TITLE: ITS-I006 CLOSE OF BUSINESS

Purpose: To define the procedure to close the business by taxpayer. Taxpayer need to submit the tax return when business is closed under Income Tax Law clause 96 section 5 (See Nepali Text).

Scope: To submit Close of Business and verify the return.

Responsibilities:

The **Taxpayer** is responsible for providing all the information related to tax return prescribed by IRD (D-03).

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

Use Case:
Definitions:

**Close of Business Form**: Form prescribed by Inland Revenue Department (IRD) for Tax Payment.

**PROCEDURE**:  

1.0 **Close of Business Steps**

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

1.1 To fill income tax details, person or company must use IRD website (www.ird.gov.np) and select Taxpayer Portal.

1.2 Click on Taxpayer Portal link will display taxpayer portal.

1.3 Expand 'Income Tax' menu by clicking on '+' sign beside 'Income Tax' Menu.

1.4 Click on Close of Business.

1.5 It is necessary to obtain a submission number for each application. This submission number serves as identification number for application. To obtain submission number click ‘Get Submission No’ link and fill in following information in screen displayed below.
a. 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.

b. 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.

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

d. Pan No

e. Fiscal Year

f. Email-id – Type in Email Id

g. Contact No – Type in Contact number.

h. Press 'Register' button at the bottom.

On pressing 'Register' button, the 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.
On pressing 'Proceed’ button, the following screen will be displayed.

Basic Information like Fiscal Year, Submission No, Pan, Name, Address etc. appears by default.

**End Date:** Enter End Date of Close of Business.

**Spouse PAN(Y/N):** Select whether spouse has pan or not from the drop down list and press TAB key to go to next field.

**Spouse PAN:** Enter this if tax return is claimed as clubbed in taxpayer type. Type PAN Number of the taxpayer’s spouse and press TAB key to go to next field.

**Spouse name:** Type spouse name and press TAB key to go to next field.

Enter Auditor’s PAN if there is one. This field is required if total income exceeds 50 lakh in case individual or PAN is an entity.

Auditor’s Name is displayed automatically based on the PAN number of the auditor.
Enter Auditor’s Registration Number.

Click on Register button. Then the following screen appears:

![Successfull Saved!!!](image)

Note down the Submission No. and click Enter Annex to proceed further and then following screen appears.

1.7 Entering Annex 5:

Annex 5 is filled to describe the details of the business. Click on Annex 5 button to enter details of annex 5. Then the following screen appears.
Fill in the required fields. The fields in this form are as:

**Tax Category:** Select from the list of values what category business belongs to. Press TAB key to go to next field.
**Country:** Select country of income source from drop down menu. Press TAB key to go to next field.

**Inclusion:** Fill in the inclusion section from the income source and press TAB key to go to next field.

**Deduction:** Fill in deduction amounts and press TAB key to go to next field.

**Miscellaneous:** Fill in other sections like miscellaneous, discount, deduction in loss.

Then click on submit button then the following screen appears.

![Success Message]

Click on OK button.

**1.8 Entering Annex 6:**

Annex 6 is filled to describe the details of remuneration income. Click on Annex 6 button to enter details of annex 6. Then the following screen appears.
**Inclusion**: Fill in the inclusion section from the income source and click “Save” button to save the data.

**1.9 Entering Annex 7:**

Annex 7 is filled to describe the details of income from Investments. Click on Annex 7 button to enter details of annex 7. Then the following screen appears.
<table>
<thead>
<tr>
<th>Inclusions (38)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dividends (Section 2.2.a)</td>
</tr>
<tr>
<td>2. Gains from Investment Insurance other than final Withholding (Section 2.2.a)</td>
</tr>
<tr>
<td>3. Interest other than final Withholding (Section 6.1.a)</td>
</tr>
<tr>
<td>4. Rent other than final Withholding (Section 2.2.a)</td>
</tr>
<tr>
<td>5. Payment for natural Resources other than final Withholding (Section 2.4.a)</td>
</tr>
<tr>
<td>6. Rivalries (Section 2.4.a)</td>
</tr>
<tr>
<td>7. Expenses (Other than salary) incurred for providing services or for obtaining a business</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions (34)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interest (Section 14)</td>
</tr>
<tr>
<td>2. Repairs and Improvements (Section 16)</td>
</tr>
<tr>
<td>3. Depreciation (Section 19)</td>
</tr>
<tr>
<td>4. Amounts derived from joint Ownership (Investment) (Section 30)</td>
</tr>
<tr>
<td>5. Amounts derived as Compensation (Section 31)</td>
</tr>
<tr>
<td>6. Other Amounts to be included in Profit and Gains (details attached)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductible Loss (34)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Losses transferred from other Businesses under Investments in this Year</td>
</tr>
<tr>
<td>2. Carried forward of Unrelated Business Losses from previous Years</td>
</tr>
<tr>
<td>3. Total (1 + 2)</td>
</tr>
<tr>
<td>4. Loss (Net of gain) (3 + 4)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Miscellaneous Deductions (34)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Loss transferred to other Investments (only if Net 30 is less than 0)</td>
</tr>
<tr>
<td>2. Total (3 + 4)</td>
</tr>
</tbody>
</table>
**Inclusion:** Fill in the inclusion section from the income source and press TAB key to go to next field.

**Deduction:** Fill in deduction amounts applicable and press TAB key to go to next field.

**Deductible Loss:** Fill in deduction amounts applicable and press TAB key to go to next field.

**Miscellaneous:** Fill in other sections like miscellaneous

Then click on “Save” button to save entered data.

### 1.10 Entering Annex 8

Annex 8 is filled to describe the details of Income from disposal of non-business asset. Click on Annex 8 button to enter details of annex 8. Then the following screen appears.

Fill in the required fields. The fields in this form are as:

**Tax Category:** Select from the list of values what category business belongs to. Press TAB key to go to next field.
**ISA (Income from shares and assets):** Fill in the inclusion section from the income source and press TAB key to go to next field.

**Deductible Loss:** Type deduction amount and press TAB key to go to next field.

Then click on save button to save entered data.

### 1.11 Entering Annex 1

Annex 1 is filled for pan of individual type. System will display annex 1 if PAN is an individual Taxpayer.

Click on Annex 1 button to enter details of annex 1 which appears only after we enter Annex 5, 6, 7 or 8. Then the following screen appears.

![annex 1 screenshot](image)

Fill in the required fields. The fields in this form are Retirement Fund, Donation, Insurance, Deductible Amount etc.

Then click on “Save” button to save entered data.

### 1.12 Entering Annex 2

Annex 2 is filled for pan of Business type. Click on Annex 2 button to enter details of annex 2 which appears only after we enter Annex 5, 7 or 8. Then the following screen appears.
After filling required fields click on ‘save annex 2’ button then the following screen appears.

Click on OK button.

1.13 Entering Annex 10

Annex 10 is filled to claim credits such as installment payments, final tax payments, TDS, Vehicle Tax and Custom Tax. Click on Annex 10 button to enter details of annex 10. Then the following screen appears.
a. कर दावीको क्किसिम: This field displays the list of values like

![Credit Claim Image](image)

b. Depending upon the type of value you select from the list, it displays the dynamic form.

c. Enter the fields like Revenue Account No., दाखीलाको तरिका, दाखीला निस्सा नम्बर, बैंकको नाम, दाखीला मिति, दाखीला रकम etc. and click ![Add Button](image) to list the added values to grid.

d. You can edit or delete rows in the grid by clicking ![Edit Icon](image) or ![Delete Icon](image) icon.

e. When all the required data are entered then click ‘SAVE’ button to save entered data.

1.14 Entering Annex 11

Annex 11 is related to Medical Tax Credit Claim. Click on Annex 11 button to enter details of annex 11. Then the following screen appears.

![Annex 11 Image](image)

a. Click ‘Add New’ button and add the fields like listed below:

- Expense Date, Name of Service Provider, Type of Service, Expense Amount etc.
b. We can add multiple data but just clicking ‘Add New’ button. Then click on save button to save entered data.

1.15 Entering Annex 12

Annex 12 is related to Foreign Tax Credit Claim. Click on Annex 12 button to enter details of annex 12. Then the following screen appears.

a. Click ‘Add New’ button and add the fields like listed below:

Country, total Unclaimed Foreign Tax from last Fiscal year, total Foreign Tax paid this fiscal year, total foreign tax claimed this fiscal year etc.

b. We can add multiple data but just clicking ‘Add New’ button. Then click on save button to save entered data.

1.16 Entering Annex 13

Annex 13 was introduced in FY 2067/68 to collect balance sheet information as well as sales and purchase records above 5 lakh transaction. Then the following screen appears.
a. Fill in financial details (balance sheet information)
b. If taxpayer have financial Transaction of amount greater than Rs. 5,00,000 than they have to enter the details about it in the below which includes data like Pan, business holder's name, Sales/Purchase/Debtors/Creditors, Amount etc. We can upload these fields through Excel file as well.
c. We can download the excel upload sample by clicking ‘View Sample’ button.

d. Click on “Save” button to save entered data.

1.17 Submitting the Return

To submit go to annex list page and press 'Finalize Submit' Button. Once submitted, return cannot be edited.

1.18 Print Return

To print, the go to first page and press 'Print' Button.

2.0 Verification of Application

Taxpayer can verify the return themselves if taxpayer has obtained username and password from respective tax offices for verification. If username and password is not taken then taxpayer must print the return and submit to tax officer for verification. Use SOP ITS-G002 Module Verification to verify close of business return.

Effectiveness Criteria:

It takes average time to enter Close of Business form and verify.

References:

SOP ITS-G002 Module Verification

Revision History:

<table>
<thead>
<tr>
<th>Revision</th>
<th>Date (DD/MM/YY)</th>
<th>Description of Changes</th>
<th>Requested By</th>
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