

## **Value Added Tax on Financial Services (VAT on FS)**

### **VAT on FS Return Submission – 2021/2022 (Assessment Year Taxpayers)**

#### **Taxable Period – 2021 /2022 (From 01/04/2021 to 31/03/2022)**

Please read the following instructions before filing the VAT on FS Return.

- 01.** VAT on FS Return should be submitted to the Inland Revenue Department (IRD) **on or before September 30, 2022** as specified in paragraph (b) of Subsection 2 of Section 25B of VAT Act, No. 14 of 2002 as amended {refer Section 11 of VAT (Amended) Act, No. 20 of 2016} Please make arrangements to submit the return early as possible to avoid any difficulties confronted at the last date of submission.
- 02.** Facilities are available to submit the Return through e-service (Electronic submission gateway is already opened for the submission of your Return from 01/08/2022). Documents mentioned in items 3.3 to 3.5 bellow, can be uploaded to the system in soft copies together with electronic Return. If any person is unable to upload all the soft copies at the time of e-filing, such document can be submitted (either soft copy or hard copy) by post or walking to the head office of IRD (Central Document Management Unit) **within the specified time frame** mentioned in item 01.

To submit Return through e-service, make a request to TPSU (Tax Payer Service Unit in IRD) and obtain a **PIN and SSID** (for staff).

- 03.** To consider the VAT on FS Return as duly submitted Return, **following documents** (as specified in Extraordinary Gazette Notification No 1868/10 dated 23/06/2014) should be submitted within the specified time frame mentioned in item 01 above.
  - 3.1** Duly signed (by the authorized officer of the registered person) VAT on FS **Return** for the taxable period of 2122.
  - 3.2 Three Schedules** which are attached to the Return of VAT on FS. Schedule 01 – **Emoluments**, Schedule 02 – **Economic Depreciation**, Schedule 03 – **Classification of Turnover** (The above

schedules should be submitted by using the relevant schedules issued by IRD along with the Return).

**3.3 Audited Statements of Accounts** for the year 2021/2022.

**3.4 Detailed** profit or loss account (**Income Statement**) for the year 2021/2022.

**3.5 Breakup** of value of supply declared in the **Value Added Tax return furnished** for the relevant periods as per section 21 of VAT Act.

Documents mentioned in 3.3 to 3.5, whether in hard copy or soft copy, should be certified by the Auditor or the Managing Director.

**04.** Refer the following additional **instructions to eliminate common errors** which have occurred in submission of previous VAT on FS Returns.

4.1. Any **code** mentioned in elements of emoluments in Schedule 01 or turnover elements in Schedule 03 **should not be repeated** and aggregate value of such category should be entered in the relevant Schedule.

4.2 When filling of **Schedule 02**, third column “*Year of purchased /constructed*” should be started **from the latest financial year (2021/2022)**. As per your calculation, if there is no sufficient space for balance financial years in each relevant category, fill the aggregate value for those financial years in the last row while uploading detailed calculation as “Other document” in e-filing or providing as separate document to the Return.

4.3 Please make sure to avoid errors in bringing **total values** of the Schedules to the relevant cages of the Return.

4.4 **As NBT on FS has been abolished from 01/12/2019**, value for cage 100 should be “0”.

4.5 Calculate Value Added Tax payable as per chapter III A of VAT Act (Cage 90) by applying of **15/115 on the respective value** referred in cage 80 for the period up to 31/12/2021 and by applying 18/118 on the respective value referred to in cage 80 for the period from 01.01.2022 to 31.03.2022.

4.6 Value of the **Cage 130** of the Return should be the value of total tax paid for the period of 2021/2022 including any final payment made or **intends to pay along with the submission of VAT on FS Return,**

**05.** The duly completed Return and documents should be submitted to **Central Document Management Unit (CDMU) at IRD Head office** or any **IRD Regional Office.**

For any assistance in the submission of VAT on FS Return (including electronic submission), you may contact the respective IRD officer who has been allocated VAT on FS tax type of the TIN through 0112135135.