

මෙම උපදෙස් පත්‍රිකාවේ සිංහල පිටපතක් අවශ්‍ය වන්නේ නම් දේශීය ආදායම් වෙබ් අඩවියෙන් භාගත කර ගත හැකි අතර, දේශීය ආදායම් ප්‍රධාන කාර්යාලයේ බදු සේවා අංශයෙන් හෝ ප්‍රාදේශීය කාර්යාලවලින් හෝ නගර කාර්යාලවලින් ද ලබා ගත හැක.

இந்த அறிவுறுத்தல் வழிகாட்டியின் தமிழ் மொழிபெயர்ப்பை பெற விரும்பின், அதனை உள்நாட்டு இறைவரித் திணைக்களத்தின் தலைமை அலுவலகக் கட்டடத்தின் வரி செலுத்துனர் சேவைகள் அலகில் அல்லது எந்தவொரு பிராந்திய அலுவலகத்தின் அல்லது மெற்றோ கிளையில் பெற்றுக்கொள்ள அல்லது உள்நாட்டு இறைவரித் திணைக்களத்தின் இணையத்தளத்தில் இருந்து பதிவிறக்கம் செய்துகொள்ள முடியும்.



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இலங்கை உள்நாட்டு இறைவரி
Sri Lanka Inland Revenue

Guidelines to filling the Statement of Withholding Tax Year of Assessment 2019/2020

In terms of the provisions in the Inland Revenue Act No. 24 of 2017 (Inland Revenue Act), every withholding agent is required to submit an Annual Statement with the Schedules (Form No. Asmt WHT_001_E), provided under section 86 of the Inland Revenue Act for year of assessment 2019/2020, on or before 30th April 2020.

You are required to pay attention to the following, in submission of the Statement and Schedules on WHT.

1. Submission of Statement of Withholding Tax (WHT) and Schedules

- You can submit the WHT Statement and the Schedules in following ways;

(a) By Post

Statement should 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

Statement can be handed over to the CDMU at 1st Floor of IRD Head Office or to any Regional Office or Metro Branch.

(c) Through e-Service

No facility is available to submit the Statement of **Withholding** through e-service this year, **but the facility is available to upload only the WHT Schedules.**

- You are required to pay your attention to the following when submitting the Schedules for WHT;
 - a. If the aggregate number of records are greater than 20;
 - i. It is compulsory to submit your **Schedules through e-service/ upload to the system** (Please refer the Guideline in the Web portal).

- ii If you have not yet obtained the facility to access to e-service, you can submit your Schedules (a soft copy) by yourself making use of e-service facility available at “**Nenasala**”, established in the Ground Floor of IRD Head Office, or at any IRD Regional Office.
- iii If you are not familiar with the uploading procedure you may bring a soft copy of the relevant Schedules to IRD Head Office and get the assistance of IRD officers stationed at IRD “**Nenasala**”, or at any IRD Regional Office.

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 upload a soft copy to the system.

c. Schedule templates and updated Schedule verification tools are available at IRD Web Portal.

d. The acknowledgement received when uploading the WHT Schedules to the IRD Web Portal, should be attached to the Statement of Withholding Tax.

e. Any person who is filing the **Statement of WHT** without the relevant Schedules will be considered not have been submitted the Annual Statement of Withholding Tax for the purpose of the Inland Revenue Act.

2. Completion of the Statement of Withholding Tax

2.1 Part I - Withholding tax on payments under section 84 (Cages 1 – 10 and IA)

In terms of section 84, payments such as dividend, interest, discount, charges, natural resource payment, rent, royalty, premium, rewards, winning from betting or gambling, share of partnership income, sale of gem at auction are subject to WHT

(i) Gross Amount Paid (Amount before deducting Withholding Tax) -

Gross amount of payments made under the sec 84 by the Withholding agent to the withholdee.

(ii) Amount Not Liable for Withholding Tax -

From the payments made under sec 84, that is not liable for deduction of WHT by the withholding agent under section of 84 or any other sections of IR Act.

e.g.

1. Interest paid to financial institution on ordinary loans.
2. Interest paid to a senior citizen up to Rs 1.5 million.
3. Rent paid to a co-operative society.

(iii) Amount Liable for Withholding Tax

Payment which are liable for WHT deduction by the Withholding Agent.

(iv) Amount Deducted for Withholding Tax (Rs)

The total amount deducted as Withholding tax

2.2 Part II - Withholding tax on payments under section 85.

In terms of Section 85, the following payments made to resident individuals and non-resident individual or any other persons) are liable to withholding tax;

- a) Payment for teaching, lecturing, examining, invigilating or supervising an examination,
- b) Payment as a commission or brokerage to a resident insurance, sales or canvassing agent,
- c) Payment as endorsement fee ,
- d) Payment in relation to the supply of any article on a contract

basis through tender or quotation,

- e) Payment for any service provided in the capacity of independent service providers such as doctors, engineers, accountants, lawyers, software developers, researchers, academics or any other similar service providers,
- f) Payment for any service of construction work, security service, janitorial service consultation work of any kind, organizing of events, catering, designers, dress makers, tour guidance, entertainment, agency functions or any similar services or connected work where such services are provided under an agreement or otherwise,
- g) Payment for management service,
- h) Payment for any type of vocational services provided as an independent service provider,
- i) Payment for service fee or insurance premium for a non-resident person,
- j) Payment for transport or telecommunication for a non-resident person,

(i) Gross Amount Paid (Amount before deducting Withholding Tax)

Gross amount of payments made under the sec 83 by the Withholding agent to the withholdee.

(ii) Amount Not Liable for Withholding Tax

From the payments made under sec 84, that is not liable for deduction of WHT by the withholding agent under section of 84 or any other sections of IR Act.

e.g.

- (i) Payment liable for under section 85, but less than Rs 50,000 per month.
- (ii) Amounts exempted under section 85(3) of the Inland

Revenue Act.

(iii) Amount Liabile for Withholding Tax,

Payment which are liable for WHT deduction by the Withholding Agent

(iv) Amount Deducted for Withholding Tax (Rs)

The total amount deducted as WHT

2.3 Part III – Liability and Payments for the Withholding Tax

Cage 3.1 - The total WHT liability on payments made to **resident persons** should be declared in monthly basis under following categories.

- (a) WHT on Interest (Total value of this cage should be equal to the total value of **Schedule 1**)
- (b) WHT on Dividend (Total value of this cage should be equal to the total value of **Schedule 3**)
- (c) WHT on Partnership Income (Total value of this cage should be equal to the values in **Schedule 2A**)
- (d) WHT on any other payments (Total value of this cage should be equal to the total value of **Schedule 2A (Other than WHT on partnership declared amount in cage 3.1 (c))**)

Note:

Banks and financial institutions should declare the details of withholding tax payments on interest paid to Resident persons and non-resident persons in cage 3.1 (a)

Cage 3.2 - The total WHT liability on payments made to **non-resident persons** to be declared (including interest and dividend). Total value of this cage should be equal to the values in **Schedule 2B**)

Case III A – Declare total WHT deductions from 3.1 (a, b, c, d) and 3.2 for each month separately

Case III B -Total Amount Paid – Declare the amount of Withholding Tax remitted monthly to IRD by way of monthly payments.

2.4 Part IV - Declaration

It is mandatory to complete Part (A) and Part (B) of the Declaration, 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.

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 payer tax:-

Part (A)

Should include details of other person who has prepared the statement (including an approved accountant) in part (A).

Part (B)

Taxpayer or the taxpayer's duly authorized agent, should sign the return using part (B) of the Declaration.

3. Completing the Withholding Tax Schedules

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

This Schedule should be filled by a person who has deducted WHT on payment of interest or discount.

1. Serial No –Serial number should start from 1 and also same number should not be repeated at any time. If more than one versions of files is 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. Use the appropriate letter while filling the schedule.
 - (a) FIXED DEPOSIT
 - (b) SAVINGS
 - (c) DEBENTURES
 - (d) COMMERCIAL PAPERS/PROMISSORY NOTES
 - (e) FOREIGN CURRENCY ACCOUNTS
 - (f) TREASURY BONDS/BILLS/
 - (g) INVESTMENT IN FUNDS
 - (h) BUSINESS LOAN
 - (i) REPO
 - (j) OTHERS
3. **Withholdee's Name** – Should state the name of the withholdee in English, the maximum number of letters limits to 100.
4. **Withholdee's Address** – Should state the address of the withholdee in English. Should not use commas at any time, only leave a space in between Maximum number of letters limits to 100.
5. **Withholdee's TIN** – State the valid Taxpayer Identification Number of the withholdee. Instances where the withholdee has not provided the TIN, this cage to be left blank.
6. **Account No./Certificate No.** – State the account number or certificate number and such number should not be more than 30 digits.
7. **Value of investment (Rs)** - State the face value of the investment which the interest is paid for this year of assessment. If the interest had been paid periodically, then the face value on

which monthly interest is paid to be included. 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. If the interest is paid periodically, the interest paid for each period to be declared separate. This cage should contain only 15 digits (including 2 decimals).
9. **Rate of WHT (%)** - Should state the rate applied for deduction of WHT.
10. **Deducted amount of WHT (Rs)** – Should state the value of the WHT deducted. This cage should contain only 15 digits (including 2 decimals).
11. **WHT Certificate Number** – State the number of the Withholding Certificate which has been issued by you to the withholdee. This cage should contain only 30 digits. If no WHT certificate have been issued by you to the withholdee, this cage should be left blank
12. **Total** - The cumulative amount of Column 10

Note:

- (1) Provided that a person being an individual details of such individuals could be disclosed as a single record (no need to declare separately for each individual).
- (2) The accounts maintained in foreign currency, should be converted to the value of Sri Lankan currency as at the exchange rate prevailed on the date on which interest was paid.
- (3) Banks or financial institutions should declare WHT on interest on non-resident withholdee in the same schedule.

3.2 Withholding Tax Schedules 2A and 2B

WHT deducted under section 84 and 85 other than the interest, discount and dividend on resident and non-resident person to

be declared in the schedule 2A and 2B respectively.

2A – For resident person 2B – For non-resident person

1 **Serial No** – Serial number should start from 1 and also same number should not be repeated at any time. If more than one versions of files is 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 type from the list below. Use the appropriate letter while filling the Schedule

(a) CHARGE

(b) NATURAL RESOURCE PAYMENT

(c) RENT

(d) ROYALTY

(e) PREMIUM

(f) WINNINGS FROM LOTTERY/REWARD/
BETTING OR GAMBLING

(g) PARTNERSHIP INCOME

(h) GEM AUCTION

(i) TEACHING OR LECTURING

(j) EXAMINING OR INVIGILATING OR
SUPERVISING

(k) COMMISSION

(l) ENDORSEMENT FEE

(m) SERVICE OF SUPPLY OF ANY ARTICLE

(n) INDEPENDENT SERVICE PROVIDING

(o) CONSTRUCTION SERVICE

(p) SECURITY SERVICE

- (q) JANITORIAL SERVICE
- (r) CONSULTATION WORK
- (s) ORGANISING OF EVENT SERVICE
- (t) CATERING SERVICE
- (u) DESIGNING AND DRESS MAKING SERVICE
- (v) TOUR GUIDANCE SERVICE
- (w) ENTERTAINMENT SERVICE
- (x) AGENCY FUNCTIONS
- (y) MANAGEMENT SERVICE
- (z) VOCATIONAL SERVICE
- (aa) SERVICE FEE OR INSURANCE PREMIUM PAYMENT TO NONRESIDENT PERSON
- (bb) LAND, SEA OR AIR TRANSPORT OR TELECOMMUNICATION SERVICE PAYMENT TO NONRESIDENT
- (cc) THE PAYMENT ON ANY SERVICE RENDERED ON THE BASIS OF AUTOMATED SERVICE OTHERS
- (dd) OTHERS

3. ***Withholdee's Name*** – Should state the name of the withholdee in English, the maximum number of letters limits to 100.
4. (a). ***Withholdee's Address*** (For Schedule 2A)– Should state the address of the withholdee in English. Do not use commas at any time but only leave a space in between Maximum number of letters limits 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 as blank.

6. Number of payments made within a month – If several payments had been made for a person within a month, only one withholding tax certificate should be issued, and all the payments made to that individual should be stated in the certificate. Further if several payments had been made to one individual and separate withholding tax certificates had been issued to each and every payment then, each certificate should be stated separately and the number of payments should be stated in column as one.
7. **Total amount paid** - The total value (including the tax) of payment made according to the withholding tax certificate given to withholder. It should contain only maximum of 15 digits (including 2 decimals).
8. **Rate of WHT (%)** – Mention the tax rate applied for withholding tax.
9. **Deducted amount of WHT (Rs)** - Mention the value of the withholding Tax deducted from payments. This cage should contain only 15 digits (including 2 decimals).
10. **WHT Certificate Number** – State the withholding tax certificate number issued by you to withholder. In case of non- resident persons, withholding certificate number would be the “remittance clearance number”. This cage should contain only 30 digits. If you have not issued a WHT certificate to the withholder, this cage should be left blank.
11. **Total** - The cumulative amount of Column 9

3.3 Withholding Tax Schedule 3 (Withholding Tax Deduction From Dividend)

All institutions paid dividend should complete this Schedule.

1 **Serial No** – Serial number should start from 1 and same

number, should not be repeated at any time, If more than one versions of this schedule is prepared (due to inadequate capacity) the subsequent versions should follow the correct sequence of the serial numbers.

2. **Type of Shareholder** – Select the appropriate type of shareholder from the list below.
 - (a) COMPANY
 - (b) INDIVIDUAL
 - (c) OTHERS
3. **Date of distribution** – Distribution date should be in the following format should be
YYYY-MM-DD.
4. **Gross dividend distributed** - Total value of the dividend distributed. This cage should contain only 15 digits (including 2 decimals).
5. **Excluded amount** - State the excluded value of dividend. This cage should contain only 15 digits (including 2 decimals).
6. **Exempt dividend** – State the exempt value of dividend. This cage should contain only 15 digits (including 2 decimals).
7. **Liabile amount** – Dividend liable amount for withholding tax. This cage should contain only 15 digits (including 2 decimals).
8. **Rate of WHT (%)** – Mention the tax rate applied for the withholding tax. (e.g. 14% or any other rate)
9. **Deducted amount of WHT (Rs)** - Mention the value of the withholding Tax deducted. This cage should contain only 15 digits (including 2 decimals).
10. **Total** - The cumulative amount of Column 9.

Note:

It is Not expected to include withholders details separately. State the total amount paid for individuals, companies, non-residential persons and others in the rows provided for them. If more than once dividend has been issued, Detail to each issue to be given separately according to the dates. If more than one rate of withholding tax percentage had been applied (non-residential persons) state them separately according to the date.

4. Adjustment Schedule

If there is any amendments had been done by you after making the withholding tax payment to IRD (including refund any amount to withholder), submit the WHT Adjustment Schedule in following format.

WHT Adjustment Schedule

1	2	3	4	5	6	7	8	9
Adjusted Month	Type of Payment	Withholder's			Withhold Amount (Rs)	Withhold Month	Amount repay to withholder (Rs)	Reason for repayment
		Name	Address	TIN/NIC				
Total								

If you come across any difficulties relating to;

- **System failure** : 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 trouble** : Please contact Central Data Management Unit (CDMU) by dialing 0112134162 or 011-2134133.
- **Issues relating to schedule verification** : Please contact Central Data Management Unit by dialing 0112134162 or 011-2134133
- **Any special clarification** : Please contact Secretariat by dialing 011-2135437

