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Operating manual on VAT refund on electronic payment

Exercising power conferred by Section 25(1kha) of VAT Act 2052, Inland Revenue Department (IRD) has issued an "Operating Manual on VAT Refund on Purchase of Goods or Services using Electronic Medium". On implementation of this manual 10% of VAT paid by the consumers will be refunded to their bank accounts automatically, effective from 25th of Poush 2076, however only natural persons purchasing good or service for personal purpose up to the maximum transaction limit of Rs 100,000 shall be eligible.

Purchases shall be made from the person raising electronic invoices from the software registered in IRD as per Electronic Billing Manual 2074, whereas payments shall be made using the credit/debit card, mobile banking, e-banking, payment system operator or payment service operator to become eligible for the refund.

Persons providing such facility shall make adjustment of VAT amount refunded in the credit side of the other adjustments while filing monthly VAT return and the details of the transaction shall be submitted to IRD within 25 days from the month end.

For details [click here](#)

Directive on implementation of VAT on transportation services - 2076

Exercising power conferred by Section 61 of VAT Rules 2053, IRD has issued a directive on implementation of "VAT on Transportation Services, 2076" in order to bring transportation service providers in the ambit of VAT Act and for the effective implementation of the provision. VAT on transportation services was introduced by Finance Bill 2076 which was previously exempted under Schedule 1 of the VAT Act.

On implementation of this directive, transportation service provider including freight forwarder and cargo operator shall compulsorily get registered in the VAT if taxable transaction of such service providers exceeds Rs 2 million during the year. Person providing vehicle rental shall also get registered in the VAT if they fulfill the transaction criteria.

Transportation service providers including cargo operators and freight forwarders shall levy VAT on the service fee at the time of issue of invoice for the transportation management both in the foreign country and Nepal. Such service providers shall file return as per section 18 of the VAT Act every month and pay advance tax as per section 95 of the Income Tax Act 2058.

For details [click here](#)

PKF T.R. Upadhyaya & Co.
124 Lal Colony Marg, Lal Durbar (Near Jai Nepal Hall),
Kathmandu, Nepal
Phone: +977 1 4410927 | 4420026
Fax: +977 1 4413307
Email: trunco@ntc.net.np

PKF TR Upadhyaya & Co., 124 Lal Colony Marg, Lal Durbar, Kathmandu, Nepal www.pkf.trunco.com.np

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