

Guidelines for the Completion of the Annual Statement of Withholding Tax (WHT) and Advance Income Tax (AIT)

for the Year of Assessment 2024/2025

In accordance with the provisions set forth in the **Inland Revenue Act No. 24 of 2017** (IRA), as amended by the **Inland Revenue (Amendment) Act No. 4 of 2023**, every withholding agent is required to submit the **Annual Statement** along with the necessary **Schedules (Form No. Asmt WHT_001_E)**, as mandated by Section 86 of the IRA. The submission must be completed by **30th April 2025**.

1. Submission of the Statement of Withholding Tax (WHT) and Advance Income Tax (AIT) with Schedules

1.1 Method of Filing

In accordance with **Section 113 (3)** of the IRA, as amended, effective **April 1, 2023**, all tax returns must be filed electronically using a computer system or mobile device. The Inland Revenue Department (IRD) has facilitated this process through the **e-filing** system on the IRD web portal. For further guidance, refer to the **Quick Guide for WHT e-Service**. (Link - https://www.ird.gov.lk/en/eServices/Lists/FilingReturns/Attachments/6/WHT_Quick_Guide_v0_10_E.pdf)

2. Completion of the Statement of Withholding Tax and Advance Income Tax

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

Provide details of **withholding tax** deducted on payments made to non-resident persons (*It includes payments that have received clearance from the IRD for remittance through the bank*), as well as payments related to rewards, winnings from lotteries, betting, gambling, and sales of gems at auctions.

2.2 PART II – Summary of Advance Income Tax (AIT) Deductions

Provide details of **withholding tax** and **advance income tax** deductions on payments made to residents.

Note: If there is difficulty distinguishing between payments to resident and non-resident persons concerning interest or dividends, the withholding agent may report the total amount under **PART II**, without separating the resident and non-resident payments.

2.3 PART III – Monthly Payment Summary

In this section, the withholding agent must declare the **monthly tax deductions** (from **PART I** and **PART II**) along with the corresponding payments made to the IRD under **payment codes 43 and 44**.

Before final submission, ensure the following conditions are met:

- i. **Statement Cage IA (d) + IIA (d) = Statement Cage IIIA (f)**
- ii. **Statement Cage IIIA (a) + Cage IIIA (c) = Schedule 1 (Cage of Amount of WHT/AIT deducted)**
- iii. **Statement Cage IIIA (b) + Cage IIIA (d) + Cage IIIA (e) = Schedule 2A (Cage of Amount of WHT/AIT deducted) + Schedule 2B (Cage of Amount of WHT/AIT deducted)**

2.4 Part IV – Declaration

- **Part (A):** If the statement is prepared by an approved accountant or another authorized person (other than full-time employees), complete Part (A) and attach the relevant certificates issued by such persons.
- **Part (B):** In accordance with **Section 126(4)** of the IRA, the withholding agent or their duly authorized representative must sign the statement, affirming its accuracy and completeness. This signature should be provided by an authorized individual, such as the **Managing Director, Head of Department, President, Active Partner, Director of Finance, Secretary, Trustee, Accountant, Administrative Officer, Principal Officer**, or any duly authorized person.

3. Completion of Withholding Tax / Advance Income Tax Schedules

3.1 Withholding Tax / Advance Income Tax Schedule 1 (Withholding tax on Interest or Discount)

This schedule is for persons who have deducted **WHT/AIT** on payments related to **interest** or **discount**. If the number of records exceeds **25,000** per month, the schedule should be prepared on a **monthly** basis.

Note II: For banks and financial institutions, in line with **Circular SEC/2023/E/05** (dated **July 26, 2023**), if a quarterly statement with Schedule 1 has been filed until **December 31, 2024**, the remaining customer details should be included in the schedule. Ensure that serial numbers are not duplicated within the same assessment year.

Note III: *If the number of records in Schedule 1 exceeds **100,000**, you may utilize the **SFTP direct transfer method** for file submission to the **RAMIS system**, upon obtaining approval from the IRD (by submitting a request to Commissioner General). Prior to submission, ensure the records are verified using the relevant schedule verification tool.*

Key Information for Schedule 1:

1. **Serial No:** The serial number must start from **1** and not be repeated. If multiple versions of files are required due to file size limits (e.g., exceeding 10MB), subsequent versions should follow the correct sequence of serial numbers.
2. **Type of Tax (WHT/AIT):** Indicate whether the tax type is **WHT** or **AIT**.
3. **Investment Type:** Choose from the following investment types:
 - 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
4. **Withholdee's Name:** Enter the withholdee's name in **English**, ensuring that commas are avoided, and the character limit is 100.
5. **Withholdee's Address:** Enter the withholdee's address in **English**, ensuring that commas are avoided and instead leave a space in between, and the character limit is 100.
6. **Withholdee's TIN/NIC:** Please provide the valid Taxpayer Identification Number (TIN) or National Identity Card (NIC) number of the withholdee. In instances where the withholdee has not provided a TIN or NIC—due to reasons such as being under 18 years of age, a foreign national, or other exceptional circumstances—this field should be left blank. The withholding agent shall bear responsibility for any absence of the TIN or NIC for the relevant withholdee.

Note IV : When working with the downloaded Excel file, you may notice that the NIC columns are formatted as text. If you copy and paste the NIC, and the output appears in scientific format, please follow these steps to ensure proper formatting:

- i. Download the schedule file from the IRD web portal.*
 - ii. Add the 12-digit NIC for each withholdee.*
 - iii. Save the file as a .csv file. Do not open the file after saving.*
 - iv. Upload the file to the system.*
 - v. If you need to edit the file after saving, open the .csv file.*
 - vi. Reformat the NIC column to Number without decimals. (To verify the content, you can open the saved .csv file in a text editor like Notepad).*
 - vii. Save the file again as .csv, ensuring not to open it.*
 - viii. Upload the file to the system.*
7. **Account No./Certificate No.:** Provide the account number or reference number (up to **30 digits**).
 8. **Value of Investment (Rs):** Include the face value of the investment (up to **15 digits**, including 2 decimals).
 9. **Value of Interest/Discount Paid (Rs):** Indicate the interest paid during the year of assessment (up to **15 digits**, including 2 decimals). If the interest is paid periodically, the interest paid for each period must be declared separately.
 10. **Rate of WHT/AIT (%):** Indicate the applicable tax rate.
 11. **WHT/AIT Deducted (Rs):** State the **WHT/AIT** deducted (up to **15 digits**, including 2 decimals).
 12. **Month of Payment:** Select the relevant month of payment from the dropdown list.
 13. **WHT/AIT Certificate Number:** If applicable, provide the withholding tax certificate number issued to the withholdee (up to **30 digits**).

If you have not issued a WHT/AIT certificate to the withholdee, this cage should be left blank

3.2 Withholding Tax Schedules 2A and 2B

WHT/AIT deducted under section 84 and 85 other than the interest or discount on resident person and non-resident persons.

Schedule 2A: Payments made to **resident persons** (other than interest or discount).

Schedule 2B: Payments made to **non-resident persons** (other than interest or discount).

Key Information for Schedules 2A and 2B:

1. **Serial No:** The serial number must start from **1** and not be repeated. If multiple versions of files are required due to file size limits (e.g., exceeding 10MB), subsequent versions should follow the correct sequence of serial numbers.
2. **Type of Tax (WHT/AIT):** Specify **WHT** or **AIT**.
3. **Type of Payment:** Choose the appropriate payment type from the followings
 - **Charge,**
 - **Commission,**
 - **Consultation,**
 - **Dividend,**
 - **Gem Auction,**
 - **Insurance Premium,**
 - **Rent,**
 - **Royalty,**
 - **Service Fee,**
 - **Teaching or Lecturing**
 - **Technical Fee**
 - **The payment on any service rendered on the basis of automated service**
 - **Others**
 - **Winnings from Lottery/ Reward/ Betting or Gambling**
4. **Withholdee's Name:** Enter the withholdee's name in **English**, ensuring that commas are avoided, and the character limit is 100.
5. **(a) Withholdee's Address:** Enter the withholdee's address in **English**, ensuring that commas are avoided and instead leave a space in between, and the character limit is 100.
(b). Withholdee's Country (For Schedule 2B) – Include the Country of resident of the withholdee

6. **Withholdee's TIN/NIC** : Please provide the valid Taxpayer Identification Number (TIN) or National Identity Card (NIC) number of the withholdee. In instances where the withholdee has not provided a TIN or NIC—due to reasons such as being under 18 years of age, a foreign national, or other exceptional circumstances—this field should be left blank. The withholding agent shall bear responsibility for any absence of the TIN or NIC for the relevant withholdee. For further guidance on entering new NIC numbers, please refer to Note IV
7. **Month of Payment**: Select the appropriate month from the dropdown.
8. **Total Amount Paid (Rs)**: Enter the total value of the payment (including tax) made to the withholdee according to the withholding tax certificate/s given to withholdee (up to **15 digits**, including 2 decimals).
9. **Rate of WHT/AIT (%)**: Indicate the applicable tax rate.
10. **WHT/AIT Deducted (Rs)**: State the value of **WHT/AIT** deducted (up to **15 digits**, including 2 decimals).
11. **WHT/AIT Certificate Number**: If applicable, provide the withholding tax certificate number (up to **30 digits**).

Note V : *If the number of shareholders exceeds 1,000, you may report the details as a single record under the dividend category.*

4. Assistance and Clarifications

- For any assistance or further clarification regarding the submission process, please contact the **IRD Call Center** at **1944** or you may keep a voice record and get a ticket number or send an email to **callcentreservice@ird.gov.lk**.
 - For **Registration** and obtain **PIN/ SSID**, refer to the following (<https://www.ird.gov.lk/en/eServices/sitepages/Registration.aspx?menuid=18010>)
 - For additional information, consult the **Quick Guide for e-Service** available on the IRD web portal.
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