

# **Guideline to Filling the Annual Statement of Withholding Tax (WHT) / Advance Income Tax (AIT) Year of Assessment 2020/2021**

In terms of the provisions in the Inland Revenue Act No. 24 of 2017 (**IRA**), every **withholding agent** is required to submit an Annual Statement (**Form No. Asmt.WHT\_001\_E**), with the Schedules provided under section 86 of the IRA, for the year of assessment 2020/2021, on or before **30<sup>th</sup> April 2021**.

You are required to pay attention to the followings, when submitting the Annual Statement and Schedules on WHT/AIT.

## **1. Submission of Annual Statement of Withholding Tax (WHT) / Advance Income Tax (AIT) and Schedules**

I. You can submit the duly completed Annual Statement and Schedules for WHT/AIT in following ways;

**(a) By Post**

Statements can be posted to the following address:

The Commissioner  
Central Document Management Unit (CDMU)  
Department of Inland Revenue,  
P.O. Box 515,  
Colombo 02.

**(b) By Hand**

Statements can be handed over to the CDMU at 1<sup>st</sup> Floor of IRD Head Office or to any Regional Office or Metro Branch.

**(c) Through e-Service**

The statements can be submitted through e-service and this will be available for users after 15<sup>th</sup> April, 2021.

*It is recommended to use e-service to file the annual statement and schedules. To avoid unnecessary technological issues, you are advised to submit early, than waiting until last moment of the due date. .*

II. You are required to pay your attention to the following when submitting the **Schedules** for WHT/AIT;

a. If the aggregate number of records in the schedule are greater **than 20**;

- i. It is compulsory to submit your **Schedules through e-service under the IRD web portal**.
- ii. If you have not yet enrolled to the e-service facility or if you are not familiar with the uploading procedure, you may bring a soft copy of the relevant schedule, after verifying by the verification tool available under IRD web portal, to IRD Head Office or to any **IRD Regional Office**. **IRD officers at "Nanasala" would assist you to upload the soft copy.**

- b. If the aggregate number of records **equal or less than 20**, you have an option to submit the schedules as a hard copy or a soft copy.
- c. Schedule templates and updated Schedule verification tools are available at following path of IRD Web Portal.  
**<http://www.ird.gov.lk/en/Downloads/Schedules/Withholdings>**
- d. Any person who is filing the **Statement of WHT** without the relevant Schedules will be considered as a **non-submission of the Annual Statement** of WHT/AIT for the purpose of the IRA.

## **2. Completion of the Statement of WHT / AIT**

### **2.1 PART I – Summary of Withholding Tax (WHT) Deductions**

You are required to declare the details of withholding tax deducted from the **non-residents** in the **first eight cages (Cages 1 – 8)** under this section. Withholding tax deducted from **rewards or winning from lottery/ betting/ gambling** should be declared in the **cage 9**, and **cage 10** is specific to **National Gem and Jewellery Authority** to declare withholding tax deductions from sales of gems at auctions.

### **2.2 PART II- Summary of Advance Income Tax (AIT) Deductions**

You are required to declare the, details of advance income tax deducted based on the declaration given by the withholder.

### **2.3 PART III – Monthly payment summary**

In this section, you are required to declare your monthly liability on WHT and AIT separately with the details of payment/s made by you to IRD under the payment codes 43 and 44.

Before submission of the Statement and Schedules, you have to ensure whether the following conditions are fulfilled.

- i. Statement Cage IA (d) + IIA (d) = Statement Cage IIIA (f)
- ii. Statement Cage III (a) + III (c) = Cage No.10 of schedule 1 (Cage of Amount of Tax deducted )
- iii. Statement Cage III (b) + cage III (d) + cage III (e)  
= Cage No.09 of Schedule 2A (Cage of Amount of Tax deducted) + Cage No.09 of Schedule 2B (Cage of Amount of Tax deducted)

### **2.4 Part IV - Declaration**

Please mark the relevant tick boxes with reference to the schedules attached under the Statement.

Where the Statement or part of the Statement is prepared by some other person, including an approved accountant, other than a full time employee of the tax payer, it is mandatory to complete Part (A) and Part (B) of the Declaration.

Part (A)

Details of other person, (including an approved accountant) should be included in part (A).

Part (B)

The taxpayer or the taxpayer's duly authorized agent, have to sign the Statement using part (B) of the Declaration.

### 3. Completing the Withholding Tax Schedules

#### 3.1 Schedule 1 (Withholding Tax on Interest or Discount for resident persons)

A person who has deducted WHT/AIT on payment of interest or discount should fill this Schedule.

1. *Serial No* –Serial number should start from 1 and also same number, should not be repeated at any time. If more than one version of files are prepared (due to inadequate capacity (ie. file capacity exceed 10MB)), the subsequent versions should follow the correct sequence of the serial numbers.
2. *Investment type* – Select the appropriate type of investment from the list below.
  - BUSINESS LOAN
  - CERTIFICATE OF DEPOSITS
  - COMMERCIAL PAPERS / PROMISSORY NOTES
  - DEBENTURES
  - FIXED DEPOSIT
  - FOREIGN CURRENCY ACCOUNTS
  - INVESTMENT IN FUNDS
  - NRFC
  - OTHERS
  - SAVINGS
  - TREASURY BONDS / BILLS / SECURITIES
3. *Withholdee's Name* – The name of the withholdee should be stated in English and the maximum number of letters are limited to 100.
4. *Withholdee's Address* – The address of the withholdee should be stated in English. Commas should not be used at any time and instead, leave a space in between. Maximum number of letters are limited to 100.
5. *Withholdee's TIN/ NIC* – State the valid Taxpayer Identification Number or National Identity Card number of the withholdee. If the withholdee has not provided the TIN or NIC, leave this cage blank.
6. *Account No. /Certificate No.* –State the account number or the certificate number and such number should not exceed 30 digits.
7. *Value of investment (Rs)* - State the face value of the investment of which the interest is paid for this year of assessment. This cage should contain only 15 digits including 2 decimals.
8. *Value of interest / discount paid (Rs)* – The value of the interest paid in the year of assessment should be included here. If the interest is paid periodically, the interest paid for each period to be declared separately. This cage should contain only maximum of 15 digits (including 2 decimals).
9. *Rate of WHT / AIT (%)* – The rate applied for deduction of WHT / AIT should be stated here.

10. *Amount of Tax deducted (Rs.)* – The value of the WHT / AIT deducted should be stated here. This cage should contain only maximum of 15 digits (including 2 decimals).
11. *Month of payment* - Select the appropriate month of payment from the dropdown list.
12. *WHT Certificate Number* – State the number/s of the Withholding Certificate/s which has been issued by you to the withholdee. This cage should contain only maximum of 30 digits. If you have not issued a WHT certificate to the withholdee, this cage should be left blank.
13. *Type of Tax (WHT/ AIT)* – Select the appropriate tax type from dropdown list.
14. *Total* - The cumulative amount of Column 10 should be stated here.

### **3.2 Withholding Tax Schedules 2A and 2B**

WHT deducted other than the interest, discount on residents and non-residents to be declared in the schedule 2A and 2B respectively.

2A is relevant to payments made to residents

2B is relevant to payments made to non-residents

1. *Serial No* –Serial number should start from 1 and also same number, should not be repeated at any time. If more than one version of files are prepared (due to inadequate capacity (ie. file capacity exceed 10MB)), the subsequent versions should follow the correct sequence of the serial numbers.
2. *Type of payment* – Select the appropriate type of payment from the list below.

CHARGE

COMMISSION

CONSULTATION

DIVIDEND

GEM AUCTION

LAND, SEA OR AIR TRANSPORT OR TELECOMMUNICATION SERVICE PAYMENT TO NON-RESIDENT

MANAGEMENT SERVICE FEE

NATURAL RESOURCE PAYMENT

OTHERS

INSURANCE PREMIUM

RENT

ROYALTY

SERVICE FEE

TEACHING OR LECTURING

TECHNIAL FEE

THE PAYMENT ON ANY SERVICE RENDERED ON THE BASIS OF AUTOMATED SERVICE OTHERS

WINNINGS FROM LOTTERY/REWARD/BETTING OR GAMBLING

3. *Withholdee's Name* – The name of the withholdee should be stated in English and the maximum number of letters are limited to 100.
4. (a). *Withholdee's Address* – The address of the withholdee should be stated in English. Commas should not be used at any time and instead, leave a space in between. Maximum number of letters are limited to 100.

- (b). *Withholdee's Country* (For Schedule 2B) – Include the Country of resident of the withholdee.
5. *Withholdee's TIN/ NIC* – State the valid Taxpayer Identification Number or National Identity Card number of the withholdee. If the withholdee has not provided the TIN or NIC, leave this cage blank.
  6. *Month of payment* - Select the appropriate month of payment from the dropdown list.
  7. *Total amount paid* - The total value (including the tax) of payment made according to the withholding tax certificate/s given to withholdee should be stated here. It should contain only maximum of 15 digits (including 2 decimals).
  8. *Rate of WHT / AIT (%)* – The tax rate applied for calculating the withholding tax should be stated here.
  9. *Amount of Tax Deducted (Rs)* - The value of the withholding Tax deducted from payments should be stated here. This cage should contain only maximum of 15 digits (including 2 decimals).
  10. *WHT Certificate Number* – The withholding tax certificate number issued by you to the withholdee should be stated here. In case of non- residents, withholding certificate number should be the “remittance clearance number”. This cage should contain only maximum of 30 digits. If you have not issued a WHT certificate to the withholdee, this cage should be left blank.
  11. *Type of Tax (WHT/ AIT)* – Select the appropriate tax type from dropdown list.

If you come across any difficulties relating to;

- **System failures:** You may contact IRD call center by dialing 1944 and get assistance or you may keep a voice record and get a ticket number.
- **Uploading errors:** Please contact Central Data Management Unit (CDMU) by dialing 011-2134162 or 011-2134133.
- **Issues relating to schedule verification:** Please contact Central Data Management Unit by dialing 011-2134162 or 011-2134133
- **Issues relating to e-filing:** Please contact 011-2134098 / 011-2135242 / 011-2134222