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உள்ளநாட்டு இறைவரித் திணைக்களம்
DEPARTMENT OF INLAND REVENUE

ලේකම් අංශය
14 වන මහල

செயலகம்
14 வது மாடி

Secretariat
14th Floor

දේශීය ආදායම් ගොඩනැගිල්ල
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නැ.පෙ. 515, කොළඹ 2- ශ්‍රී ලංකාව

உள்ளநாட்டு இறைவரித் திட்டம்
சேர் சிற்றம்பலம் ஏ காடினர் மாவத்தை
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CGIR/2018/02-02

14 November 2018

TIN:

Dear Sir / Madam,

Debt Repayment Levy (DRL)

As you are already aware, Debt Repayment Levy (DRL) has been imposed by the Finance Act No 35 of 2018 for a limited period of time from 01st October 2018 to 31st December 2021. This Levy would be administrated manually in the Corporate Financial Enterprises Audit Unit of the Inland Revenue Department. For the smooth operation of DRL, you are requested to pay your special attention on the following highlighted areas.

01. Imposition of Debt Repayment Levy

- 1.1 A levy of 7% is charged monthly on the value addition attributable to the supply of financial services from every Financial Institution (All the licensed Commercial or Specialized Banks and licensed Finance Companies) commencing from 01st October 2018 and ending on 31st December 2021.
- 1.2 Value addition attributable to the supply of financial services should be calculated based on the provisions as specified in Section 36 of Finance Act No 35 of 2018 along with Section 25C of the Value Added Tax Act No 14 of 2002 (VAT Act). Value addition calculation process which is used for Value Added Tax on Financial Services (VAT on FS) should be applied with the following changes.

In the calculation of Debt Repayment Levy; payable amounts of DRL, VAT on FS and Nation Building Tax on Financial Services (NBT on FS) are not allowed to be deducted from the value addition as per Subsection 3 of Section 36 of Finance Act No 35 of 2018.

02. Monthly Payments and Submission of Value Addition Statement

2.1 Monthly payment of DRL should be made to the Commissioner General of Inland Revenue (Account No:7041587 of the Bank of Ceylon).

2.2 You should use the IRD remittance form (RAMIS) enclosed to pay the DRL by indicating "26" as tax type code.

2.3 Please ensure to indicate your TIN and correct payment code in the remittance form as indicated bellow.

Tax Type Code	Period Codes for Value Addition Statement of the balance periods of Financial Year 2018/2019	Payment Codes for DRL of the balance periods of Financial Year 2018/2019
26	<u>For Calendar Year (CY) Taxpayers</u> October 2018 - 18100 November 2018 - 18110 December 2108 - 18120	<u>For Calendar Year Taxpayers</u> October 2018 - 18100 November 2018 - 18110 December 2108 - 18120
	<u>For Assessment Year (AY) Taxpayers</u> October 2018 - 18100 November 2018 - 18110 December 2018 - 18120 January 2019 - 19010 February 2019 - 19020 March 2019 - 19030	<u>For Assessment Year Taxpayers</u> October 2018 - 18100 November 2018 - 18110 December 2018 - 18120 January 2019 - 19010 February 2019 - 19020 March 2019 - 19030

03. Submission of Return

The Return of Debt Repayment Levy should be furnished within a period of six months from the end of the financial year. Due date for the submission of Return for the financial year 2018/2019 is indicated below.

Return Period Code	Due date of Submission –	
	CY	AY
1819	30/06/2019	30/09/2019

04. Further Queries

Contact the following officers of the **Corporate Financial Enterprises Audit Unit**, if any further clarification is necessary.

Mr. Kaushalya Hanwella - 0112134416

Mr. Kalum Edirisinghe - 0112134406

Ms. Chamila Mahawatta - 0112134417

Ms. Aruni Abewickrama - 0112134411

Further, you may contact IRD Call Centre by **1944** for any assistance.



Nadun Guruge

Commissioner General (Covering Up)

The Department of Inland Revenue

Nadun Guruge
Commissioner General (Cover up)
Department of Inland Revenue,
Sir Chittampalam A. Gardiner Mawatha,
Colombo 02