

Notice to Customers

Advance Income Tax (AIT) Application under the Inland Revenue Act No. 24 of 2017

We wish to inform our valued customers of the new directions issued by the Inland Revenue Department (IRD) on 28th March 2025, regarding the application of Advance Income Tax (AIT). Below are the key highlights:

AIT on Interest Income:

- ▶ AIT will be deducted at 10% on interest payments from LKR interest-bearing accounts effective 1st April 2025.
- ▶ Islamic financial transactions will also be subject to AIT at 10%.
- ▶ Foreign currency accounts are exempt from AIT deductions.

Non-Taxable Status Declarations:

- ▶ Resident individuals with a total annual income of Rs. 1,800,000 or less can submit a self-declaration to claim exemption from AIT deductions.
- ▶ Submission of the self-declaration is optional, and the relief applies only to those who have submitted a valid declaration
- ▶ Customers can obtain the self-declaration form from the IRD website (www.ird.gov.lk), Bank's Website (www.hnb.lk) or request a copy at any branch.
- ▶ **Taxpayer Identification Number (TIN) is required to submit the declaration.**
- ▶ Each depositor in joint accounts must submit a separate declaration.
- ▶ Declarations are valid for the relevant Year of Assessment, and any new accounts opened will require fresh declarations.
- ▶ On behalf of a minor child, the guardian can submit the declaration form, providing Parent/Guardian's NIC and TIN details.

For further details or assistance, please contact your nearest branch or visit our website.

