indian International Trade Fair:** India Trade Promotion Organisation organizes the Trade fair from Nov 14-27, 2011 in New Delhi
- * **NEXPO—2011, Birgunj:** BCCI organizes a mega expo from Poush 1-10, 2068; i.e Dec 16-25, 2011

Preferred tax gateways to India

SINGAPORE: The equatorial island nations of Mauritius and Singapore are competing for the role of preferred gateway for foreign investments into India and other Asian countries. Companies and investors use gateway countries so they can earn profits in such places as India, China and Indonesia. Favorable tax treaties let them send dividends and other payments to such places as Mauritius and Singapore while paying little or no tax.

Such Treaties are often portrayed as vital to avoiding double taxation of the same money and thus encouraging cross-border investments. Countries with tax treaties that enable lightly taxed or tax-free profits can benefit if their rules require local work by accountants, bankers, executives, investment bankers and lawyers, who earn high pay and require little in government services.

But just as tax laws can be drafted to fashion loopholes, so too can tax treaties.

One of the biggest loopholes involves what is commonly known as circular movement of capital known as round tripping

Would this status of preferred gateway for foreign investments in India lead to 'Round tripping'? Round tripping involves getting the money out of one country, say India, sending it to a place like Mauritius and then, dressed up to look like foreign capital, sending it back home to earn tax-favored profits. The problem for the home country is that native profits escape taxation & instead of foreign capital flowing into the country, local capital just gets a free ride.

*Round tripping
allows native
profits to escape
taxation & come
back dressed as
'foreign capital'*

Approach a Credit rating agency ?

Small and medium enterprises (SMEs) often face problems in seeking finance. According to an RBI report on trends and progress in banking 2010, only 13% of the registered SMEs have access to finance from formal sources.

Rating agencies assess a firm's financial viability and capability to honour business obligations, provide an insight into its sales, operational and financial composition, thereby assessing the risk element, and highlights the overall health of the enterprise. They also benchmark its performance within the industry.

Rating agencies usually have eight grades, ranging from SME 1-8, with 1 denoting the highest rating and 8 the lowest. For providing this service, the agencies charge a fee which is based on the firm's turnover and ranges from 0.44 to 1.21 lac. These ratings are valid for a year and can be renewed by paying an appropriate fee.





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HELLO !

The NICCI Newsletter has been revived.

Issue 1 of this year has gone to print and the distribution would begin next week.

*If you do not want to miss your copy, **Ensure** that the Secretariat has **your correct address for mailing**, contact numbers and email ids too.*

Do not miss out on what NICCI is doing!

Help us connect with you!

Write your response, question or suggestion to

editor@nicci.org



Missed last Issue!

Read it on: www.nicci.org.np

Calling members to clear outstanding Fees

NICCI appreciates your being a member and your participation. NICCI moves to become a professional Bilateral Chamber. A Chamber where **being a Member is** a thing of **pride** and not a favour. A Chamber where **Members contribute** to it **because they are interested** in doing so & are not dragged ! A Chamber that serves the Members in their business interests. A **Chamber that is a presence** on appropriate forums for advocacy & policy dialogue.

As professionals, I am sure you agree that the Membership fee is a small token for all this and more. Non payment of Fees reflects poorly on You & NICCI.

We request you to kindly **CLEAR** your outstanding dues before Bhadra 20, 2068. The Fee for the year 2068-69 to be paid by Bhadra 30, 2068.

The Secretariat has begun to call & meet such members personally. There is an attractive offer of waivers, renewals, new membership and withdrawals.

'Quality of membership first, Numbers only second'

