

COVID-19

OVERVIEW OF TAX POLICY MEASURES

GAJMA & CO
CHARTERED ACCOUNTANTS

OVERVIEW OF TAX POLICY MEASURES IN RESPONSE TO COVID-19 PANDEMIC

The global Covid -19 pandemic is having a profound impact on all aspects of our life. The Department of Inland Revenue and President's Media Division have notified certain tax policy measures that have been taken to address the COVID -19 pandemic. We provide below an overview of the said tax policy measures.

CONTENT

- Income Tax
- Value Added Tax
- Stamp Duty
- Withholding Tax
- Temporary Tax Clearance Certificates
- Economic Service Charge
- Donations to COVID – 19 Healthcare and Social Security Fund

INCOME TAX – TRANSFER PRICING

POLICY MEASURE	DUE DATE	EXTENDED DATE	OTHER INFORMATION						
<p>Extension of the date for filing the Transfer Pricing Disclosure Form (TPDF) for the year of assessment 2018/2019</p>	<p>31st March 2020</p>	<p>Allowed to file TPDF up to 30th April 2020</p>	<ul style="list-style-type: none"> • Alternative options available to file TPDF <ul style="list-style-type: none"> (i) Taxpayers who filed the return of income through the IRD web portal <ul style="list-style-type: none"> - Upload the TPDF to the RAMIS (ii) Other taxpayers <ul style="list-style-type: none"> - E-mail the TPDF to the following e-mail addresses <table border="1" data-bbox="1500 594 2395 853"> <thead> <tr> <th data-bbox="1500 594 1959 655">Designation</th> <th data-bbox="2002 594 2395 655">Email addresses</th> </tr> </thead> <tbody> <tr> <td data-bbox="1500 662 1959 753">Senior Commissioner (Taxpayer Services)</td> <td data-bbox="2002 662 2395 715">weerakoon.lmc@ird.gov.lk</td> </tr> <tr> <td data-bbox="1500 796 1959 849">Commissioner (CDMU)</td> <td data-bbox="2002 796 2395 849">perera.mkpjss@ird.gov.lk</td> </tr> </tbody> </table> • TPDF submitted on or before 30th April 2020 would be deemed to have been submitted on the date the Tax Return had been submitted. 	Designation	Email addresses	Senior Commissioner (Taxpayer Services)	weerakoon.lmc@ird.gov.lk	Commissioner (CDMU)	perera.mkpjss@ird.gov.lk
Designation	Email addresses								
Senior Commissioner (Taxpayer Services)	weerakoon.lmc@ird.gov.lk								
Commissioner (CDMU)	perera.mkpjss@ird.gov.lk								

VALUE ADDED TAX (VAT)

POLICY MEASURE	DUE DATE	EXTENDED DATE	OTHER INFORMATION
Extension of the date for the VAT payments including Financial VAT for the months of February 2020 and March 2020	<ul style="list-style-type: none"> • <u>Month of Feb 2020</u> 20th March 2020 • <u>Month of Mar 2020</u> 20th April 2020 	Allowed to make the payments up to 30 th April 2020	Payments made on or before 30 th April 2020 shall be deemed as payments made on or before due dates and any penalty auto imposed in RAMIS will be waived off.
Extension of the date for the submission of VAT Return for the month of February 2020	31 st March 2020	Allowed to file the VAT return until 30 th April, 2020	Alternative options available to file the VAT return E-Filing facility is available to submit the VAT return

POLICY MEASURE	DATE OF THE EXPIRY OF THE PERMISSION GRANTED	EXTENDED PERIOD/DATE	OTHER INFORMATION
Extension of the validity period for the extension letters issued with regard to Credit Vouchers due against the VAT deferred under deferment facility at the point of Customs/BOI	Validity of the extension letters which will expired before 30 th April 2020	Validity period has been extended by one month from the respective expiry date	• N/R
Extension of the Validity period for the Temporary VAT Registration Certificates	The period of validity of the certificates which will expire prior to 30 th April 2020	Validity period has been extended till 30 th April 2020	• N/R

VALUE ADDED TAX (VAT) (CONTD.)

POLICY MEASURE	PERMISSION GRANTED	OTHER INFORMATION									
<p>Online application to obtain the registration for VAT to clear goods from the Customs</p>	<p><u>Permanent Registration</u></p> <p>Persons who already have a Taxpayer Identification Number (TIN) and who wish to obtain a permanent registration for VAT are requested to apply for permanent VAT registration through e-Services facility available in the IRD Portal www.ird.gov.lk</p> <p><u>Temporary Registration</u></p> <p>Persons who already have a TIN and who wish to obtain a temporary registration for VAT are requested to email the scanned image of duly filled application signed by the owner/partner/director of the company together with documents related to the importation and two contact numbers for any clarification if required, to Commissioner (Tax Registration) through nanayakkara.nwpas@ird.gov.lk copying to desilva.apt@ird.gov.lk.</p> <p>Persons who does not have obtained a TIN are requested to apply for TIN through e-Service facility available in the IRD Web Portal before applying for the temporary registration</p>	<p>Persons who have applied for the VAT registration are requested to inform the acknowledgement number that received via the e-service to any of the following officers.</p> <table border="1" data-bbox="1574 472 2402 1082"><thead><tr><th data-bbox="1574 472 1949 579">Name and Designation</th><th data-bbox="1989 472 2402 579">Email address and telephone number</th></tr></thead><tbody><tr><td data-bbox="1574 586 1949 725">Mr. M.S. M. Siyaan Senior Commissioner (Taxpayer Services)</td><td data-bbox="1989 586 2402 682">siyaan.msm@ird.gov.lk 0773291887</td></tr><tr><td data-bbox="1574 768 1949 906">Mrs. D.H.D. Satharasinghe Commissioner (Customer Information Update Unit)</td><td data-bbox="1989 768 2402 863">satharasinghe.dhd@ird.gov.lk 0714451148</td></tr><tr><td data-bbox="1574 949 1949 1082">Mr. N.W.P.A.S. Nanayakkara Commissioner (Tax Registration Unit)</td><td data-bbox="1989 949 2402 1045">nanayakkara.nwpas@ird.gov.lk 0761492625</td></tr></tbody></table>		Name and Designation	Email address and telephone number	Mr. M.S. M. Siyaan Senior Commissioner (Taxpayer Services)	siyaan.msm@ird.gov.lk 0773291887	Mrs. D.H.D. Satharasinghe Commissioner (Customer Information Update Unit)	satharasinghe.dhd@ird.gov.lk 0714451148	Mr. N.W.P.A.S. Nanayakkara Commissioner (Tax Registration Unit)	nanayakkara.nwpas@ird.gov.lk 0761492625
Name and Designation	Email address and telephone number										
Mr. M.S. M. Siyaan Senior Commissioner (Taxpayer Services)	siyaan.msm@ird.gov.lk 0773291887										
Mrs. D.H.D. Satharasinghe Commissioner (Customer Information Update Unit)	satharasinghe.dhd@ird.gov.lk 0714451148										
Mr. N.W.P.A.S. Nanayakkara Commissioner (Tax Registration Unit)	nanayakkara.nwpas@ird.gov.lk 0761492625										

VALUE ADDED TAX (VAT) (CONTD.)

POLICY MEASURE	EXTENDED PERIOD	OTHER INFORMATION
<p>Extension of the project period in terms of section 22(7) of the Value Added Tax Act, No. 14 of 2002 (VAT Act)</p>	<p>The period of registration under section 22(7) of the VAT Act will be extended on the written request</p>	<ul style="list-style-type: none">• To obtain further extension of the period of registration under section 22(7) of the VAT Act, the following documents are required to submit to the Senior Commissioner (Taxpayer Services) through siyaan.msm@ird.gov.lk.<ul style="list-style-type: none">(i) Request letter signed by the owner/partner/director of the company(ii) Scanned image of original of the first approval letter(iii) Scanned image of original of the last issued extension letter• The period of extension will be updated in the RAMIS system enabling to upload their returns and schedules of VAT and SVAT to the system.

COMPOUNDED STAMP DUTY

POLICY MEASURE	DUE DATE	EXTENDED DATE	OTHER INFORMATION
Extension of the date for the payment and submit the return for the quarter ending March 31, 2020	15 th April 2020	Allowed to make the payment and submit the return until 30 th April, 2020	<p>Applicable persons</p> <p>Following persons are permitted by the Commissioner General of the Inland Revenue to compound the amount of Stamp Duty:</p> <ul style="list-style-type: none">• any person issuing insurance policies• any authority issuing license• any service provider, on the presentation of a claim, demand or request for the payment of any money on the use of a credit card• any employer employing more than one hundred persons accepting receipts for payments made to the employees• any other person issuing any other instrument of a category, having regard to the impracticability or inexpediency of stamping instruments of such category, at the time and in the manner prescribed

WITHHOLDING TAX (WHT)

POLICY MEASURE	DUE DATE	EXTENDED DATE	OTHER INFORMATION
Extension of the Payment of the WHT for the months of February 2020 and March 2020	<ul style="list-style-type: none">• <u>Month of Feb 2020</u> 15th March 2020• <u>Month of Mar 2020</u> 15th April 2020	Allowed to make the payment till 30 th April 2020	Payments made on or before 30 th April 2020 shall be deemed as payments made on due dates and any penalty auto imposed by the RAMIS will be waived off.

TEMPORARY TAX CLEARANCE CERTIFICATES

POLICY MEASURE	DATE OF THE EXPIRY OF THE PERMISSION GRANTED	EXTENDED DATE	OTHER INFORMATION
Extension of the validity of the Temporary Tax Clearance Certificates relating to liquor licenses	Period of the validity which will be expired before June 30, 2020	Validity period has been extended until 30 th June, 2020	This extension of the validity of the tax clearance certificate has been granted with the awareness of the Commissioner-General of Excise.

ECONOMIC SERVICE CHARGE (ESC)

POLICY MEASURE	DUE DATE	EXTENDED DATE	OTHER INFORMATION
Due date for the submission of the ESC return for the year of assessment 2019/2020	20 th April 2020	The Department of Inland revenue has not issued any notice extending the due date	Guidelines of e- filling of ESC return has been uploaded to the web portal of the Department of Inland Revenue - Please refer http://www.ird.gov.lk/en/eServices/sitepages/Filing%20of%20return.aspx?menuid=180102

DONATIONS TO COVID – 19 HEALTHCARE AND SOCIAL SECURITY FUND

POLICY MEASURE	RELIEF GRANTED	OTHER INFORMATION
To grant tax relief for the donations made to COVID – 19 Healthcare and Social Security Fund	President’s Media Division has announced that donations to COVID – 19 Healthcare and Social Security Fund have been exempted from taxes	<ul style="list-style-type: none"> • A special account had been opened at the Corporate Branch of the Bank of Ceylon under the account number of 85737373 to grant the donation to the fund. • Local as well as foreign donors have been invited to make contributions to the Fund. • Donations to COVID – 19 Healthcare and Social Security Fund have been exempted from foreign exchange regulations. • Deposits can be made through cheques or telegraphic transfers. • Further details can be obtained from Mr. K.B. Egodawela, Director General (Administration) through 0112354354.

GAJMA & CO

CHARTERED ACCOUNTANTS

If you need further details about the overview of tax policy measures, please contact us:

Mr. N. R. Gajendran – Senior Partner

Mobile: +94 777 799 273

Email: gaj.gajen@yahoo.com

Mr. H. D. E. C. Jayasekara – Partner

Mobile: +94 718 207 216

Email: jayasekara@gajmasl.com

Mr. J. Gajendran – Partner

Mobile: +94 777 777 265

Email: jithendrangaj@gmail.com

Our team will be sure to keep you up to date with developments in a fast moving and challenging situation.



Fight #coronavirus

Be **SAFE** from coronavirus infection

Be **SMART** & inform yourself about it

Be **KIND** & support one another

