

KPMG Sri Lanka

Tax News Flash

April 2020

TAX UPDATE

For clients of KPMG in Sri Lanka

Extension of VAT deferment facility and temporary registration

The Department of Inland Revenue (“DIR”) had issued a notice (PN/VAT/2020-03) dated 26th March 2020 informing all tax payers that due to the prevailing situation in the country consequent to the outbreak of COVID-19, an extension of validity periods for VAT deferment facility related letters and Temporary VAT registration has been granted, which we have notified via our tax alert dated 27th March 2020.

The DIR has now issued the attached notice (PN/VAT/2020-05) dated 28th April 2020, granting a further extension of the validity periods for VAT deferment facility related letters and Temporary VAT registration up to 30th June 2020.

You may click on the link below to access the notice published by the DIR:

http://www.ird.gov.lk/en/Lists/Latest%20News%20%20Notices/Attachments/242/VAT280420_20_E.pdf

Online tax payments

The DIR has via the previous notice (PN/PMT/2020-1) dated 8th April 2020 intimated the availability of an online tax payment method. They have now updated this notice informing that if a taxpayer uses the Real Time Gross Settlement System (“RTGS”), the taxpayer should contact an officer of the DIR, using the contact details provided in the notice, to obtain instructions for performing same.

You may click on the link below to access the updated notice published by the DIR:

http://www.ird.gov.lk/en/Lists/Latest%20News%20%20Notices/Attachments/236/PYMT0804_2020_E.pdf

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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.



INLAND REVENUE DEPARTMENT

Notice to Taxpayers

Value Added Tax (VAT)

The public notice number PN/VAT/2020-03 issued on 26-03-2020 has been amended as follows.

- VAT Deferment Facility on Imports at the Customs/BOI

Validity of the last issued extension letters with regard to Credit Vouchers (CV) due against the VAT deferred at the Customs/BOI under deferment facility, has been extended up to 30th June, 2020.

- Temporary VAT registration

Temporary VAT Registration issued and period of its validity expires prior to 30th June, 2020 as per the certificate, the validity period of the same has been extended till 30th June, 2020.

Commissioner General of Inland Revenue



TAXES - FOR A BETTER FUTURE



INLAND REVENUE DEPARTMENT Notice to Taxpayers

Alternative Tax Payment System (ATPS) through Online Fund Transfer Facility

Taking in to account of the Covid -19 Endemic situation currently prevailing in the country, the Inland Revenue Department (IRD) has introduced an Alternative Tax Payment System (ATPS) for making tax payments through Online Fund Transfer Facility, with the collaboration of specific banks, with effect from 08-04-2020.

Hence, all taxpayers are hereby informed to adhere to the following instructions in making tax payments until further notice.

The ATPS is available only with the online banking facilities of the banks designated in the below Table 01. The respective banks will provide to include relevant information for making online fund transfers for tax payments. Therefore, taxpayers are kindly requested to refrain from making online fund transfers in respect of tax payments through any other bank other than those listed below. In case you attempt to make online tax payments through any other bank, such payments will not be posted to your ledger in IRD's RAMIS.

Table – 01 - Banks providing Online Banking Facility for ATPS

- | | |
|-----|---------------------------------|
| 01. | Bank of Ceylon (BOC) |
| 02. | People's Bank |
| 03. | Commercial Bank of Ceylon PLC |
| 04. | Nations Trust Bank PLC (NTB) |
| 05. | Sampath Bank PLC |
| 06. | HSBC |
| 07. | Cargills Bank Limited |
| 08. | National Development Bank (NDB) |
| 09. | Standard Chartered Bank (SCB) |
| 10. | Seylan Bank PLC |
| 11. | Hatton National Bank PLC (HNB) |
| 12. | Citibank |
| 13. | Deutsche Bank |
| 14. | Pan Asia Bank PLC |
| 15. | DFCC Bank PLC |

Steps to follow in making online fund transfers in respect of tax payments

1. Log-in to Online Banking System of your bank (only if your bank is listed above) and select Fund Transfer option.
2. Enter the account number “2026529” as the **BENEFICIERY ACCOUNT**. Please re-check the account number for accuracy.
3. Enter “**Commissioner General of Inland Revenue**” or “**CGIR**” as **BENEFICIARY NAME**.
4. Enter “**Bank of Ceylon, Taprobane Branch**” as the **BENEFICIARY BANK**.
5. Enter your **Payment Reference Code (PRC)** as the combination of your **TIN** and **Tax Type Code** without any space in the Reference Cage/Field (the label of reference cage/field may vary from bank to bank and please refer the Table 02 below).

Please note that indicating your PRC is mandatory.

The syntax for **PRC** is **<TIN><Tax Type Code>**.

<TIN>: Taxpayer Identification number (9 Digit), **<Tax type code>**: (2 Digit)

For example, if your TIN is 123456789 and you are paying VAT, your payment reference is 12345678970. The Tax Type Code List is given in the Table 03 below.

This payment reference code (PRC) should be entered in the reference cage/field in the online payment user interface. Ensure to re-check the PRC for accuracy.

Table – 02 - Bank and its Reference Cage/Field Label

	Bank	Reference Cage/Field Label
01.	Bank of Ceylon (BOC)	Description
02.	People’s Bank	Transaction Remarks
03.	Commercial Bank of Ceylon PLC	Beneficiary's Account Narration
04.	Nations Trust Bank PLC (NTB)	Remarks
05.	Sampath Bank PLC	Transfer Remarks
06.	HSBC	Your Reference
07.	Cargills Bank Limited	Reference
08.	National Development Bank (NDB)	Remarks
09.	Standard Chartered Bank (SCB)	Retail - Transfer reference Corporate – Details of payments
10.	Seylan Bank PLC	Personal - Beneficiary Reference Corporate / Mobile - Funds Transfer Remarks
11.	Hatton National Bank PLC (HNB)	Credit Remarks
12.	Citibank	Transactions Reference Number
13.	Deutsche Bank	Beneficiary Reference
14.	Pan Asia Bank PLC	Fund Transfer Remarks
15.	DFCC Bank PLC	**Please contact DFCC via 0112350000 or info@dfccbank.com for instructions

*** For finding reference cage/field label, please contact your bank**

Table – 03 - List of Tax Type Code

Tax Type	Code
Corporate Income Tax	02
PAYE	03
Dividend Tax	04
Individual Income Tax	05
Tax on Distributable Profit (Deemed Dividend Tax)	08
Partnership Tax	09
Remittance Tax	13
WHT on Interest on Deposits	43
WHT on Specified Fee & Others	44
Value Added Tax (VAT)	70
Value Added Tax on Financial Services (VAT on FS)	75
Economic Service Charge (ESC)	80
Nation Building Tax (NBT)	90
Stamp Duty	60

6. Make sure to SAVE/PRINT the online receipt/reference number given your bank, for reference in case you need inquire into particular payment on a later stage. A typical online fund transfer receipt is shown below.
7. Maximum transaction amount may vary from bank to bank. Please make multiple payments if the maximum amount allowed by your bank is not adequate for your tax payment. However, if your tax payment is Rs. 20 million or more, you may proceed to perform Real Time Gross Settlement (RTGS). If you wish to pay the tax through RTGS please contact one of the IRD Officers listed below keeping your email address ready with you, and follow the instructions given by the Officer.
8. Your payment will be posted in ledger in the IRD RAMIS according to the payment reference code (PRC) you provide when making fund transfer. Hence, you need to be specific and confirm the numbers before proceeding to pay. Please note that any typing error or mistake done by you will lead to payment not considered for posting. In such instances, you may have to claim your payment providing proof to IRD in a later stage.
9. If in any circumstance the payment is not received to CGIR account, you need to communicate to the bank which you used in making online payment (the bank which provided you online facility).

10. A typical Online Fund Transfer Confirmation is shown below. This interface may vary from bank to bank.

Online Transfer Confirmation	
Originator	: [REDACTED]
Transfer Id	: 34578382
Transfer Date	: 03/04/2020 10:50:46
Transfer To	: Bank of Ceylon, Taprobane Branch
From Account	: XXXX XXXX 7261
To Account	: 2026529
Amount	: 90.00 LKR
Transfer Remarks	: 11456258702
Status	: Successful

* This is a system generated print

For any assistance or clarification, please contact below persons or the IRD Call Center 1944

Name	Designation	Mobile Phone
Mr. M.J. Gunasiri	Deputy Commissioner General	0714252431
Mr. J.A.G. Mahindaratna	Senior Commissioner	0773416452
Ms. J.S.P.A.D. Weerasuriya	Director (ICT)	0777333789
Mr. B.G.P.D. Bulanawewa	Assistant Commissioner	0714397039
Mr. S.N. Weerakoon	Assistant Commissioner	0714149700
Ms. A. Somarathna	Assistant Director (ICT)	0714425090
Ms. H.W. Dileka	ICT Officer	0761492647

Commissioner General of Inland Revenue

