TITLE: ITS_R003 – REGISTRATION FOR PAN AND VAT FOR PROPRIETARY BUSINESS

Purpose: To define the methods and responsibilities for taxpayer registration process for Income Tax (PAN) for proprietary Business.

Scope: This procedure applies to taxpayers who want to register in Income Tax (PAN) for proprietary Business.

Responsibilities:

The Taxpayer is responsible for providing all information required for registration as required by IRD regulation for Income Tax (PAN). Taxpayer can use e-filling or fill up prescribed forms and submit to Inland Revenue Offices (IRO) or Organizations like (FNCCI) approved by IRD.

Tax Officers are responsible for ensuring the correctness and adequacy of the information provided by the taxpayer and register taxpayer as demanded by taxpayer.

Computer Operators are responsible for entering forms submitted by taxpayer for registration of PAN in case taxpayer does not want to use e-filing for registration. Computer Operator is also responsible for printing the PAN card and issuing them after getting signed by officer.

Use Case:
REGISTRATION for PAN FOR Proprietary BUSINESS

Definitions:

Registration Form: Form prescribed by Inland Revenue Department (IRD) for registration purpose.

Registration: Taxpayer is considered registered in Income Tax PAN once taxpayer fulfills all requirement of registration and is approved by Tax Officer.

PROCEDURE:

1.0 Application for registration

This Part is to be done by applicant (Taxpayer).

1.1 To apply for registration PAN, person or company must use IRD website (www.ird.gov.np) and select Taxpayer Portal.

1.2 A click on Taxpayer Portal link will display taxpayer portal menu.

1.3 Expand 'Registration for (PAN, VAT, EXCISE)' menu by clicking on '+' sign beside 'Registration for (PAN, VAT, EXCISE)'.

1.4 Click on menu Item 'Application for Registration'. Following screen will be displayed
1.5 It is necessary to obtain a submission number for each application. This submission number serves as identification number for application. Fill in following information in screen displayed above.

1. Username – Username is case sensitive. This username will be used to open application document again if application is partially filled previously. Hence applicant must note the username.

2. Password – Password is case sensitive and must be six character or more. Password will be required to open previously saved document later. Hence applicant must note the password.

3. Re-Password – Re-enter password again just to confirm previously typed password.

4. Contact No – Type in Contact number.

5. Email-id – Type in Email Id

6. Registration for – Tick Income Tax and VAT both.

7. Select where application is to be registered. Select from radio button IRO/LTO, TSO (Taxpayer Service Center) or 'Other' for applying in IRD authorized organization for verification. 'Other' radio button becomes visible only if PAN (selecting more one will not enable 'Other' button) is selected in previous step. Selecting other will also enable other office selection list box.

8. Select IRO where PAN will be registered.

9. Select office where application will be registered from the list.

10. Press 'OK' button at bottom right corner.
On pressing 'OK' button following screen will be displayed.

Note down submission number, username and password. Submission number will be required to print the form as well as for verification by the Tax Officer.

Enter the following.

1. Select Business Type Individual from the list.
2. Select Business Sub Type from the list. If Individual is selected business sub type will display 'PROPRIETORSHIP' only.
3. If taxpayer has already received the PAN from Office of Company Registrar (OCR), enter PAN number. Otherwise press 'No'.

Press 'Continue' button to go forward. On pressing 'Continue' button following screen will be displayed.
Enter following information:

1. **First Name, Middle Name and Last Name of the applicant in Nepali.** Although typed information will be Unicode use Remington standard for typing.

2. **First Name, Middle Name and Last Name of the applicant in English.**

3. **Sex:** Select Sex in radio button. Third Gender is also allowed.

4. **Date of Birth:** Date of birth can both be in Bikram Sambat (BS) or in English date (AD), but it must be indicated in radio button above date of birth. Date format for both BS and AD is 'YYYY.MM.DD'.

5. **Nationality:** Select nationality from list and press enter. Nationality is by default 'Nepal'.

6. **Documents:** At least one of the documents from the list displayed must be entered. To enter document click upload sign with up-arrow at the right side of the document to be uploaded (Such as citizenship, passport etc). System will display following screen.
7. Enter document number such as citizenship number or driving license number or passport number depending on which document type was selected from the list.

8. Enter name of the office which issued the document.

9. Enter Place of Issue.

10. Enter Issue Date in Nepali in 'YYYY.MM.DD' format.

11. To upload document first scan the document in black and white mode and at minimum resolution (high resolution scanned document takes longer time to upload) and save somewhere in the disk. Then Press 'Browse' button and identify the scanned document in the drive and double click picture file of the document.

12. To finish document entry press 'OK' button.

13. Uploading Photo:
   a. To upload photo scanned photo is required.
   b. Click on the 'Browse' button.
   c. Locate scanned photo and press open button. Picture will be loaded in new windows as follows.
d. Place the rectangle over the face by grabbing the rectangle and dragging over the face. Resize the rectangle by dragging the corner of the rectangle to clip the area of the loaded picture so that passport size picture is clipped. Press 'Take his picture' button to clip and load picture. Loaded picture will be displayed in the right of the screen.

14. Enter First Name, Middle Name and Last Name of the spouse.

15. Enter First Name, Middle Name and Last Name of the Father in Nepali.

16. Enter First Name, Middle Name and Last Name of the Father in English.

17. Enter First Name, Middle Name and Last Name of the mother in Nepali. Father's name or Mother's name is mandatory.

18. Enter First Name, Middle Name and Last Name of the Grand Father in Nepali.

19. Enter First Name, Middle Name and Last Name of the Guardian in case of minor in Nepali.

20. Enter Professional Certificate Number.

21. Select Professional Category from the List.

22. Select Professional Sub-Category from the list.

23. Press 'Add' button to add professional data.

24. Applicant can add more than one professional data by repeating step 19 to 22.
25. Entering Address:
   a. Select District from the List.
   b. Select whether address is in Metro, Sub-Metro, Municipality or VDC.
   c. Enter Name of Metro, Sub-Metro, Municipality or VDC in Nepali.
   d. Enter Name of Metro, Sub-Metro, Municipality or VDC in English.
   e. Enter Location Name (Tole) in Nepali.
   f. Enter Location Name (Tole) in English.
   g. Enter Email Address
   h. Enter Contact Number if available.

26. Entering Temporary Address (Note: this is not mandatory)
   a. Select district from the list of values.
   b. Click on one of the radio buttons for (Metro, Sub Metro, Municipality or VDC).
   c. Enter name of (Metro, Sub-metro, Municipality or VDC).
   d. Enter tole.
   e. Enter House Number.
   f. Enter Ward Number.

27. At this stage you can either SAVE data by pressing 'Save' button.
28. Press 'Next' button to continue entering data. By pressing 'Next' button system will display screens for business detail entry.

Enter Business Details:

29. On pressing 'Next' button following screen will be displayed.

![Image of business detail entry screen]

30. Enter Trade name in Nepali.

31. Enter Trade name in English.

32. Enter Registration Details, such as Business Registration Date, Registration Number, Place of registration, Business Start Date.

33. Tick whether Business is new or transferred from other owner.

34. Tick whether this business is Main Business. Individuals can have more than one business, but one of the businesses must be tagged as main business. Trade Name of this business will be displayed as the main trade name in the certificate.

35. Enter Address of Main Office and Main Place of Business.

36. Enter Business Detail, such as Business Type, Business Sub-type and press 'Add' button. More than one business type and sub-type can be added. These Business Type and Business Sub-type will be displayed in the certificate. So business type and sub-type needs to be selected carefully.
37. Click whether business have branch. If yes is selected one more tab for branch detail will become visible.

38. Enter Land Lord's details after clicking in land lord tab, if office is in rented property. Land lord's detail include:
   
   a. PAN (if Exist).
   b. Land lord's Name.
   c. Area in square feet.
   d. Parcel Number.
   e. Rent Amount and
   f. Land lord's address.

39. Enter Business Personnel detail (detail of Managing Director or CEO) by clicking 'Business Personnel detail' tab.
a. Enter First Name, Middle Name and Last Name of business persons such as CEO, Managing Director etc in Nepali.

b. Enter First Name, Middle Name and Last Name of business persons such as CEO, Managing Director etc in English.

c. Enter Appointment Date in Nepali (BS).

d. Select Document Type (Citizenship, passport or Embassy ID).

e. Enter Identification Number.

f. Enter Issuing office name.

g. Location of issuing office.

h. Enter Issue date.

i. To upload the Identifying document click 'Browse' button and locate the scanned document and double click scanned document file.

j. Enter Address of Business Person.

k. Enter Detail of contact person for tax purpose if the person is different than CEO or Managing Director in the same manner as Business person entry.

40. Enter Branch Detail (If branch exists) by clicking 'Branch Detail' tab.
a. Enter Branch Serial No.

b. Enter Branch Start Date in Nepali.

c. Enter Branch Name in Nepali.

d. Enter Branch Name in English.

e. Enter Branch Address.

f. Press 'Add शाखा' button to add branch.

g. Repeat process a to f to add more branch.

41. Press 'Add Business' button to add business. System will show one line in the grid below.

42. More business can be added by entering business detail and pressing 'Add Business' button.

43. At this stage you can either SAVE data.

44. Press 'Next' Button to enter VAT related information. On pressing 'Next' Button following screen will be displayed.
45. Enter VAT related data as follows:

a. Select whether registration to VAT is requested voluntarily or not. Selecting voluntarily will decide the filling period to Trimester 'T', if expected or actual turnover does not exceed VAT threshold otherwise filling Period will be 'M'.

b. Enter applicable registration date.

c. Enter PAN number if already registered in Income TAX.

d. Enter VAT registration number if already registered in VAT. This is applicable only if taxpayer is already registered in VAT before creation of Inland Revenue Department in Then VAT department.

e. Enter Registration date if PAN exists.

f. Enter Last Fiscal Year's Taxable Turnover including export.

g. Enter Estimated Taxable Turnover including export for next three month.

h. Enter Last Fiscal Year’s estimated Total non-taxable Turnover including export.
i. Enter Estimated Total non-taxable Turnover including export for next three month.

j. Enter Last Fiscal Year’s VAT Exempt Turnover including export.

k. Enter Estimated VAT Exempt Turnover including export for next three month.

l. Enter Last Fiscal Year’s Total Turnover.

m. Enter Estimated Total Turnover for next three month.

n. Enter Last Fiscal Year’s Total Assessable Income.

o. Enter Estimated Total Assessable Income for next three month.

p. Enter Last Fiscal Year’s Total Export.

q. Enter Estimated Total Export for next three month.

r. Check filling Period generated by system by pressing 'Check Filling Period' button.

s. Enter Contact Person detail for VAT (including address) if it is different than contact person for Income Tax.

46. Press 'Save' button to save data. This will save data and will allow edit data later.

47. Press 'Submit' button to submit the application. Once submitted information in the application can not be modified.

48. Press 'Print' button to print the Registration Form. Sign the application and submit to IRO/TSO/LTO officer for verification.

2.0 Verification of Application

2.1 All application submitted by Taxpayer will be displayed in Submitted List of LTO/IRO/TSO officers.

Effectiveness Criteria:

Average time to register a Business PAN and VAT.

References:

None:

Revision History:

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