Annexure 2

Guidelines to filling the Quarterly Statement of Advance Income Tax (AIT)

Year of Assessment 2025/2026

In terms of provisions of the Inland Revenue Act, No. 24 of 2017 (Inland Revenue Act) as amended by the Inland Revenue (Amendment) Act, No.4 of 2023 **Financial Institutions, as a withholding agent** is required to submit Quarterly Statement with the Schedules (**Form No. Asmt WHT_001Q_E**), provided under section 86 (8) of the Inland Revenue Act for the year of assessment 2025/2026.

A person who deducts AIT from **payments of any amounts as the interest, discounts or income from Islamic financial transaction payable to any "deposit holder"** is required to file Quarterly Statement within thirty days after the end of each quarter ending on the thirtieth day of June, thirtieth day of September and thirty first day of December. Last quarter (March ended) details should be included in the Annual statement.

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

1. Submission of Statement of Advance Income Tax (AIT) and Schedules

Method of filing

No facility is available to **filling** the Quarterly Statement of AIT through e–service, **but the facility is available to upload the Quarterly Statement (in PDF format) through e-service.**

Schedule

Schedule files should be submitted to the IRD RAMIS system using the SFTP direct transfer method for which a prior approval of the Commissioner General is required. For prior approval, a formal request must be submitted to the Commissioner General of Inland Revenue via e-mail: cgir@ird.gov.lk. If this facility has already been granted, no further approval is required.

(Refer to *Annexure A – Uploading WHT Statement and Schedules* for technical instructions.)

2. Completion of the Statement of AIT

2.1 PART I – Summery of AIT Deductions

Enter the detail of,

1. Total payment value (Amount before deducting AIT)
2. Amount not liable for AIT
3. Amount liable for AIT

4 Amount of AIT deducted

2.2 PART II – Monthly payment summary

In this section, you are required to declare monthly liability with the details of payment/s made by the financial institution to IRD under the payment code 43.

Before submitting the statement and schedules, you must ensure that the following conditions are met.

(i) Amount of AIT deducted in Part I = Schedule 1 (cage of Amount of AIT deducted) (cage No. 11 / Column Total)
(ii) Amount not liable for AIT (if any) in Part I = Schedule 4 (cage of Value of Interest / Discount paid (if any) (Rs.) (Cage No. 8 / Column total))

2.3 Part III - Declaration

Declaration of the Withholding Agent

In terms of section 126(4) of the Inland Revenue Act, a taxpayer or his authorized agent, shall sign the statement, attesting to its accuracy and completeness. Therefore, the Managing Director/ Head of the Department/ President or Active partner/ Director of Finance/Director/ Secretary/ Trustee/Accountant/ Administration Officer/ Principal Officer/ Person Duly Authorized shall sign (and date) the Quarterly statement indicating his/her name and designation under the Part III of the Quarterly Statement.

3. Completing the Withholding Tax / Advance Income Tax Schedules

Only the details of AIT deducted payments of interest, discounts, or income from Islamic financial transactions made to deposit holders should be entered into Schedule 1. The serial numbering sequence should continue from April 2025 to March 2026. In the case of joint accounts, if a portion of the interest is subject to AIT, that portion should be reported in Schedule 1.

Details of deposits for which no interest, discounts, or income from Islamic financial transactions have been credited to deposit holders during the relevant quarter, as well as details of accounts that have not yet matured during the quarter, should be entered into Schedule 4. Further, payments of interest, discounts, or income from Islamic financial transactions made to deposit holders, for which AIT was not deducted (due to exemptions, submitted self-declarations, or other reasons), should be entered into Schedule 4.

In the case of joint accounts, if a portion of the interest is not subject to AIT, that portion should also be reported in Schedule 4. The serial numbering sequence should continue from April 2025 through March 2026.

3.1 Withholding Tax / Advance Income Tax Schedule 1 and Schedule 4 (Withholding Tax on Interest or Discount)

Field	Description
1. Serial Number	Begin with 1; avoid repetition. Maintain continuity across months/files.
2. Type of Tax	Indicate whether WHT or AIT.
3. Investment Type	Select from: 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	In English, maximum 100 characters.
5. Withholdee's Address	In English. Use spaces instead of commas; max 100 characters.
6. Withholdee's TIN/NIC	Ensure correct format. For NICs, use TEXT type format to avoid conversion issues. ***Note** : 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. ***Select the column and change as Text*** iii. ***Add the 12-digit NIC** for each withholdee.* iv. ***Save the file as a .csv** file. Do not open the file after saving.* v. ***Upload the file** to the system.* vi. *If you need to edit the file after saving, **open the .csv file**.*

Field	Description
	*vii. 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).* *viii. **Save the file again as .csv**, ensuring not to open it.* *viii**. Upload the file** to the system.*
7. Account/Certificate No.	Limit to 30 characters.
8. Value of Investment (Rs)	Face value (max 15 digits incl. 2 decimals).
9. Interest/Discount Paid (Rs)	Declare total interest for the year or per period (max 15 digits incl. 2 decimals).
10. Tax Rate (%)	Enter the applicable deduction rate.
11. Amount Deducted (Rs)	AIT/WHT amount (max 15 digits incl. 2 decimals).
12. Month of Deduction	Select from dropdown.
13. Certificate Number	Max 30 characters. Leave blank if not issued.
14. Reason for Non-Deduction (Schedule 4 only)	Choose: Declaration Provided / Exempted / Not Matured / Direction from IRD / Other.

4. If you encounter any difficulties regarding this matter and require clarification**,** You may contact IRD call center by dialing 1944 for assistance. Alternatively, you may leave a voice record to receive a ticket number or send an email to callcentreservice@ird.gov.lk